



## RECONNAISSANCE OF LEADERSHIP STYLES ON SELF-PERCEIVED OUTCOME BEHAVIOUR TOWARDS THEIR LEADER AND PERFORMANCE – AN EMPIRICAL RESEARCH

**Mr. S.Chandramouli**

Ph.D - Research Scholar, Department of Business Administration  
Anamalai University, Chidambaram, Tamilnadu, India.

**Dr.C.Madhavi**

Professor, Department of Business Administration  
Anamalai University, Chidambaram, Tamilnadu, India.

### ABSTRACT

In the IT industry, accountability establishes a connection between the person and/or team and IT. No one person can do it all, and IT leaders surround themselves with people who are willing to share the burden to protect the integrity of the system, the security of the clients, and the droves of data collected within the system. The prime objective of this paper is to reconnoiter the relationship between the leadership styles and the employees' self-perception towards their leaders' performance and efficiency. The 300 samples were collected from the employees working in IT industry, Chennai. The hypothesized model was verified using and correlation a multiple regression analysis tools using IBM SPSS 22.0 software package. The results of the study indicate that there is a robust relationship exists between the leadership styles and the factors of self-perception outcome behaviour towards their leaders' performance and efficiency. Based on the results of the research, the researcher recommends that the participative leadership style may be more suitable for IT industry, however it is recommended that instead of practicing single leadership style, practicing combination of more than one leadership styles may yield better satisfaction of the subordinates about their leaders' performance and effectiveness, which may result in improved organizational performance.

**KEYWORDS** : Leadership, Leadership styles, Self-perceived Outcome behaviour, Information technology industry, Leaders' effectiveness.

### 1. INTRODUCTION

**A leader is one who knows the way, goes the way, and shows the way**

Leadership is the inexorable thing in organizational life. Leadership is the life wire of an organization. Leaders are the one who visualize the future of the organization and direct the organizations' resources towards the accomplishment of goals. Kenneth and Hersey [1] assert that; "The effective leader must be a good diagnostician and adopt style to meet the demands of the situation in which they operates. Different leadership styles are used that fit to employees on the basis of amount of directions, empowerment, and decision making power. Leadership style is the relatively consistent pattern of behavior that characterizes a leader (Dubrin, 2001). It is evident from the earlier researches evident that, the leadership style has the impact on employees' motivation, productivity/ performance, and organizational performance. Leadership is the buzz word in every industry, and Information technology industry is no exception to this. The Information technology industry is a rapidly growing industry which demands the efficient leader to lead the team in par with the international standard competition. An effective leader in IT is one who harbors a drive to learn, to make mistakes, and to tap into the knowledge of others. IT is a fast-paced industry. The rate of change is unlike any other industry. The pressure to control rising costs and the demand for innovation hovers over the IT industry daily. Leadership is the willingness to learn, to adapt and to re-invent. This permits the IT industry to flourish, to comply with regulations, to adapt to change, and most importantly, to remain engaged.

### 2. THEORETICAL CONCEPTS AND LITERATURE REVIEW

This section of the research paper deals with the basic concepts, theories and literature review related to the chosen research domain.

#### 2.1. Leader

A leader is the person who is having or not having the formal authority, but having the ability to convince other people to follow. A great leader inspires confidence in other people and moves them to action.

#### 2.2. Leadership

Leadership is the process of heading the team / group of persons towards accomplishment of societal / organizational objectives. In other words, Leadership is the ability to employ managerial competencies to organized performance processes by inspiring, igniting and motivating teams to meet set organizational goals (Carter, 2008). Adair (2002) quoted that, "Leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor which binds a group together and to improve their performance and to direct them towards goals"

#### 2.3. Leadership styles

The leaders apply different kinds of approaches / styles to lead their followers to attain desired results. The various kinds of classification of leadership styles were given by different authors. Different leadership styles may affect organizational effectiveness or performance (Nahavandi, 2002). Daniel (2002), classified different leadership styles from autocratic through democratic to participative to show the degree of authority and decision makes power of leaders and employee, whereas Duanxu Wang et al (2009), has categorized leadership styles into four types such as Authoritarian Leadership, Transformational Leadership, Transactional Leadership, and Benevolent Leadership. Yafang Tsai et al ( ), have classified the leadership styles into four different categories i.e. Charismatic leadership, Transformational leadership, Transactional leadership and Team leadership.

#### 2.4. Self-perceived outcome behaviour

The term 'self-perceived outcome behaviour' refers to self-perception of the employees towards the outcome of the other variable. For example, in our research context, the employees' perception towards their leaders' performance and effectiveness may vary based on the leadership style practiced by their leaders.

#### 2.5. Literature review

Iqbal et al (2015), the purpose of this study is to understand the effect of different leadership styles autocratic, democratic, and participative style on employee performance. The researchers investigated the effect of autocratic leadership styles on employee

performance, the effect of democratic leadership styles on performance and also analyzed the effect of participative leadership styles on employee performance in an organization. At the end it was concluded that the autocratic leadership is useful in the short term and democratic leadership style is useful in all time horizon, whereas participation leadership style is most useful in long term and effect on employees is positive. At end some recommendations are discussed.

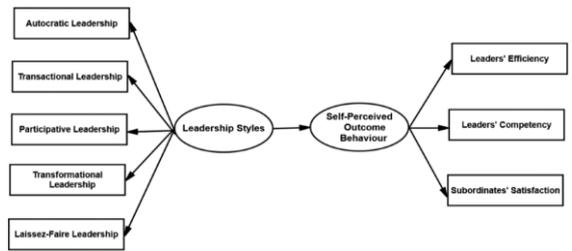
A sample of the population of 5,300 manufacturing employees in two US and one German plants were surveyed using the Avolio et al. (1995) multifactor leadership questionnaire (MLQ). Results indicated higher levels of transformational styles among US employees and among higher-ranked employees. Transformational leadership style, however, were correlated positively with outcome measures in both countries and at all levels of the organizations, but the strength of the correlations was lower for German employees. The study has implications for the practice of international management and leadership development in each country and suggests the need for further research in this area. Peter Kuchinke (2006), in their study investigated the influence of leadership styles on subordinates' levels of satisfaction with the leader, judgment of the effectiveness of the leader, and willingness to exert extra effort in work performance. Muhammad Asrar-ul-Haqa and PeterKuchinke (2016), this paper reports the findings of a study examining the impact of managers' leadership styles on subordinates' performance. The impact of leadership styles on employee performance outcomes is explored theoretically and tested empirically in the Pakistani banking sector. The sample of the study consisted of 224 full-time employees in the banking sector of Pakistan. Findings of this study reveal that there exists a significant relationship between transformational leadership and employee performance outcomes. However, laissez-faire leadership style showed negative relationship with employee performance outcomes in terms of effectiveness, and employee satisfaction. Banking industry in Pakistan is prone to numerous challenges including employee turnover.

**3. METHODS AND SAMPLES**

This research followed descriptive research design, in order to describe the characteristics of employees working in Information technology industry about the different leadership styles practicing by their leaders and its impact on employees' self-perceived outcome behaviour i.e. employees' attitude towards leaders' performance and effectiveness. The sample of 300 employees working from three Information Technology organizations located in DLF IT Park, Chennai were chosen for the study. The samples were chosen using Simple random sampling technique from the population. The Primary data was collected through the structured questionnaire, which includes Leadership styles scale (25 items) and Self-perceived outcome behaviour scale (15 items). The Leadership style scale has been categorized into five sections namely, Autocratic leadership (5 items), Transactional leadership (5 items), Participative Leadership (5 items), Transformational leadership (5 items) and Laissez-faire leadership (5 items). Similarly, the self-perceived outcome behaviour scale has been divided in to three sections, such as Leaders' efficiency (5 items), Leaders' competency (5 items), and Subordinates' satisfaction (5 items). The IBM SPSS 22.0 software package was used for data analysis. The primary data was analyzed through the multiple regression analysis and correlation analysis.

**4. RESEARCH MODEL**

The research model as shown in figure 1 was formulated based on theoretical concepts and literature review surveyed by the researcher. Through this research, the researcher was attempted to explore is there any relationship exists between the leadership style of the superior and self-perceived outcome behaviour of the IT employees towards their leaders' performance and effectiveness.



Hence, the hypothesis of the research is

There is a significant relationship between the leadership styles of the leader and employees' self-perceived outcome behaviour towards their leaders and their effectiveness.

**5. RESULTS AND DISCUSSION**

**5.1. Multiple Regression Analysis – Relationship between Leadership Styles and Self-perceived Outcome behaviour towards their leaders and performance**

Regression analysis is concerned with the derivation of an appropriate mathematical expression is derived for finding values of a dependent variable on the basis of independent variable. It is thus designed to examine the relationship of a variable Y to a set of other variables  $X_1, X_2, X_3, \dots, X_n$ , the most commonly used linear equation in  $Y = b_1 X_1 + b_2 X_2 + \dots + b_n X_n + b_0$

Here Y is the dependent variable, which is to be found.  $X_1, X_2, \dots$  and  $X_n$  are the known variables with which predictions are to be made and  $b_1, b_2, \dots, b_n$  are coefficient of the variables.

In this study, the dependent variable is the Self-perceived Outcome behaviour (Y), Independent variables are Leadership Styles such as Autocratic Leadership ( $X_1$ ), Transactional Leadership ( $X_2$ ), Participative Leadership ( $X_3$ ), Transformational Leadership ( $X_4$ ), Laissez-faire Leadership ( $X_5$ ) are discussed as follows:

**Hypothesis:**

H1a: Leadership Styles have significant influence on Self-perceived Outcome behaviour towards their leaders and performance.

Dependent variable: Self-perceived Outcome behaviour (Y)

Independent variables:

1. Autocratic Leadership ( $X_1$ )
2. Transactional Leadership ( $X_2$ )
3. Participative Leadership ( $X_3$ )
4. Transformational Leadership ( $X_4$ )
5. Laissez-faire Leadership ( $X_5$ )

**Table 1: The influence of Leadership Styles on Self-perceived Outcome behaviour**

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	4607.332	5	921.466	96.625	<0.001**
Residual	1373.262	144	9.537		
Total	5980.593	149			

a. Dependent Variable: Self-perceived Outcome behaviour (Y)

b. Predictors: (Constant), Autocratic Leadership ( $X_1$ ), Transactional Leadership ( $X_2$ ), Participative Leadership ( $X_3$ ), Transformational Leadership ( $X_4$ ) and Laissez-Faire Leadership ( $X_5$ )

Note:1. \*\* Denotes 1% level of significance

**Table 2: The R-square of Self-perceived Outcome behaviour**

Multiple Correlation Coefficient (R)	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
				R Square Change	F Change	df1	df2	Sig. F Change
0.878	0.770	0.762	3.088	0.770	96.625	5	144	<0.001**

a. Predictors: Autocratic Leadership (X <sub>1</sub> ), Transactional Leadership (X <sub>2</sub> ), Participative Leadership (X <sub>3</sub> ), Transformational Leadership (X <sub>4</sub> ) and Laissez-Faire Leadership (X <sub>5</sub> )
b. Dependent Variable: Self-perceived Outcome behaviour

Note: 1. \*\* Denotes 1% level of significance

**Table 2 reveals that the multiple correlation coefficient is 0.878** measures the degree of relationship between the actual values and the predicted values of the Self-perceived Outcome behaviour. Because the predicted values are obtained as a linear combination of Autocratic Leadership (X<sub>1</sub>), Transactional Leadership (X<sub>2</sub>), Participative Leadership (X<sub>3</sub>), Transformational Leadership (X<sub>4</sub>), and Laissez-faire Leadership (X<sub>5</sub>), the coefficient value of 0.878 indicates that the relationship between adjustment and the five independent variables is positive.

**The Coefficient of Determination R-square** measures the goodness-of-fit of the estimated Sample Regression Plane (SRP) in terms of the proportion of the variation in the dependent variables explained by the fitted sample regression equation. Therefore the **R-square value is 0.770**, which means about 77% of the variation in adjustment is explained by the estimated Sample Regression Plane (SRP) that uses the Independent Variables such as Autocratic Leadership, Transactional Leadership, Participative Leadership, Transformational Leadership, and Laissez-faire Leadership. The R-squared value is significant at 1 % level.

**Table 3: Regression Table for Self-perceived Outcome behaviour Coefficients**

Variables	Unstandardized Coefficients		Standardized Coefficients	T	P value	95.0% Confidence Interval for B		Correlations		
	B	Std. Error				Lower Bound	Upper Bound	Zero-order	Partial	Part
(Constant)	2.377	2.835	-	0.838	0.403	-3.227	7.981	-	-	-
Autocratic Leadership (X <sub>1</sub> )	0.177	0.140	0.076	1.264	0.046*	-0.100	0.454	0.597	0.105	0.050
Transactional Leadership (X <sub>2</sub> )	0.268	0.225	0.086	1.190	0.034*	-0.177	0.712	0.686	0.099	0.048
Participative Leadership (X <sub>3</sub> )	1.878	0.144	0.636	13.066	<0.001**	1.594	2.162	0.759	0.737	0.522
Transformational Leadership (X <sub>4</sub> )	0.807	0.180	0.274	4.482	<0.001**	0.451	1.163	0.516	0.350	0.179
Laissez-Faire Leadership (X <sub>5</sub> )	0.413	0.135	0.133	3.062	0.003**	0.146	0.679	0.314	0.247	0.122

Note: 1. \*\* Denotes 1% level of significance  
2. \* Denotes 5% level of significance

The Multiple Regression Equation is:

$$\text{Self-perceived (Y)} = 2.377 + 0.177X_1 + 0.268X_2 + 1.878X_3 + 0.807X_4 + 0.413X_5 \text{ Outcome behaviour}$$

Here the coefficient of X<sub>1</sub> 0.177 represents the partial effect of Autocratic Leadership on self-perceived outcome behaviour holding the other variables as constant. The estimated positive sign implies that such effect is positive that self-perceived outcome behaviour would increase by 0.177 for every unit of increase in Autocratic Leadership and this coefficient value is significant at 5% level.

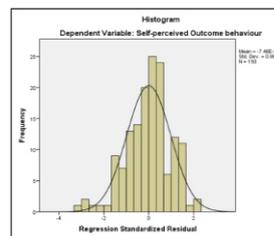
The coefficient of X<sub>2</sub> is 0.268, which represents the partial effect of Transactional Leadership on self-perceived outcome behaviour by holding other variables as constant. The estimated positive sign implies that such effect is positive that self-perceived outcome behaviour would increase by 0.268 for every unit of increase in Transactional Leadership and this coefficient value is significant at 5% level.

The coefficient of X<sub>3</sub> is 1.878, which represents the partial effect of Participative Leadership on self-perceived outcome behaviour by holding other variables as constant. The estimated positive sign implies that such effect is positive that self-perceived outcome behaviour would increase by 1.878 for every unit of increase in Participative Leadership and this coefficient value is significant at 1% level.

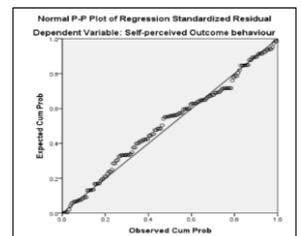
The coefficient of X<sub>4</sub> is 0.807, which represents the partial effect of Transformational Leadership on self-perceived outcome behaviour by holding other variables as constant. The estimated positive sign implies that such effect is positive that self-perceived outcome behaviour would increase by 0.807 for every unit of increase in Transformational Leadership and this coefficient value is significant at 1% level.

The coefficient of X<sub>5</sub> is 0.413, which represents the partial effect of Laissez-Faire Leadership on self-perceived outcome behaviour by holding other variables as constant. The estimated positive sign implies that such effect is positive that self-perceived outcome behaviour would increase by 0.413 for every unit of increase in Laissez-Faire Leadership and this coefficient value is significant at 1% level.

As per the table 3, it is understood that the standardized coefficient value, X<sub>3</sub>, i.e., "Participative Leadership" is the most important factor that improves the self-perceived outcome behaviour in the IT Companies followed by X<sub>4</sub>, i.e., "Transformational Leadership", X<sub>5</sub>, i.e., "Laissez-faire Leadership", X<sub>2</sub>, i.e., "Transactional Leadership", and X<sub>1</sub>, i.e., "Autocratic Leadership". Hence from the regression analysis, it is established that participative leadership style has more influence towards self-perceived outcome behaviour of the employees towards their leaders and their performance while compare to all other leadership styles.



**Figure 2: The distribution of Self-perceived Outcome behaviour**



**Figure 3: Normal plot of Self-perceived Outcome behaviour**

**5.2. Correlation Analysis**

The correlation analysis was used in this research to explore the relationship between the types of leadership styles and factors of self-perceived outcome behaviour. The table 4 presents the correlation coefficients between the chosen variables.

**Table 4**Correlation between factors of Leadership styles and self-perceived outcome behaviour

Self-perceived Outcome behaviour Leadership styles	Leaders' Efficiency	Leaders' Competency	Subordinates' Satisfaction	Self-perceived Outcome behaviour
<b>Autocratic Leadership</b>	0.520**	0.448**	0.540**	0.597**
<b>Transactional Leadership</b>	0.655**	0.507**	0.564**	0.686**
<b>Participative Leadership</b>	0.675**	<b>0.779**</b>	0.615**	0.759**
<b>Transformational Leadership</b>	0.426**	0.251**	0.659**	0.516**
<b>Laissez-Faire Leadership</b>	<b>0.195*</b>	0.269**	0.332**	0.314**
<b>Leadership styles</b>	0.678**	0.617**	0.689**	<b>0.788**</b>

Note: \*\* Correlation is significant at 1% level  
 \* Correlation is significant at 5% level

From the above Table 4, it is observed that the correlation coefficient between **Autocratic Leadership** and **Leaders' Efficiency** is 0.520, which indicates 52% positive relationships between them and is significant at 1% level. Correspondingly 44.8% positive relationship between **Autocratic Leadership** and **Leaders' Competency**, 54% positive relationship between **Autocratic Leadership** and **Subordinates' Satisfaction**, 59.7% between **Autocratic Leadership** and **Self-perceived Outcome behaviour**.

The correlation coefficient between **Transactional Leadership** and **Leaders' Efficiency** is 0.655, which indicates 65.5% positive relationships between them and is significant at 1% level. Similarly 50.7% positive relationship between **Transactional Leadership** and **Leaders' Competency**, 56.4% positive relationship between **Transactional Leadership** and **Subordinates' Satisfaction**, 68.6% between **Transactional Leadership** and **Self-perceived Outcome behaviour**.

It is observed that the correlation coefficient between **Participative Leadership** and **Leaders' Efficiency** is 0.675, which shows 67.5% positive relationships between them and is significant at 1% level. Similarly 77.9% positive relationship between **Participative Leadership** and **Leaders' Competency**, 41.5% positive relationship between **Participative Leadership** and **Subordinates' Satisfaction**, 75.9% between **Participative Leadership** and **Self-perceived Outcome behaviour**.

It is perceived that the correlation coefficient between **Transformational Leadership** and **Leaders' Efficiency** is 0.426, which specifies 42.6% positive relationships between them and is significant at 1% level. In the same way, 25.1% positive relationship between **Transformational Leadership** and **Leaders' Competency**, 65.9% positive relationship between **Transformational Leadership** and **Subordinates' Satisfaction**, 51.6% between **Transformational Leadership** and **Self-perceived Outcome behaviour**.

It is witnessed that the correlation coefficient between **Laissez-Faire Leadership** and **Leaders' Efficiency** is 0.195, which specifies 19.5% positive relationships between them and is significant at 5% level. whereas, 26.9% positive relationship exists between **Laissez-Faire Leadership** and **Leaders' Competency**, 33.2% positive relationship between **Laissez-Faire Leadership** and **Subordinates' Satisfaction**, 31.4% between **Laissez-Faire Leadership** and **Self-perceived Outcome behaviour**.

It is detected that the correlation coefficient between **Leadership styles** and **Leaders' Efficiency** is 0.678, which indicates 67.8% positive relationships between the above mentioned variables and is significant at 1% level. Likewise, 61.7% positive relationship between **Leadership styles** and **Leaders' Competency**, 68.9% positive relationship between **Leadership styles** and **Subordinates' Satisfaction**, 78.8% between **Leadership styles** and **Self-perceived Outcome behaviour**.

The results of correlation analysis clearly explains that there is a robust relationship between the types of leadership styles and employees' perception towards their leaders' performance and effectiveness. The strong relationship (i.e. 0.779) exists between participative leadership and leaders' competency and the weak relationship (i.e. 0.195) exists between Laissez-faire leadership and leaders' efficiency. However, most of the correlation coefficients values are above 0.5, i.e. 50% relationship exists between the variables.

**6. CONCLUSION**

The outcome of the study indicates that there is a significant association between the leadership styles practiced by the leader and the employees' self-perception outcome behaviour towards leaders' performance and effectiveness. Hence, it is concluded that the leader has to choose appropriate leadership style based on the subordinate skills, knowledge and their abilities, because practice of single leadership style among variety of employees will not fetch the desired results. The use of appropriate leadership style will yield better satisfaction of the subordinates about their leaders' competency and efficiency.

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