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# EP JOURNAL OF HUMAN RESOURCES

## Aims and Scope

An EP Journal of Human Resources (EJHR) is a peer-reviewed journal that provides a specialized encouragement and dissemination of research and practice in human resource management research. It is a journal that aims to provide a forum for discussion and debate, and to stress the critical importance of people management to a wide range of economic, political and social concerns. In terms of the discipline focus, all articles broadly focusing on the theory and practice of managing human resources for the benefit of individuals, firms and community at large will be acceptable.

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# Workforce Diversity Management As A Key To Improve Productivity: A Review Article

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## **ABSTRACT**

*Studies on the workforce diversity and its management has progressively been blooming over the last two decades and now firmly positioned among the hot and burning issues in the field of Human Resource Management and its practice. This conceptual review paper is an attempt to create and elaborate an understanding on the important concepts of diversity, its management and workforce productivity. Moreover the relationship between diversity management, job satisfaction and productivity is explored in depth. Problems presently facing the theoretical side of the diversity management literature also presented in this paper. Finally, this review article calls for an alternative approaches to studying diversity on the basis of critical literature analysis.*

**Keywords:** *Diversity, productivity, workforce*

## **1. Introduction**

In today's era of globalization the workforce is becoming progressively more diverse in the world of work and it is by far more imperative than ever for organizations to assume varieties of diversity management strategies. Through properly understanding and managing workforce diversity, companies will be able to create a competitive advantage in the market. On the other hand, incorrect prospection of workforce diversity would result into negative effect and thus diversity is seen as a —double-edged sword (Milliken and Martins, 1996). While many literatures agree on the importance of workforce diversity saying, 'it is positively associated with creativity, problem-solving skills, a wider range of perspectives, better problem definition and solutions', Some other literatures contends work place diversity as 'a source of disagreements, emotional conflicts, reduction in creativity, innovation, quality, and performance of employees and organizations ultimately leading to negative effects on the team performance (Jehn, 1994, 1995; Amason, 1996; De Dreu and Vande, 1997; Friedman et al., 2000; Passos and Caetano, 2005). However, the concept of diversity management rests on the paybacks to be gained from recognizing workforce differences and similarities at work place (Armstrong, 2009).

Thus this review article intends to create and elaborate an understanding on workforce diversity management and productivity. How proper workforce diversity management increases productivity at workplace? It examines whether the relationship between work force diversity and productivity is

sufficiently explored in past? How accurate and consistent the results are? What are the findings of those studies? What are the shortcomings of those studies? What aspects of diversity and productivity need to be discussed further? To answer these questions, previous studies on the topics will be assessed and reviewed in detail.

## **2. Methodology**

This study is a qualitative literature review on the concepts of workforce diversity management, job satisfaction, productivity and the relationship between them. It is purely conceptual as it relies on journal articles, books, conference proceedings and websites for secondary data. In the following sections, relevant studies are summed up under headings of, the concept of diversity; advantages and disadvantages of diversity; the concept of workforce productivity; workforce diversity management; diversity management and job satisfaction; the relationship between diversity management and productivity. Finally, concluding remarks about the reviewed studies and future research directions are stated at the end.

## **3. Literature Review**

### **3.1 The Concept of Diversity**

Thomas Friedman (2005) in his book entitled 'The World is flat' mentioned the ten major forces that flattened the world. He says, because the world is flattening and shrinking we are going to see every color of the human rainbow and much more diverse people from every corner of the flat world. Let us look at glance on the earlier studies on the concept of workforce diversity.

The term diversity is recently used in many studies that are concerned with differences among the workforces at workplace just to describe all types of surface level and deep level dimensions such as role, function and personality (Hicks-Clarke and Iles, 2000). The primary elements that differs individuals from one another as mentioned in Joplin and Daus, 1997; Hicks-Clarke and Iles, 2000; Kersten, 2000; Triandis, 2003 are age, gender, sexual orientation, social class, culture, ethnicity, disability, education, beliefs, experiences, and race. On the other hand literatures classify workforce diversity at workplace as personal related diversity and organizational related diversity. Personal related diversity includes surface level variables that are related to such variables as race, skin color, gender, etc., or deep level variables such as values, personality, attitudes and beliefs. Organization related diversity variables are such variables as tenure, position and technical skills. Alderfer and Smith (1982); Kossek and Zonia (1993) intergroup theory in which group is categorized as identity groups and organizational group is similar with the above categorization.

Workforce diversity refers to \_the composition of work units (work group, organization, occupation, establishment or firm) in terms of the cultural or demographic characteristics that are salient and symbolically meaningful in the relationships among group members' (DiTomaso et al., 2007). With the major changes taking place in the today's world of work the root and the concern for workforce diversity is now becoming incredibly wide and the management concern on the issue is becoming matter of survival. Recognizing, valuing and properly managing the diverse workforce and developing competitive advantage for better productivity and competition or ignoring and confronting all the negative consequences. Chanda (2006) studied on driving diversity management and mentioned workforce diversity as a hot and burning issue in every organization of current scenario and therefore advised human resource managers to take care in managing this diversity. He also concluded that there exists lack of awarenessAnd towards diversity management approach, the managers don't have sufficient knowledge competency to manage diversified workforce.

### **3.2 Advantages and Disadvantages of Diversity**

There is no denying the mounting empirical and anecdotal evidence that good diversity management can lead to improved business performance where the business contexts and market conditions are taken into account appropriately (CIPD, May 2005). Meaning, if properly managed, diversity will bring positive outcomes for an organization. Hon and Brunner (2000); Friedman and Amoo (2002) portrayed diversity as an essential instrument of generating new ideas, and learning and growth. It can add value if managed effectively (Milliken and Martins, 1996; Knouse and Dansby, 1999), linked positively to decision-making, creativity, innovation, and better service (Cox, 1991), diversity enables firms for flexible strategic fit (Laursen/Mahnke/Vejrup-Hansen, 2004) and it can be a source of learning and creativity, and it is an opportunity for personal promotion and organizational profitability (De Meuse and Hostager, 2001). Understanding the different demands and expectations of diversified markets, group decision-making, group interaction, and innovation are some of the several expected positive outcomes of diversity for an organization (Knouse and Dansby, 1999). A positive diversity climate in an organization is vital and consequently should be seen as a strategic focus area of leadership (Joplin and Daus, 1997; Combs, 2002). Thus the positive forces of diversity are those that:

- Promote cost-effective employment relations
- Enhance customer relations
- Enhance creativity, flexibility and innovation
- Promote sustainable development and business advantage.

Conversely, poorly developed and poorly matched diversity practice can be detrimental to business, creating without gain, raising expectations without delivery, and increasing cost without benefit (CIPD,

May 2005). Cox (1991) says, diversity if not properly handled leads to drawbacks such as interpersonal conflicts, high employee turnover and communication breakdown. Several studies imply that, workforce homogeneity improves trust, enhances communication, and improves reciprocal relations (Mor Barak et al, 1998). In addition a decline in communication and cohesiveness with an increase in heterogeneity between groups was observed (Cox, 1991). Diversity implementation is believed by the privileged groups to threaten their positions (Kossek/Zonia, 1993). Fear of differences, having stereotyped predispositions, a belief that it is unfair, a belief that it is a threat to career and performance development, and a belief that it is threat to profitability are among the major reasons mentioned for resisting diversity (Cox, 1993; De Meuse and Hostager, 2001). Thus the negative forces of diversity are:

- Diminishing cultural relatedness
- The need for financial support to support flexibility
- The jeopardizing of workplace harmony
- Possible conflict between organizational slack and tight fit

However, other studies revealed that the diversity in heterogeneous groups decreases through time after they start working together because of social contact between the more tenured members and the new members (Jackson et al., 1991). Initially a homogeneous group might perform better, but through time with the experience of working together, diverse groups perform better and become more problem solving and innovative (Knouse and Dansby, 1999).

### **3.3 The Concept of Workforce Productivity**

Workforce productivity remains a primary element for success in most organizations (Haenisch, 2012). Workforce productivity can be defined as a measure of the quantity and quality of work done, considering the cost of the resources used (Mathis & Jackson, 2010). It shows whether the activity of an organization is efficient and effective (Saxena , 2014). In some cases the terms productivity, efficiency and effectiveness are used interchangeably by practitioners who sometimes alternate their meanings. However we must not identify productivity with efficiency and/or effectiveness. Productivity requires both efficiency and effectiveness, because a certain activity will not be productive if it is only efficient, but not effective, or effective, but not efficient. Economists define productivity as the relation between output which consists of a given product, service and the amount of both and input which consists of resources used in the product creation process, such as labor, materials, energy. It is also defined as a measure of the efficiency of a person, system, machine, factory, etc., in converting inputs into outputs. There are many different ways of measuring productivity. For example, in a factory productivity might be measured based on the number of hours it takes to produce a good, while in the service sector productivity might be measured based on the revenue generated by an employee divided by his/her



salary (Ibid). In general, productivity is a measure of efficiency in production; how much output is obtained from a given set of inputs (Al-Abri, 2017).

### **3.4 Workforce Diversity Management**

In recent years greater attention has been given to the management of diversity due to demographic changes in the workforce; wider customer base; equal employment opportunities legislation; a shortage of higher-level skills; affirmative action programs and positive discrimination; increasing number of women and part-time workers entering the workforce; changing social attitudes; a more global environment and increasing internationalization.

Diversity management refers to a set of managerial actions aimed at either increasing diversity, and/or promoting amicable, productive working relationships. It is the ability of a manager to achieve success for an organization by making the best of use of the similarities and differences among employees in terms of age, cultural background, physical abilities and disabilities, race, ethnicity, religion, sex, as well as in terms of personality, values, attitudes, perception and cognitive style (Miebi, 2014). Despite decades of practice and increased attention, criticism has been raised that little real progress has been made toward promoting better working relationships across differences in the workplace (Jonsen, et. al., 2011). Managing diversity in contemporary organization is a complex issue that requires a multifaceted approach; its initiatives must be in consonance with organizational missions to be successful. That is, it must be integrated into the agency's overall operating plans and strategies. The aim will be to create an institutional environment in which every person that is different, in terms of human characteristics, feels not only accepted but also respected and valued (Ewoh, 2013). A policy on managing diversity recognizes that there are dissimilarities amongst workers and that these disparities, if appropriately managed will facilitate work to be done more efficiently and effectively. It does not focus solely on issues of discrimination but instead focus on recognizing the dissimilarities among people. As described by Kandola and Fullerton (1994), the concept of managing diversity \_is founded on the premise that harnessing these differences will create a productive environment in which everyone will feel valued, where their talents are fully utilized, and in which organizational goals are met'. Its aim is to harness the diversity for sustaining or enhancing organizational effectiveness. This is an absolutely legitimate aim for business (Srinivasan, 2015).

According to the access and legitimacy paradigm of workforce diversity management, companies must accept and celebrate the differences in their workforce so that the diversity within the company matches the diversity found among the companies primary stakeholders such as customers, suppliers and the community. Thus this concept in the access and legitimacy paradigm necessitates the employment of diversified workforce for every organization. Saha and Patra (2008), focused on the requirements due to

globalized market and benefits of workforce diversity. They said that if the organization is not employing the diversified workforce then that organization is not competitive enough. Elsaid (2012) explains the requirements of global economy saying that organizations should have a diverse workforce so that they can effectively deal with an increasingly diverse customer base and further elucidate diversity management as an important tool that any organization should implement. According to Jeffrey Gandz (1998) increasingly diverse workforces are required in order to understand and respond to the needs and aspirations of increasingly diverse customers. Diversity in the workforce, at all levels, is essential if these customer needs are to be translated into products and services effectively and efficiently. Daniel A. Sauers (1990's) described that companies that do a good job of managing cultural diversity stand to gain such advantages as: hiring and retaining the best of the new labor pool, achieving better performance among female and minority workers, gaining access to greater innovation through better decision making, and gaining the ability to make the most of ethnic and international markets.

### **3.5 Diversity management and job satisfaction**

Empirical studies confirmed that efforts towards diversity management can enhance positive outcomes such as increased employee job satisfaction and organizational commitment, and improved organizational performance (Choi, 2009; Choi & Rainey, 2010; Pitts, 2009). It is believed that policies and programs that promote representative bureaucracy and leadership in order to integrate employees of different backgrounds will help employees reduce relational conflicts or resolve them peacefully (Choi and Rainy, 2014). Employees' perception of being accepted by the organization will improve their job satisfaction (Roberts & O'Reilly, 1979) and their commitment to the organization (O'Reilly et al., 1989). Choi and Rainy (2014) focused on organizational fairness, diversity management and its effect on job satisfaction and concluded that, diversity management combined with just and fair organizational procedures relate to more favorable results such as higher employee job satisfaction. They further explained that, where effective diversity management and organizational fairness are jointly present; the positive influence on employee job satisfaction is even stronger.

### **3.6 The Relationship between Diversity, Diversity Management and Productivity**

In today's scenario workforce diversity is a necessity for the development, both in terms of economic growth and satisfactory intellectual, emotional and moral existence (Jakob Luring, 2009). Luring (2009) further explained that managed differences of skills and shared knowledge, is an important aspect to improve productivity among the organization which is guided by social interaction. A multicultural organization is better suited to serve a diverse external clientele in a more increasingly global market. Such organizations have a better understanding of the requirements of the legal, political, social, economic and cultural environments of foreign nations (Adler, 1991). In research-oriented and hi-tech industries, the broad base of talents generated by a gender and ethnic-diverse

organization becomes a priceless advantage. —Creativity thrives on diversity (Morgan, 1989). Hiring diversified workforce will definitely lead to improved productivity, but may prove to disaster if not managed properly because not only the management but employees are also feeling some problems like language problem (which is acceptable and is not due to thoughts of the employees), attitude clashes, and difference in perceptions, which is directly related to human behavior which ultimately affects the productivity of any organization (Saxena, 2014). Organizations that view diversity as part of their key strategy rather than a business expense will benefit far greater than the organization that does not, and will reap the benefit of cost reduction in attrition and increased revenues (Brown, 2008).

Brunow & Nijkamp (2016) found significant positive effects of cultural diversity on productivity and revenues for culturally diverse high-skilled workers. Different skills and experience, problem solution aspects, and cultural-specific knowledge of employed high-skilled workforce give firms a competitive advantage. Roberson & Park (2007) focused on predicting the relationship between diversity reputation and firm performance. The result of the study shown a significant positive relationship between diversity reputation and book-to-market equity, which suggests that being recognized as one of the top companies for diversity and diversity management may serve as an effective signal to investors about a firm's future earnings prospects. Herring (2009) focused on identifying the value in diversity and concluded that, diversity is good for businesses because it increases productivity and offers a direct return on investment, promising greater corporate profits and earnings. Bartz et.al., (1990) studied on a model for managing workforce diversity and found that proper management of workforce diversity will result in better products delivered in a timelier manner because the assets of employees will be more fully utilized. Effective management of diversity will also improve morale and job satisfaction, while increasing the number of employees who reach their full performance potential. This means that the end results of a good diversity management are positive and benefits both the employees and the organization.

#### **4. Conclusion and Future research direction**

##### **4.1 Conclusion**

From the in-depth review of past studies on workforce diversity management and productivity; it can be concluded that even though there is controversies (double-edged sword), most of the literatures agreed as a proper management of workforce diversity would result into better productivity and job satisfaction. The studies further explained the relationship between diversity, productivity and job satisfaction saying, 'managers through recognizing, valuing and managing diversity could create and foster positive diversity climate within the organization which in turn results into increased job satisfaction and productivity.'

From the trend of past researches, it is found that there is a positive and significant relationship between the three (diversity management, job satisfaction and productivity) and results obtained regarding the relationship were relatively consistent among related studies. However, the relationship between diversity and productivity is not sufficiently explored as the studies lacks organizational level analysis, tokenism, and artificially constructed research settings that cannot address a variety of cultural contexts and tightly dominated by US-centric researches (Jonsen et. al., 2011). Furthermore, most studies do not investigate underlying beliefs and values or managerial interventions. In addition, most of the studies focused on private firms and incredibly limited when it comes to the public sector.

#### 4.2. Future research direction

It is also found that past researchers didn't make serious and authentic attempts to address varieties of issues in diversity. Therefore, prospective researchers should focus on investigating the underlying beliefs and values on the issue of diversity, managerial interventions on the issue of diversity, organizational level analysis of the relationships between diversity, job satisfaction, and productivity, the role of developing effective diversity leaders on solving diversity related problems and finding out the impact of 'social class' as a diversity variable on employee performance, job satisfaction, and productivity.

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# A Study Of Impact Of Training & Development Of Employee's Learning Outcome In The Insurance Sector

**Apoorva Mishra, Research Scholar**

## **ABSTRACT**

*Training & Development as a function concerned with organizational activity aimed at bettering the job performance of individuals and groups in organizational settings. Training and development can be described as "an educational process which involves the sharpening of skills, concepts, changing of attitude and gaining more knowledge to enhance the performance of employees".*

*For analyzing of impact of training and development on employees learning outcome The Author has collected the data of 30 employees working at Insurance company in Jabalpur and found that training and development is necessary and impact the learning outcome of employees but it require should be more innovative form.*

**Key Word : Training and Development ,Skill , Performance**

## **1. Introduction**

**Training and Development** as a function concerned with organizational activity aimed at bettering the job performance of individuals and groups in organizational settings. Training and development can be described as "an educational process which involves the sharpening of skills, concepts, changing of attitude and gaining more knowledge to enhance the performance of employees".

### **Methods of Training: On-the-job Training Method and Off-the-Job Methods!**

There are two methods through which managers can improve their knowledge and skills. One is through formal training and other is through on the job experiences. On the job training is very important since real learning takes place only when one practices what they have studied.

#### **1. On-the-job Training (OJT) Methods:**

This is the most common method of training in which a trainee is placed on a specific job and taught the skills and knowledge necessary to perform it.

#### **The advantages of On Job Training are as follows:**

1. On the job method is a flexible method
2. It is a less expensive method.

3. The trainee is highly motivated and encouraged to learn.
4. Lot of arrangement for the training is not required.

**On-the-job training methods are as follows:**

1. Job rotation
2. Coaching
3. Job instructions
4. Committee assignments
5. Internship training

**Off-the-job Methods:**

On the job training methods have their own limitations, and in order to have the overall development of employee's off-the-job training can also be imparted. The methods of training which are adopted for the development of employees away from the field of the job are known as off-the-job methods.

**The following are the off job Training:**

1. Case study method:
2. Incident method:
3. Role play:
4. In-basket method:
5. Business games:
6. Lectures:
7. Conferences:

**II Review of literature**

R. Anitha and Dr. M. Ashok Kumar(Aug. 2016) “A STUDY ON THE IMPACT OF TRAINING ON EMPLOYEE PERFORMANCE IN PRIVATE INSURANCE SECTOR, COIMBATORE DISTRICT” International Journal of Management Research & Review P.P.(1079-1089) in their study found that This study was conducted only at the private insurance sector in Coimbatore consisting of Life and Non-Life Insurance companies. The data was collected through the questionnaire method. The sample size was 75.The sampling method used for this study was Random Sampling Method. The data collected were analyzed through t-test, Chi Square. The results obtained reveal that the training given to the employees in Private Insurance Sector, Coimbatore District improves the performance level of the employees. The increase is formed in the employee productivity after the training. The education level, staff category and the work experiences of the employees are the factors determining the growth of employees performance in the organisation after the training.



## Raja Abdul Ghafoor Khan, Furqan Ahmed Khan and Dr. Muhammad Aslam Khan

“Impact of Training and Development on Organizational Performance” Global Journal of Management and Business Research p.p.-(62-68) in his study found that Training and Development, On the Job Training, Training Design and Delivery style are four of the most important aspects in organizational studies. we have proved them with the help of Results show that Training and Development, On the Job Training, Training Design and Delivery style have significant affect on Organizational Performance and all these have positively affect the Organizational Performance. It means it increases the overall organizational performance. We also prove our Hypothesis through empirical data. However, results are strongly based on the literature review.

### III. Objective of the study:

To study the impact of training and development on the employees working in the Insurance Sector.

To analyze the relationship between training programs and performance of the employees.

### IV Research Methodology:

The data collected for the study is primary data .

I have collected the data of 30 employees working of Insurance company in Jabalpur.

### V Limitation of the Study:

1. Research Report is limited to the employees who are working Insurance Sector.
2. It is difficult to understand the psychology of the employees.
4. Training and Development program is costly Affair.

### VI Data Analysis and Result :

Q1 Do you think Training & Development is necessary?

Alternatives	Response	Percentage
Yes	27	90%
No	3	10%
Total	30	100%

I analyze from the data that 90% of employees were thought that Training & Development Program is necessary but 10% are not think so.

Q.2 Do you think the content of Training & Development Program is related to your job?

Alternatives	Response	Percentage
Yes	21	70%
No	9	30%
Total	30	100%

I analyze from the data that 70% of employees thought that Training & Development Program is related to the job but 30% did not think so.

Q.3 Do you think content of training program are relevant and is not requiring to modified?

Alternatives	Response	Percentage
Yes	14	46.67%
No	16	53.33%
Total	30	100%

I analyzed from the data that 46.67% of employees were thought that Training & Development Program is not requiring modifying but 53.33% do not think so.

Q. 4 Do you think Training & Development Impact the Learning Outcome of Employee's?

Alternatives	Response	Percentage
Yes	19	63.33%
No	11	16.67%
Total	30	100%

I analyze from the data that 63.33% of employees accepted that Training and development program impact the learning outcome of employee but 16.67% did not think so.

Q.5 Do you think Training & Development Program helps to improve the performance of the employees?

Alternatives	Response	Percentage
Yes	16	53.33%
No	14	46.67%
Total	30	100%

I analyze from the data that 53.33% of employees accepted that Training and development program helps to improve the performance of employee but 46.67% did not think so.

Q.6 Do you think Training & Development program should be more innovative form?

Alternatives	Response	Percentage
Yes	26	86.67%
No	4	13.33%
Total	30	100%

I analyze from the data that 86.67% of employees accepted that Training and development program should be more innovative form but 13.33% are not think so.

## VIII Conclusion:

The conclusion of my study is that Training & Development Program which is organized by the

Insurance Sector is necessary and related with their job. The Author also analysis that most of the employees thought that the training programs should be modified .The another analysis of Author is that most of the people thought that Training and development program impact the learning outcome of employee's and also helps employee to perform better but still there are some people who did not think so. The Author also analyzes that Training & Development program should be more innovative.

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Raja Abdul Ghafoor Khan, Furqan Ahmed Khan and Dr. Muhammad Aslam Khan “Impact of Training and Development on Organizational Performance” *Global Journal of Management and Business Research* p.p.-(62-68)

# Effects Of Leadership Styles On Organizational Performance In Kaliti Metal Products Factory

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## ABSTRACT

*This study investigated the main effects of leadership styles on organizational performance at Kaliti metal products factory (KMPF). It specifically sought to determine the effects of laissez-faire, Democratic, Autocratic, and Charismatic leadership styles on Financial and non-Financial Organizational performance. A descriptive survey research based on the perceptions of all employees below top level managements in KMPF was undertaken. Explanatory research design was employed. Total participants in the research were 153; a structured self-completed research questionnaire was thereafter distributed and collected with interview question and focus group discussion was used. The researchers used both probability and non-probability sampling technique to collect the required data. The finding revealed that there is the significant and positive relationship between leadership style and organizational performance. Autocratic leadership styles, Democratic leadership styles, and Charismatic leadership styles has a positive relation with organizational financial and non-financial performances while laissez-fair leadership styles has a negative relation with organizational performance. In order to be more profitable organization it is better to exercise at most democratic leadership styles and for the sake of overall efficiency and employee motivation the leaders of KMPF have to work hard.*

**Key Words:** *Autocratic, Charismatic, and Democratic leadership styles, Financial and non-Financial Organizational performance.*

## 1. Introduction

### 1.1. Background Of The Study

Leadership has been defined in many different ways, but most definitions share the assumption that it involves an influence process concerned with facilitating the performance of a collective task (Yalk, 2002). The success of many organizations possibly results from the leadership sagacity and willpower, the technical prominence and innovation, the excellent quality or the distinguished reputation, but all these relate to —human. The interest in the influence of leadership styles on organizational performance represent an alternative to the traditional focus on the leaders as the center of attention and power, the qualities of leaders are obviously important especially in teamwork. In particular, leaders need the skill to engage followers in productive and satisfying mutual pursuits.

It was discovered that employee turnover was lowest and job satisfaction highest under leaders who were rated high in consideration. Most productive work groups tend to have leaders who are employee-centered rather than production centered. Also the most effective leaders are those who have supportive relationships with group member. They emphasize group rather than individual decision making, and encourage team members to set and achieve high performance goal (DuBrin, 1995).

The period of greatest interest in management competences occurred in the decade 1985-95. More recently attention has moved away dramatically-from management to leadership. Now leadership is seen as the source of organizational success and the key determinant of organizational performance, and lack of leadership is blamed for poor performance at business and even national level (Storey, 2004).

Today, the old assumptions about the distribution of power are no longer valid. An emphasis on control and rigidity serves to squelch motivation, innovation, and morale rather than produce desired results. Effective leaders share power rather than hoard it and find ways to increase an organizations brainpower by getting everyone in the organization involved and committed. Rather than being a controller, the leader is a facilitator who helps people do and be their best by removing obstacles to performance, getting people what they need, providing learning opportunities, and offering support and feedback. One reason for this is that the financial basis of today's economy is becoming information rather than the tangible assets of land, building, and machines. This means human capital is becoming more important than financial capital (Daft, 2015).

Leadership style plays an important role in shaping the behavior and attitude of the members of an organization. In recent years, the study of leadership has drawn more attention due to its role in the failure or success of an organization. Over the years, scholars and researchers have not been unanimous on the most appropriate style of leadership in organization and these has led to the formulation of several theories that could bring about organizational efficiency and effectiveness. Though some scholars have argued that no particular leadership style is the best, the level of participation of workers in the decisions that affect them or the organization as a whole will spur them to better commitment to the realization of set goals. Comparatively, participation provides outstanding long term results which are by no means far better than effective short term results.

## **1.2. Statement Of The Problem**

A large number of organizations spend considerable huge amount on solving managerial problems. Besides, research on management's leadership style and organizational performance are limited and personnel do not know enough about management's leadership style and the organizational productivity. In order to maintain the growth and achieve higher objectives, the top management in the

organization needs to understand the problems and make strategies to satisfy, retain, and motivate employees to exert extra efforts. In other words, it needs such leadership in its factory that can achieve organizational goals efficiently and effectively. Leaders should have the ability to motivate its employees to exert extra efforts to achieve higher goals. Moreover, the existing leadership should adopt such leadership styles that help to augment subordinates' satisfaction, their efforts and organizational performance. Leadership style impacts the organization by affecting employee morale, productivity, decision-making speed, and metrics. Successful leaders carefully analyze problems, assess the skill level of subordinates, consider alternatives, and make an informed choice. By choosing the most appropriate leadership style for the situation, an effective leader provides a lasting impact.

The key influencers for organizational effectiveness are leadership and employee motivation. Leadership style extensively influences employee's commitment and dedication, while the correlation between leadership style and motivation has been studied in a wide variety of sectors and in an equally wide variety of demographic settings, few of these studies focus on this relationship in the context of a corporate in oil and refinery segment (Gopal & Chowdhury, 2014).

Leadership has a direct cause and effect relationship upon organizations and their success. Leaders determine values, culture, change tolerance and employee motivation. They shape institutional strategies including their execution and effectiveness. Leaders can appear at any level of an institution and are not exclusive to management. Successful leaders do, however, have one thing in common. All these which leaders should do and has to do in collaboration with their subordinates but all the above mentioned functions and purpose of leadership is not known even there is a mix with management.

The absence of effective leadership is a serious problem endemic in many organizations. It is obvious that the resultant outcome is poor staff performance, absence of motivation, poor growth and development of the institutions. While a lot of research has already been done in the area of leadership style and organizational performance, the subject is so vast that there will always be new perspectives. For instance, in the modern day scenario wherein there an increase effect on new technology, shifting from the management system to leadership, and competitive the effects of leadership style on organizational performance need to be studied under effective leadership practice. A research done on the same and related topic almost all agree that leadership style has a direct relation with organizational performance with different magnitude for different leadership styles for example Chris U. and Ukaidi (2016) they use leadership style (autocratic, laissez faire and democratic) while Wahab, Rahmat, Yusof, and Mohamed (2015) using Transformational and Transactional leadership style but the output of their research is that leadership styles affect organizational performance according to the situation and type of activities.

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Due to the fact that Ethiopian literature on leadership styles and organizational performance is not being enriched, there is an urge for the researchers to perform a robust and rigorous research by examining the relationship of leadership styles and organizational performance. Hence, this would sort to investigate management leadership style and organizational performance. The purpose of this paper is to demonstrate how leadership styles can affect organizations to maintain high performance in existing markets. As a result, the study attempted to address the following research questions.

1. Is there relationship between leadership styles and overall equipment effectiveness?
2. What is the direct effect of leadership styles on organizational productivity?
3. What is the effect of leadership styles on organizational profitability?
4. To what extent leadership styles affect financial liquidity?
5. How leadership style affects employee's motivation?

## **2. Related Literature Review**

### **2.1 Leadership Theory**

The definition of leadership may vary based on the context and setting to which it is applied, but in a general sense, leadership is a —process whereby intentional influence is exerted over other people to guide, structure, and facilitate activities and relationships in a group or organization. Effective leaders should be visionaries who are adaptable and have the ability to inspire others toward a collective goal. Preoperative settings often have team members with technical expertise and innovative ideas but who do not fulfill a formal leadership role (Cox, 2016). Leadership is viewed as a social influence process through which one individual exerts influence intentionally over others to structure the behaviors and relationship within a group or organizations (Chris and Ukaidi, 2016). Leadership style' is the general manner, outlook, attitude and behaviour of a leader, particularly in relation to his or her colleagues and team members. This can be expressed in various ways including: what a leader says; how they say it; the example they set; their body language; and their general conduct and character (ACCA, 2012).

#### **2.1.1 The Charismatic Leader**

Charisma is the intense magnetic charm that reaches people on an emotional, non-rational level, inspiring efforts and undertakings beyond the norms of ordinary life. People tend to think of leaders as people who influence others to follow by the power of their charismatic personality. We think, for example, of John F. Kennedy's press conferences or Martin Luther King's stirring speeches. The —charismatic leader is able to articulate a compelling vision that responds to the needs and aspirations of the followers. Through their relationship with the charismatic leader, the followers gain feelings of power and build their self-esteem. Charismatic leaders are generally very skilled communicators. They

tend to be individuals who are both verbally eloquent, but also able to communicate to followers on a deep, emotional level. These charismatic leaders use effective communication with their followers to gain their trust, and then influence and persuade them to follow. Charismatic leaders also pay a great deal of attention to scanning and reading their environment, and are good at picking up the moods and concerns of both individuals and larger audiences. They then will try to hone their actions and words to suit the situation (Kolzow, 2014).

### **2.1.2 Autocratic Leadership**

Autocratic leaders retain most of the authority for themselves. They make decisions confidently and assume that group members will comply; they usually are not concerned with group members' attitudes toward the decision. Autocratic leaders are considered task-oriented because they place heavy emphasis on getting tasks accomplished. Typical autocrat behaviors include telling people what to do, asserting themselves, and serving as a model for team members (Daft, 2015). Autocratic leader is one who tends to centralize authority and derive power from position, control of rewards, and coercion. Groups with autocratic leaders perform highly so long as the leader is present to supervise them. However, group members were displeased with the close, autocratic style of leadership, and feelings hostility frequently arose (DuBrin, 1995).

### **2.1.3 Laissez-Faire Leadership**

Leadership is provided to the group indirectly rather than directly. Group member are presented a task to perform and are given free rein to figure out how to perform it best. The leader does not get involved unless requested. Team members are allowed all the freedom they want as long as they do not violate policy. In short, the laissez fair leader delegates completely. The laissez-faire leadership style sometimes works effectively with well-motivated and experienced employees. These people are self-sufficient and may not need help or emotional support from the manager. A problem with this leadership style, however, is that group members perceive the laissez-faire leader as uninvolved and indifferent. Yet the laissez-faire leaders believe they are helping subordinates develop self-sufficiency (DuBrin, 1995).

### **2.1.4 Democratic Leadership**

The participative techniques and majority-rule decision making used by the democratic leader trained and involved the group members so that they performed well with or without the leader present. These characteristics of democratic leadership may partly explain why the empowerment of employees is a popular trend in companies today (Daft, 2015).



## 2.2 Organizational Performance

The performance measurement is fundamental to companies' improvement. Performance measurements are used to control and keep track of how the company is performing and whether it is meeting its objectives. The importance of performance measurement has increased with the realization that in order to be successful in the long term, business organizations have to fulfill the expectations and needs of stakeholders' which include their customers, consumers, employees, suppliers, local community stakeholders, and shareholders. While the importance of the performance measurement is difficult to quantify it is evident that in virtually all texts, research, and case studies on company improvement the performance measurement plays a central role (Harif, and Ahmad, 2013).

Continuous performance is the focus of any organization because only through performance organizations are able to grow and progress. Performance is dynamic, requiring judgment and interpretation. Performance may be illustrated by using a causal model that describes how current actions may affect future results. Performance may be understood differently depending on the person involved in the assessment of the organizational performance.

The term —performance measurement usually refers to the continuous gathering of data from specific functional areas. It concerns the ongoing monitoring and reporting of a Customs administration's progress towards reaching its organizational goals. It is made up of an internal system that collects, collates and reports on workflows, outputs and outcomes (Ireland, Cantens, and Yasui, 2011).

A performance indicator is a detailed quantitative and/or qualitative descriptor. It describes what the organization is doing or has done. There can be more than one indicator for each performance measure. In order to assist with the discussion of organizational performance measurement, use of the following nomenclature is recommended.

**Input** is the resource required to complete activities, for example, people, equipment, technology, legislation and budget;

**Activity** is the process undertaken, for example, it can be daily, weekly, monthly and would include collecting import documentation, screening and questioning people moving across the border, boarding arriving vessels, numbers of vehicles inspected, etc.;

**Output** is a result achieved, for example, an annual report, as well as effective and efficient use of resources, management of, and the ability to report on the cost to deliver Customs services, revenue collected, enforcement seizures, permits issued, training courses conducted, etc.

**Outcome** is the impact, benefit or change as a result of Customs' activities.

### 2.2.1 Financial Performance Measures

Financial performance measures as tools of financial management. The focus is on the functional specialism of finance and financial management. This is concerned with the efficient provision and use of financial resources to support the wider aim of the organization, and to manage the effective and efficient operation of the finance function. Financial measures of performance as mechanisms for motivation and control within the organization. Here the financial information provides a window into the organization by which specific operations are managed through the codification of their inputs and outputs in finance terms. As indicated on (ACCA. 2012) financial performance measures are used to monitor the inflows (revenue) and outflows (costs) and the overall management of money in the business. These measures focus on information available from the Statement of profit or loss and Statement of financial position of a business (Neely, 2002).

### Measuring Profitability

The primary objective of a profit seeking company is to maximize profitability. A business needs to make a profit to be able to provide a return to any investors and to be able to grow the business by reinvestment (ACCA. 2012).

### Three profitability ratios are often used to monitor the achievement of this objective:

- Return on capital employed (ROCE) =  $\text{operating profit} \div (\text{noncurrent liabilities} + \text{total equity}) \%$   
This is a key measure of profitability as an investor will want to know the likely return from any investment made.
- Return on sales (ROS) =  $\text{operating profit} \div \text{revenue} \%$

A high return is desirable. It indicates that either sales prices and or volumes are high or that costs are being kept well under control.

- Gross margin =  $\text{gross profit} \div \text{revenue} \%$

The gross margin focuses on the trading activity of a business as it is the gross profit (revenue less cost of sales) as a percentage of revenue.

**Measuring liquidity:** A business can be profitable but at the same time encounter cash flow problems. Cash at the bank and profit are not the same thing. There are two liquidity ratios that are used to give an indication of a company's ability to manage and meet short term financial obligations (ACCA. 2012).

**Current ratio:** The ratio measures the company's ability to meet its short term liabilities due within one

year with the current assets than should be converted into cash within one year.

Current ratio = current asset/current liability

**Acid test (Quick ratio):** This is a similar to the current ratio but inventory is removed from the current assets due to its poor liquidity (time taken to convert into cash) in the short term.

Acidic test = current assets – inventory

Current liability

### 2.2.2 Non-Financial Performance

Non-financial performance measures such as customer satisfaction, product quality, or employee turnover are especially relevant in cases where market-based performance measures showing the total firm value are not available. Non-financial performance measures such as customer satisfaction, product quality, or employee turnover (Hofman, 2001).

Non-financial performance measures are often used for performance evaluation. They are especially relevant if the available financial performance measures not completely reflect the manager's contribution to the firm's total value. Then, non-financial performance measures serve as an indicator for the firm's long-term performance and may therefore be included in incentive contracts (Hofman, 2001). The following are the determinants of non-financial performance measures

**Efficiency and process reliability:** Efficiency involves using people and resources to carry out essential operations in a way that minimizes costs. Efficiency is especially important when the competitive strategy of the organization is to offer its products and services at a lower price than competitors. Efficiency can be increased by redesigning work processes, using new technology, and coordinating unit activities to avoid unnecessary activities and wasted resources (Yuki, 2006).

Process reliability means avoiding unnecessary delays, errors, quality defects, or accidents. This performance determinant is especially important when defective products or unreliable process can affect the health and safety of employees, result in financial loss, or cause damage to expensive equipment. Process reliability can be improved by using extra resources to ensure that quality standards are maintained, products or services are delivered on time, and accidents are avoided, but this approach may also reduce efficiency.

**Innovation and adaptation:** The effectiveness of the organization also depends on responding in appropriate ways to external threats and opportunities. When change in the external environment affects the capacity of the organization to carry out its mission, successful adaptation requires of the threats and opportunities, and the willingness to make changes in the processes, products, services, or the competitive strategy of the organization. Innovative change is more important when the external environment is volatile and uncertain, which is likely in situations of rapid technological change, political and economic turmoil, or new threats from competitors. Adaptation is enhanced by accurate interpretation of information about the environment; collective learning by members (understanding of processes and causal relationships); effective knowledge management (retention and diffusion of new knowledge within the organization); flexibility of work processes (capacity to change them quickly as needed); innovations in products, services, or processes; and availability of discretionary resources (to support new initiatives and crisis management) (Yuki, 2006).

**Productivity:** A productivity measure is a measure of the efficiency of an operation; it is also referred to as resource utilization. It relates the goods or services produced to the resources used, and therefore ultimately the cost incurred to produce the output. The most productive or efficient operation is one that produces the maximum output for any given set of resource inputs or alternatively uses the minimum inputs for any given quantity or quality of output (ACCA, 2012).

**Productivity is often analyzed using three control ratios:**

**Production volume ratio:** The production volume ratio assesses the overall production relative to the plan or budget. A ratio in excess of 100% indicates that overall production is above planned levels and below 100% indicates a shortfall compared to plans.

The production volume ratio =

$$\frac{\text{Actual output measured in standard hours}}{\text{Budgeted production hours}} \times 100$$

**Capacity ratio:** The capacity ratio provides information in terms of the hours of working time that have been possible in a period.

The capacity ratio =

$$\frac{\text{Actual production hours worked}}{\text{Budgeted production hours}} \times 100$$

A ratio in excess of 100% indicates that more hours have been worked than were in the budget and below 100% fewer hours have been worked than in the budget.

**Efficiency ratio:** The efficiency ratio is a useful indicator of productivity based on output compared

with inputs.

$$\text{The efficiency ratio} = \frac{\text{Actual output measured in standard hours}}{\text{Actual production hours worked}} \times 100$$

A ratio in excess of 100% indicates that the workforce have been more efficient than the budget predicted and below 100% less efficient than in the budget.

**Overall equipment effectiveness (OEE):** is a way to monitor and improve the efficiency of your manufacturing process. Developed in the mid 1990's, OEE has become an accepted management tool to measure and evaluate plant floor productivity. OEE is broken down into three measuring metrics of **Availability, Performance, and Quality**. These metrics help gauge your plant's efficiency and effectiveness and categorize these key productivity losses that occur within the manufacturing process. OEE empowers manufacturing companies to improve their processes and in turn ensure quality, consistency, and productivity measured at the bottom line (EXOR / DataVisor Marquees).

**Availability:** Availability takes into account Down Time Loss, which includes all events that stop planned production for an appreciable length of time (typically several minutes or longer). It is calculated as the ratio of Operating Time to Planned Production Time, where Operating Time is simply Planned Production Time less Down Time:

#### **Operating time / planned production time**

**Performance:** Performance takes into account speed loss, which includes all factors that cause the production asset to operate at less than the maximum possible speed when running. It is calculated as the ratio of net operating time to operating time. In practice, it is calculated as:

#### **(Ideal cycle time \* total pieces) / operating time**

The ideal time is the theoretical fastest possible time to manufacture one piece. Therefore, when it is multiplied by total pieces the result is net operating time – the theoretical fastest possible time to manufacture the total quality pieces.

**Quality:** Quality takes in to account quality loss, which factors out manufactured pieces that do not meet quality standards, including pieces that require rework. It is calculated as the ratio of fully productive time (fastest possible time for good pieces) to net operating time (fastest possible time for total pieces). In practice it is calculated as:

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## Good pieces / Total pieces

**Motivation:** It is essential to increase overall efficiency of human beings to improve performance of an organization. While machines, processes, technology of high order can be made available to the individuals, but high productivity can only be achieved if workers are highly skilled and adequately motivated (Kondalkar, 2007).

**Content theory of motivation:** The four content theories that affect motivation. These factors include associates' needs and the various job and contextual attributes that might help them meet these needs. Among the four theories Hierarchy of Needs Theory which is one of the most popular motivation theories, frequently referred to as the hierarchy of needs theory, is used for this research. According to Maslow, people are motivated by their desire to satisfy specific needs. Maslow arranged these needs in hierarchical order, with physiological needs at the bottom, followed by safety needs, social and belongingness needs, esteem needs, and, at the top, self-actualization needs. In general, lower-level needs must be substantially met before higher-level needs become important.

**Process Theories of Motivation:** Process theories are concerned with the process by which such factors interact to produce motivation. One of the weaknesses of content theories is the assumption that motivation can be explained by only one or two factors, such as a given need or the content of a job. As we have seen, human motivation is much more complex than that. In most cases, several conditions interact to produce motivated behavior. Process theories take this complexity into account. Process theories generally focus on the cognitive processes in which people engage to influence the direction, intensity, and persistence of their behavior.

### Expectancy Theory

The first process theory to recognize the effects of multiple, complex sources of motivation was Victor Vroom's expectancy theory. Expectancy theory suggests that managers and associates consider three factors in deciding whether to exert effort. In essence, expectancy theory suggests that people are rational when deciding whether to expend a given level of effort (Hitt, Miller, and Colella, 2001). The following equation formally states how people implement expectancy theory:

$$MF = E * \sum (I * V)$$

Where:

MF = Motivational force.

E = Expectancy, or the subjective probability that a given level of effort will lead to a particular level of

performance. It can range from 0 to +1. Further, the expectancy of interest usually corresponds to the probability that strong effort will result in good performance. Thus, an expectancy of zero means that an individual thinks there is no chance that strong effort will lead to good performance. An expectancy of one means that an individual thinks it is certain that strong effort will lead to good performance. For a given person in a given situation, self-esteem, previous experience with the task, and availability of help from a manager can influence this subjective probability.

I = Instrumentality, or the perceived connection between a particular level of performance and an outcome. Instrumentality can range from -1 to +1, because it is possible for a performance level to make an outcome less likely as well as make an outcome more likely. For example, an instrumentality of -0.8 indicates that an individual expects that performing at a particular level would make an outcome very unlikely (e.g., praise from co-workers might be unlikely because of jealousy).

V = Valence, or the value associated with an outcome. Valence can be negative or positive, because some outcomes may be undesirable while others are desirable.

## **2.4 Theoretical Frame Work And Hypothesis**

A research conducted by Chris, and Ukaidi (2016) used autocratic, laissez faire and democratic leadership style on efficiency and effectiveness of the organization and concluded that leadership style of the organization greatly influence the performance and organizational output. On other research Uchenwamgbe (2013) used autocratic and democratic leadership styles effect on the organizational performance, employee commitment, employee motivation and concluded that Leadership plays an important role in the behavior and attitudes of the members of an organization. It also determines how people would interact with each other in order to solve problems and take decisions. The field of leadership not only focuses on interpersonal relations but also appreciates the role of a leader as a motivator and energizer. For this study the research used chi-square and simple percentage method for data analyses.

For the purpose of this research work four styles of leadership were used (autocratic, democratic, laissez-faire and charismatic which are the independent variables and two financial variables (profitability and liquidity) and two nonfinancial variables (productivity and overall equipment effectiveness) will be used to measure organizational performance. Empirically the relation between leadership styles and organizational performance will be checked and also conceptually through questionnaire, interview and focus group discussion the relations will be proved.

## Hypothesis

**Hypothesis 1 (H1):** Organization becomes efficient through innovation and performance, which enables metal manufacturing industries to take risks in achieving profitability and success. Profitability is also driven by efficiency in obtaining organizational goals and objectives, and is a measurement of an organization's. The leadership style has effect on profitability.

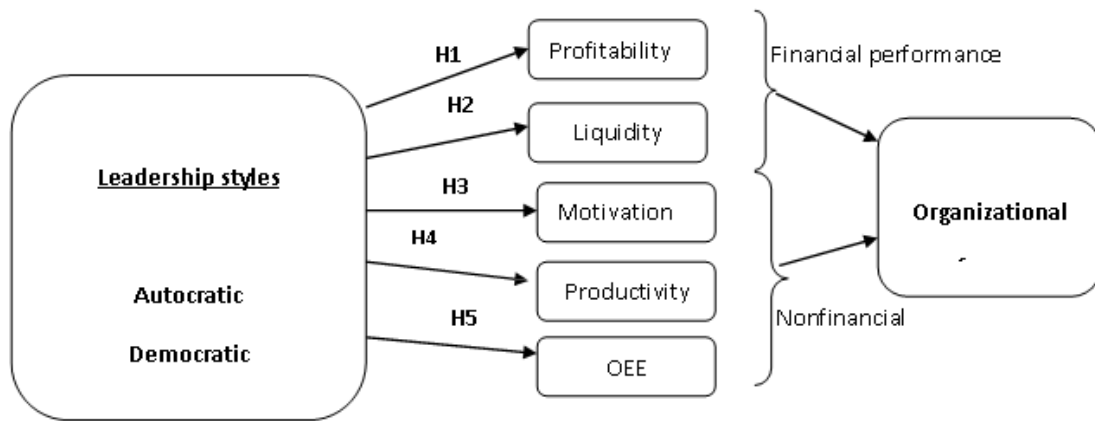
**Hypothesis 2 (H2):** The fundamental requirements for any —best-in-class liquidity structure are visibility of cash flows and currency positions, control over those balances and yield optimization. However, organizational leadership styles often influence which strategy best aligns with its organizational culture and is therefore best suited to achieving its liquidity objectives. The leadership style has effect on liquidity.

**Hypothesis 3 (H3):** Leaders and managers play an important role in creating an atmosphere and culture of enthusiasm and productivity among the employees that help them do what they need to do. Developing an understanding of the impact leadership can make on employees motivation is important. Many leaders think that materialistic rewards are enough to motivate their employees but it is not and money alone will not do the impact in motivating your employees while the leader is ignoring individual's needs to contribute to the organizations and make meaning out of what they do. The leadership style has on employee motivation.

**Hypothesis 4 (H4):** Leadership is of utmost importance in every organization because of its far-reaching effects on the accomplishment of organizational productivity. Leadership behavior of managers has been consistently associated with employee output; and leadership styles of individual managers are powerful predictors of productivity. The leadership style has effect on productivity.

**Hypothesis 5 (H5):** The more variation in how processes are followed, the less effective performance will be. The role of leadership in this situation is to reduce variation in process performance by ensuring their people know what to do, they know how to do it and they are held accountable for doing it. In terms of Reliability Excellence, the result of process performance is measured by Overall Equipment Effectiveness (OEE). The leadership style has an effect on OEE.





**Figure 2.2 Theoretical frame works**

**Source: Literature review**

### 3. Research Methods

#### 3.1 Research Design

For the purpose of this study explanatory research design was used. Studies that establish causal relationships between variables may be termed explanatory research. Furthermore, the nature of the study necessitates the use of a descriptive research design as it is concerned with finding out the respondents' attitudes towards leadership styles in their workplace and how it affect organizational performance. Both qualitative and quantitative study approach were applied, because the research use justifies the financial and non-financial variables empirically analyzed and measured with numbers these will explore detail information to investigate the objectives of the study for this quantitative method were used. For the data gathered through interview and focus group discussion it is conceptually relates the relation between dependent and independent variables for this qualitative technique was used.

#### 3.2 Population, Sample Size And Sampling Techniques

The population of this study consist 428 population elements from KMPF permanent employees which are now working. The sample frame of this research is 356 employees who are currently working in the factory by excluding branch employees who are working on the six branches. For this research 9 top including the CEO managements were included for interview questions and 6 supervisors and middle level managers were selected for focus group discussion for this research purposive sampling were used. Finally, to make representative from the sampling frame probability sampling techniques was applied. From the given sampling frame using the following formula 188 respondents were taken as sample.

$$n = \frac{N}{1 + N(e)^2} \qquad n = \frac{356}{1 + 356(0.05)^2} = 188$$

Where n – designates the sample size the research uses.

N - Designates total number of sample frame (356)

e – Designates maximum variability or margin of error 5% (0.05).

1 – Designates the probability of the event occurring.

### 3.3 Sources Of Data And Data Gathering Tools

To successfully achieve the research objectives and answer the stated research questions, the researchers have used both primary and secondary data sources and which can be collected from the respondents and review documents. To realize this, questionnaire, interview and focus group discussion with specific department of the factory workers have been designed by the researchers. The researchers have contacted the selected sample of different professionals such as top managers including CEO, middle level managers of production department, operators and major customers of the factory. The main source was questionnaire with open and closed ended questions and five–point interval scales, which distributed for 188 respondents. Apart from use of questionnaires, a structured interview was conducted for CEO, top level managers directly in charge of leadership activities for the organization. Besides, a structured focus group discussion with supervisors, and middle level managers were held to exploit deep information about the leadership style used at KMPF, what effect does it on overall organization performance and employees motivation.

Validity and reliability tests were used to select and assess the final items of the independent constructs that were used for statistical testing. Since data for the study were generated using a multi-scaled responses, it was necessary to test for reliability. The internal consistency of each factor was examined using Cronbach Alpha reliability analysis. The result indicated that the Cronbach’s alpha measures for the three main constructs exceeded the threshold point of 0.70. Alpha coefficients for Organizational Performance is 0.837, Charismatic Leadership Style 0.870, Democratic Leadership Style 0.829, Autocratic Leadership Style 0.884, Laissez-faire leadership 0.928 after the alpha maximization process were carried out, indicating internal consistency. Therefore the research instrument is reliability and can be used for the actual research.

### 3.4 Data Analysis Techniques

After the data are collected both descriptive and inferential statistical techniques were employed to analyze the data. The data were analyzed by using SPSS version 20. The statistical tools were aligned with the objectives of the research. Inferential statistics is particularly the Pearson's correlation were used to show the relationship and the strength/degree as well as direction of associations between

variables. The other inferential statistics used is regression analysis that shows interdependence of independent variables and dependent variable. Thus, both the strength of the relationship between variables and the influence of independent on dependent variable and statistical significance were assessed.

## 4. Results And Discussions

### 4.1 Descriptive Analysis

#### 4.1.1 Financial Performance

Table 4.1 shows the average mean of financial performance is 3.62 and standard deviation of 1.08. as can be seen almost question number one and four contributes this show that the majority of the respondents agree that the organization costs a lot to produces its main products this is due its leadership styles and company has a good trend to pay off its current liabilities this is due to a good leadership practices. And the smallest mean is from question six, there is a huge loss in purchased items due to poor quality this intern leads to reduces annual losses. There is no significant difference between the largest and the smallest mean.

**Table 4.1: Financial performances**

Item	SD	D	SHA	A	SA	Mean	SD
The organization costs a lot to produces its main products this is due its leadership styles.	2(1.3)	16(10.5)	33(21.6)	53(34.6)	49(32)	3.86	1.029
The organization incurs more overhead and administrative expenses this intern reduces its profit which is a direct reflection of its leaders.	2(1.3)	25(16.3)	44(28.8)	50(32.7)	32(20.9)	3.56	1.038
The leaders of company are capable enough to sell all the unnecessary assets quickly to raise cash.	6(3.9)	30(19.6)	36(23.5)	54(35.3)	27(17.6)	3.43	1.111
Company has a good trend to pay off its current liabilities this is due to a good leadership practices.	1(7)	10(6.5)	47(30.7)	49(32.0)	46(30.1)	3.84	0.954
There are assets that are going to be deteriorated (wasted) due to poor leadership practice.	5(3.3)	23(15.0)	39(25.5)	44(28.8)	42(27.5)	3.62	1.136
There is a huge loss in purchased items due to poor quality this intern leads to reduces annual losses.	11(7.2)	28(18.3)	38(24.8)	43(28.1)	33(21.6)	3.39	1.215
<b>Overall</b>						<b>3.62</b>	<b>1.08</b>

(Source: own survey, June 2018)

This implies even though that there are a lot of wastages and unnecessary costs incurred for production processes and poor quality of purchased raw materials and accessories which reduces its annual profit. The top leaders are wise in paying of the company liabilities. The research conducted by Sofi (2015), Khan and Adnan (2014) and Edoka (2012) concludes that leadership style has an effect on organizational profitability (financial performance).

#### 4.1.2. Leadership Effect On Productivity

As table 4.2 depicts the overall mean of leadership effect on productivity is 3.66 with standard deviation of 1.19. As it can be seen from the table question number five, poor quality of products and services are a direct reflection of ineffective leadership contributes more for the average mean.

**Table 4.2 Leadership effect on productivity**

Item	SD	D	SHA	A	SA	Mean	SD
The leaders of the organization develop and apply new technologies or approaches and structures; they can expand output by more than any additional inputs that might be required.	8(5.2)	21(13.7)	44(28.8)	49(32.0)	31(20.3)	3.48	1.119
The organization leader helps to increases in output, at a given level of input, from more efficient use of the existing technologies.	8(5.2)	18(11.8)	37(24.2)	52(34.0)	38(24.8)	3.61	1.136
Your leaders help to increased efficiency by redesigning work processes, using new technology, and coordinating unit activities to avoid unnecessary activities and wasted resources.	13(8.5)	15(9.8)	42(27.5)	37(24.2)	46(30.1)	3.58	1.250
Your leaders provide the required raw material in quality and quantity so that the productivity of the company is high.	8(5.2)	22(14.4)	24(15.7)	47(30.7)	52(34.0)	3.74	1.218
Poor quality of products and services are a direct reflection of ineffective leadership.	9(5.9)	14(9.2)	24(15.7)	41(26.8)	65(42.5)	3.91	1.216
<b>Overall</b>						<b>3.66</b>	<b>1.19</b>

(Source: own survey, June 2018)

The implication is that there are poor quality of products produced due to under acceptable specification of raw materials purchased for inputs and lack of customer focused services this affects the productivity of the company. But there is more expansion underway that replaces the old machine in order to improve the production processes which is the result of leadership. Wahab, Rahmat, Yusof, and Mohamed

(2015) also concluded that organizational effectiveness is directly related with leadership styles exercised.

#### 4.1.3. Leadership Effect On Overall Equipment Effectiveness (OEE)

Table 4.3 shows the overall mean is 3.81 and standard deviation of 1.03. This means that for the sake of satisfying the customer needs and at the same time increases the annual profit and to

**Table 4.3 Leadership effect on Overall Equipment Effectiveness (OEE)**

Item	SD	D	SHA	A	SA	Mean	SD
The amount of scrap your company produces is due to a poor quality of the raw materials this intern the reflection of leadership and reduces its machine performance.	10(6.5)	20(13.1)	21(13.7)	49(32.0)	53(34.6)	3.75	1.242
Attaining higher quality levels has a multiplicative effect throughout the entire company due to the commitment of the leaders	4(2.6)	6(3.9)	33(21.6)	61(39.9)	49(32.0)	3.95	.965
Creating and sustaining a passion for quality brings greater responsiveness and flexibility into company-wide is the core objective of the leaders of the company.	3(2.0)	8(5.2)	33(21.6)	68(44.4)	41(26.8)	3.89	.929
By concentrating on a core set of quality metrics, manufacturing teams have the goals they need to focus on.	2(1.3)	10(6.5)	27(17.6)	64(41.8)	50(32.7)	3.98	.942
Your leader provides quality input for production and service	4(2.6)	20(13.1)	41(26.8)	52(34.0)	36(23.5)	3.63	1.063
The greatest achievements in quality are happening today because the leaders create every team member, operator and worker to have a sense of ownership of outcomes.	6(3.9)	14(9.2)	43(28.1)	55(35.9)	35(22.9)	3.65	1.054
<b>Overall</b>						<b>3.81</b>	<b>1.03</b>

Compute the dynamic market quality focus process, products and customer services the leaders not providing 100 % acceptable quality inputs there are more tons of raw material that was creates compliance from the customers. This issue also supported by focus group discussion that the leaders provide poor quality of raw materials.

#### 4.1.4. Leadership Effect On Motivation

Table 4.4 presents the overall mean for leadership style effect on employee motivation is 3.31 and standard deviation of 1.19. Question four with larger mean; the majority of the respondent agrees that leaders in my organization take the initiative to help other employees when the need arises and question six with a relative smaller mean. This implies that the company gives on the job training and pays for those that are willing to learn up to first degree but they are not more satisfied with the total benefit

package as per the work they do. From focus group discussion the group also agrees with the above ideas. Edoka (2012) on his research concludes that leadership styles positive and significant relationship with employee motivation.

**Table 4.4 Leadership effect on motivation**

Item	SD	D	SHA	A	SA	Mean	SD
Your leaders conduct a survey of employees. Specifically, ask them how much they care about the business' success.	18(11.8)	29(19.1)	33(21.6)	41(26.8)	32(20.9)	3.26	1.307
The leaders create an effective recognition system for outstanding effort and achievements made by employee	16(10.8)	32(20.9)	28(18.3)	48(34.1)	29(19.0)	3.27	1.279
The leaders are willing to give appropriate and enough job-related training and help to increase the performance of the organization.	10(6.5)	19(12.4)	53(34.6)	41(26.8)	30(19.6)	3.41	1.132
Leaders in my organization take the initiative to help other employees when the need arises.	4(2.6)	17(11.1)	51(33.7)	53(34.6)	28(18.3)	3.55	1.000
Communication between top leaders and employees is good in my organization.	3(2.0)	32(20.9)	44(28.8)	38(24.8)	36(23.5)	3.47	1.124
I am satisfied with my total benefits package given by the company that is decided by the top leaders	29(19.0)	33(21.6)	38(24.8)	28(18.3)	25(16.3)	2.92	1.347
<b>Overall</b>						<b>3.31</b>	<b>1.19</b>

(Source: own survey, June 2018)

#### 4.1.5. Charismatic Leadership Style Performance

Table 4.5 depicts the overall mean for leadership style effect on employee motivation is 3.41 and standard deviation of 1.17. Question two with larger mean; the majority of the respondent agrees that charismatic leaders are good communicators. They are able to share the message loud and clear and question four with a relative smaller mean; somehow agree that charismatic leaders are willing to take risks as well they are accountable for any problems that might arise. They aren't afraid of challenges either. This implies that there are leaders that has charismatic leadership style characterized by listening the employees and communicates friendly so that there are no as such many problems. Of course the leaders take risks with accountability for any mistake arise but this does not mean that they are happy and take all the responsibility willingly. Charismatic leaders are not only good communicator but also according to Kolzow (2014) they are good at picking up the moods and concerns of both individuals and larger audiences. They then will try to hone their actions and words to suit the situation.

**Table 4.5 Charismatic leadership style performance**

<b>Item</b>	<b>SD</b>	<b>D</b>	<b>SHA</b>	<b>A</b>	<b>SA</b>	<b>Mean</b>	<b>SD</b>
Your leaders are visionary means being open to chance and understanding that constant improvement is required for progress.	6(3.9)	18(11.8)	51(33.3)	44(28.8)	34(22.2)	3.54	1.082
Your leaders are good communicators. They are able to share the message loud and clear.	8(5.2)	21(13.7)	34(22.2)	48(31.4)	42(27.5)	3.62	1.175
Your leaders are able to sense the other person's expectations and properly approach them with your vision. In short, they are able to sense the mood and be able to adjust to it.	6(3.9)	27(17.6)	62(40.5)	34(22.2)	24(15.7)	3.28	1.054
Your leaders are willing to take risks as well they are accountable for any problems that might arise. They aren't afraid of challenges either.	20(13.1)	31(20.3)	38(24.8)	32(20.9)	32(20.9)	3.16	1.325
Your leaders are able to think outside Of the box in order to create meaningful change in the organization.	9(5.9)	28(8.3)	39(25.5)	41(26.8)	36(23.5)	3.44	1.202
<b>Overall</b>						<b>3.41</b>	<b>1.17</b>

#### 4.1.6 Democratic Leadership Style Performance

Table 4.6 shows the overall mean for leadership style effect on employee motivation is 3.19 and standard deviation of 1.20. Question two with larger mean; the majority of the respondent agrees that democratic leaders established trust by avoiding unnecessary specific direction and close supervision, and question five with a relative smaller mean; somehow agree that democratic leaders are reward adequate performance and rarely punish or give negative feedback. This implies that there are democrat leaders that are working closely and gives objective wise direction to attain the goals. But rewarding is now adequate that is why experienced employees leaving the company. Also Daft (2015) supports democratic leadership styles by saying the participative techniques and majority-rule decision making used by the democratic leader trained and involved the group members so that they performed well with or without the leader present.

**Table 4.6 Democratic leadership style performance**

<b>Item</b>	<b>SD</b>	<b>D</b>	<b>SHA</b>	<b>A</b>	<b>SA</b>	<b>Mean</b>	<b>SD</b>
Your leaders provide job security, fringe benefits, and office amenities to keep subordinates happy and avoid conflicts that might cause bad feelings	12(7.8)	27(17.6)	44(28.8)	40(26.1)	30(19.6)	3.32	1.201
Your leaders established trust by avoiding unnecessary specific direction and close supervision.	8(5.2)	23(15.0)	47(30.7)	53(34.6)	22(14.4)	3.38	1.07
Your leaders believe subordinates should participate in decisions that affect their work and prefer to make decisions by consensus	14(9.2)	31(20.3)	41(26.8)	46(30.1)	21(13.7)	3.19	1.18
Your leaders hold many meetings and listen to subordinates	25(16.3)	30(19.6)	47(30.7)	28(18.3)	23(15.0)	2.96	1.282
Your leaders are reward adequate performance and rarely punish or give negative feedback	23(15.0)	32(20.9)	57(37.3)	24(15.7)	16(10.5)	2.92	1.431
Your leaders have high standards, expect self-direction of both themselves and others, and lead by example or modeling	5(3.3)	27(17.6)	55(35.9)	41(26.8)	25(16.3)	3.35	1.054
<b>Overall</b>						<b>3.19</b>	<b>1.20</b>

(Source: own survey, June 2018)

#### 4.1.7. Autocratic Leadership Style Performance

Table 4.7 shows the overall mean for leadership style effect on employee motivation is 3.48 and standard deviation of 1.03. Question three with larger mean; the majority of the respondent agrees that autocratic leaders control tightly often by requiring many detailed reports, and question four with a relative smaller mean; somehow agree that autocratic leaders give negative and —personalized!; feedback; and use threats of discipline or punishment as a motivational tool. This implies that autocratic leaders not allow followers to do by them and even require detail written evidences and believe that punishment the only way of motivation. DuBrin (1995) also agree that Autocratic leader is one who tends to centralize authority and derive power from position, control of rewards, and coercion.



**Table 4.7 Autocratic leadership style performance**

Item	SD	D	SHA	A	SA	Mean	SD
Your leaders are provide clear direction by telling subordinates what to do, permitting only minimal subordinate input	3(2.0)	23(15.0)	47(30.7)	56(36.6)	24(15.7)	3.49	0.994
Your leaders expect immediate subordinate compliance or obedience	5(3.3)	11(7.2)	64(41.8)	50(32.7)	23(15.0)	3.49	0.947
Your leaders control tightly, often by requiring many detailed reports	2(1.3)	15(9.8)	49(32.0)	58(37.9)	29(19.0)	3.63	0.944
Your leaders give negative and personalized?; feedback; and use threats of discipline or punishment as a motivational tool.	11(7.2)	31(20.3)	48(31.4)	40(26.1)	23(15.0)	3.22	1.147
Your leaders provide clear direction, but in a tactful manner	7(4.6)	19(12.4)	45(29.4)	47(30.7)	35(22.9)	3.55	1.112
<b>Overall</b>						<b>3.48</b>	<b>1.03</b>

(Source: own survey, June 2018)

#### 4.1.8. Laissez-fair Leadership Style Performance

Table 4.8 depicts the overall mean for leadership style effect on employee motivation is 3.40 and standard deviation of 1.09. Question three with larger mean; the majority of the respondent agrees that Laissez-fair leaders are willing to provide the tools and resources needed, and question two with a relative smaller mean; agree that Laissez-fair leaders are able to give complete freedom for followers to make decisions. This implies that laissez-fair leaders strictly follow what inputs are needed and in what amount and deliver on time and there is a complete free freedom given to subordinates so that output will increased. Laissez fair leader delegates completely and believe they are helping subordinates develop self-sufficiency according to (DuBrin, 1995).

**Table 4.8 Laissez-fair leadership style performance**

Item	SD	D	SHA	A	SA	Mean	SD
Your leaders work with very little guidance from their subordinates	8(5.2)	19(12.4)	60(39.2)	48(31.4)	18(1.3)	3.32	1.011
Your leaders are able to give complete freedom for followers to make decisions	15(9.8)	40(26.1)	30(19.6)	43(28.1)	25(16.3)	3.15	1.255
Your leaders are willing to provide the tools and resources needed	4(2.6)	15(9.8)	36(23.5)	63(41.2)	35(22.9)	3.72	1.01
Your leaders expect group members to solve problems on their own	8(5.2)	20(13.1)	48(31.4)	47(30.7)	30(19.6)	3.46	1.106
Your leaders power is handed over to followers, yet leaders still take responsibility for the groups decisions and actions	10(6.5)	17(11.1)	57(37.3)	44(28.8)	25(16.3)	3.37	1.088
<b>Overall</b>						<b>3.4</b>	<b>1.09</b>

(Source: own survey, June 2018)

### 4.3 Correlation Analysis

A Pearson product moment correlation was conducted to evaluate the relationship between leadership styles and overall all organizational performance. There was a positive correlation between organizational performance and democratic leadership style ( $r=0.488$ ,  $N=153$ ,  $p<0.05$ ) indicating that high levels of organizational performance is associated with high levels of exercising democratic leadership style. Using Cohen's (1988) guidelines, the effect size is medium.

There was also a strong, positive correlation between organizational performance and charismatic leadership style ( $r=0.672$ ,  $N=153$ ,  $p<0.05$ ) indicating that high levels of organizational performance is associated with high levels of exercising charismatic leadership style. However, organizational performance has negative relationship between Laissez-faire ( $r = -0.506$ ,  $N=153$ ,  $p<0.05$ ) and autocratic leadership styles ( $r= -0.377$ ,  $N=153$ ,  $p<0.05$ ).

This indicates that democratic leadership and charismatic leadership significantly predicts overall organizational performance while autocratic leadership and laissez-fair leadership styles negatively predicts organizational performance.

		Democrati c	Autocrati c	Laissez- faire	Charismatic	Organizational Performance
Democratic	Pearson Corr.	1	-.288**	-.201*	.725**	.488**
	Sig.		0	0.013	0	0
	N	153	153	153	153	153
Autocratic	Pearson Corr.	-.288**	1	.773**	-.226**	-.377**
	Sig.	0		0	0.005	0
	N	153	153	153	153	153
Laissez-faire	Pearson Corr.	-.201*	.773**	1	-.324**	-.506**
	Sig.	0.013	0		0	0
	N	153	153	153	153	153
Charismatic	Pearson Corr.	.725**	-.226**	-.324**	1	.672**
	Sig.	0	0.005	0		0
	N	153	153	153	153	153
Organizational Performance	Pearson Corr.	.488**	-.377**	-.506**	.672**	1
	Sig.	0	0	0	0	
	N	153	153	153	153	153
**. Correlation is significant at the 0.01 level (2-tailed).						
*. Correlation is significant at the 0.05 level (2-tailed).						

(Source from SPSS analysis)

#### 4.5 Multiple Regressions Analysis

Multiple regression analysis was conducted to examine the effects of leadership styles on the overall organizational performance. The researchers have checked the regression five key assumptions: Linear relationship, Multivariate normality, No or little multicollinearity, No auto-correlation and Homoscedasticity.

As depicted in Table 4.9, the regression results revealed the R square value of 0.544. This indicates that the dimensions of leadership styles collectively explained 54.4% percent of the variance in organizational performance. The model summary indicates that 54.4% of the variance in organizational performance can be predicted from the combination of Charismatic, Autocratic, Democratic & Laissez-faire leadership Style. Furthermore, the ANOVA table 4.10 indicated that the combination of leadership styles significantly predict organizational performance.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.738 <sup>a</sup>	0.544	0.532	0.27351
a. Predictors: (Constant), Charismatic Leadership Style , Autocratic Leadership Style, Democratic Leadership Style, Laissez-faire leadership Style				

(Source from SPSS analysis)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.206	4	3.301	44.132	.000 <sup>b</sup>
	Residual	11.072	148	0.075		
	Total	24.278	152			
a. Dependent Variable: Overall Organizational Performance						
b. Predictors: (Constant), Charismatic Leadership Style , Autocratic Leadership Style, Democratic Leadership Style, Laissez-faire leadership Style						

(Source from SPSS analysis)

Since the overall F value was computed with all the variables in the equation, charismatic and laissez-faire leadership style are significantly contributing to the equation. Democratic and autocratic leadership styles add a little to the prediction of organizational performance. Three predictors had positive regression weights, indicating that organization performance resulted from high level of exercising charismatic, autocratic & democratic leadership style. However, exercising Laissez-faire leadership style is associated with low organizational performance.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.096	0.371		11.033	
	Democratic Leadership Style	0.018	0.055	0.028	0.33	0
	Autocratic Leadership Style	0.012	0.123	0.009	0.1	0
	Laissez-faire leadership Style	-0.569	0.163	-0.33	-3.49	0.001
	Charismatic Leadership Style	0.408	0.065	0.546	6.271	0

a. Dependent Variable: Overall Organizational Performance

(Source from SPSS analysis)

#### 4.6 The Effects Of Leadership Style On Profitability, Liquidity, Employee's Motivation, Oee, And Productivity

##### 4.6.1 Leadership Styles Have Significant Effect On Organizational Profitability

The model summary indicates that 16.1% of the variance in organizational profitability can be predicted from the combination of Charismatic, Autocratic, Democratic & Laissez-faire leadership Style. The ANOVA table 4.13 for leadership style and organizational profitability indicated that the combination of leadership styles significantly predict organizational profitability.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.402 <sup>a</sup>	0.161	0.139	0.69373

a. Predictors: (Constant), Autocratic Leadership Style, Charismatic Leadership Style, Laissez-faire leadership Style, Democratic Leadership Style

(Source from SPSS analysis)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.689	4	3.422	7.111	.000 <sup>b</sup>
	Residual	71.226	148	0.481		
	Total	84.915	152			

a. Dependent Variable: Profitability

b. Predictors: (Constant), Autocratic Leadership Style, Charismatic Leadership Style, Laissez-faire leadership Style, Democratic Leadership Style

Source: my own

Only democratic leadership style is significantly predicts organizational performance 0.001 ( $p < 0.05$ ). While Charismatic, Laissez-faire and autocratic leadership styles 0.706 ( $p > 0.05$ ), 0.833 ( $p > 0.05$ ), and 0.711 ( $p > 0.05$ ) respectively add a little to the prediction of organizational profitability. A research conducted by Edoka (2012) supports this idea that democratic leadership style significantly effects organizational financial performance. While Sofi (2015) concluded oppositely insignificantly predicts profitability.

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	2.521	0.323		7.811	0
	Charismatic Leadership Style	-0.034	0.09	-0.043	-0.378	0.706
	Democratic Leadership Style	0.353	0.103	0.419	3.411	0.001
	Laissez-faire leadership Style	-0.023	0.111	-0.023	-0.211	0.833
	Autocratic Leadership Style	0.047	0.127	0.041	0.372	0.711

a. Dependent Variable: Profitability

(Source from SPSS analysis)

#### 4.6.2 Leadership Styles Have Significant Effect On Organizational Liquidity

The model summary indicates that only 6.5% of the variance in organizational liquidity can be predicted from the combination of Charismatic, Autocratic, Democratic & Laissez-faire leadership Style. Therefore leadership styles have little effect on organizational liquidity. The ANOVA table for leadership style and organizational liquidity indicated that the combination of leadership styles significantly predict organizational liquidity.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.255 <sup>a</sup>	0.065	0.04	0.6701

a. Predictors: (Constant), Autocratic Leadership Style, Charismatic Leadership Style, Laissez-faire leadership Style, Democratic Leadership Style

(Source from SPSS analysis)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.603	4	1.151	2.563	.041 <sup>b</sup>
	Residual	66.457	148	0.449		
	Total	71.06	152			

a. Dependent Variable: Liquidity  
b. Predictors: (Constant), Autocratic Leadership Style, Charismatic Leadership Style, Laissez-faire leadership Style, Democratic Leadership Style

(Source from SPSS analysis)

From table 4.17 only autocratic leadership style is significantly predicts organizational liquidity with significant value of 0.027 ( $p < 0.05$ ). Democratic, Laissez-faire and charismatic leadership styles 0.330 ( $p > 0.05$ ), 0.337 ( $p > 0.05$ ), and 0.780 ( $p > 0.05$ ) respectively add a little to the prediction of organizational liquidity. Edoka (2012) on his research agreed that autocratic leadership style significantly predicts financial performance,

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.703	0.312		8.67	0
	Charismatic Leadership Style	-0.024	0.087	-0.034	-0.28	0.78
	Democratic Leadership Style	-0.098	0.1	-0.127	-0.978	0.33
	Laissez-faire leadership Style	0.103	0.107	0.111	0.964	0.337
	Autocratic Leadership Style	0.275	0.123	0.257	2.233	0.027

a. Dependent Variable: Liquidity

(Source from SPSS analysis)

#### 4.6.3 Leadership Styles Have Significant Effect On Motivation Of Employees In Organization

Table 4.18 shows the model summary indicates that only 46.3% of the variance in motivation of employees in organization can be predicted from the combination of Charismatic, Autocratic, Democratic & Laissez-faire leadership Style. Table 4.19 the ANOVA table for leadership style and employee motivation indicated that the combination of leadership styles significantly predicts motivation of employees in organization.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.680 <sup>a</sup>	0.463	0.448	0.63776

a. Predictors: (Constant), Autocratic Leadership Style, Charismatic Leadership Style, Laissez-faire leadership Style, Democratic Leadership Style

(Source from SPSS analysis)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	51.876	4	12.969	31.886	.000 <sup>b</sup>
	Residual	60.197	148	0.407		
	Total	112.073	152			

a. Dependent Variable: Motivation

b. Predictors: (Constant), Autocratic Leadership Style, Charismatic Leadership Style, Laissez-faire leadership Style, Democratic Leadership Style

(Source from SPSS analysis)

From table 4.20 Charismatic 0.000 ( $p < 0.05$ ), and democratic 0.001 ( $p < 0.05$ ) leadership style are

significantly predict motivation of employees in organization. Laissez-faire and autocratic leadership styles 0.083 ( $p>0.05$ ), and 0.275 ( $p>0.05$ ) respectively add a little to the prediction of motivation of employees in organization.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.053	0.297		3.547	0.001
	Charismatic Leadership Style	0.321	0.082	0.355	3.894	0
	Democratic Leadership Style	0.316	0.095	0.327	3.323	0.001
	Laissez-faire leadership Style	0.178	0.102	0.152	1.745	0.083
	Autocratic Leadership Style	-0.128	0.117	-0.096	-1.096	0.275

a. Dependent Variable: Motivation

Sofi (2015) on the research concluded contrary to this research that democratic leadership style has insignificant impact on employee motivation. While Edoaka (2012) on the paper concluded positively with this research that democratic leadership style significantly effects employee motivation.

#### 4.6.4 Leadership Styles Have Significant Effect On Organizational Productivity

Table 4.21 shows the model summary indicates that only 15.8% of the variance in productivity in organization can be predicted from the combination of Charismatic, Autocratic, Democratic & Laissez-faire leadership Style. From table 4.22 the ANOVA table indicated that the combination of leadership styles significantly predict organizational productivity.

**Table 4.21 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.397 <sup>a</sup>	0.158	0.135	0.64386

a. Predictors: (Constant), Autocratic Leadership Style, Charismatic Leadership Style, Laissez-faire leadership Style, Democratic Leadership Style

(Source from SPSS analysis)

**Table 4.22 ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.485	4	2.871	6.926	.000 <sup>b</sup>
	Residual	61.354	148	0.415		
	Total	72.839	152			

a. Dependent Variable: Productivity  
b. Predictors: (Constant), Autocratic Leadership Style, Charismatic Leadership Style, Laissez-faire leadership Style, Democratic Leadership Style

(Source from SPSS analysis)

From table 4.23 only charismatic leadership style is significantly predicts organizational productivity 0.038 ( $p < 0.05$ ). However, democratic, laissez-fair and autocratic leadership styles 0.308 ( $p > 0.05$ ), 0.695 ( $p > 0.05$ ), and 0.088 ( $p > 0.05$ ) respectively add a little to the prediction of motivation of employees in organization. Wahab, Rahmat, Yusof, and Mohamed (2015) concluded opposite to this research that there is a positive relationship, significant and high correlation between Laissez-Faire leadership and organizational productivity.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.267	0.3		7.568	0
	Charismatic Leadership Style	0.075	0.083	0.103	0.902	0.038
	Democratic Leadership Style	0.098	0.096	0.126	1.023	0.308
	Laissez-faire leadership Style	0.04	0.103	0.043	0.393	0.695
	Autocratic Leadership Style	0.203	0.118	0.187	1.716	0.088

a. Dependent Variable: Productivity

(Source from SPSS analysis)

#### 4.6.5 Organizational Leadership Style And Overall Equipment Effectiveness (OEE) Have Direct Relationships

Table 4.24 shows the model summary indicates that only 29.4% of the variance in OEE in organization can be predicted from the combination of Charismatic, Autocratic, Democratic & Laissez-faire leadership Style. The ANOVA result indicated that the combination of leadership styles significantly predict organizational productivity.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.559 <sup>a</sup>	0.313	0.294	0.45127

a. Predictors: (Constant), Laissez-faire leadership Style, Democratic Leadership Style, Charismatic Leadership Style, Autocratic Leadership Style

(Source from SPSS analysis)

From table 4.25, Democratic & Charismatic leadership Style has statistically significant effect on OEE. Since the overall F value was computed with all the variables in the equation, autocratic Leadership Style has little contribution. Democratic leadership style .000 ( $p < 0.05$ ) and Charismatic leadership Style .000 ( $p < 0.05$ ) predictors had positive regression weights, indicating that these leadership styles have positive effect. However, Laissez fair leadership style .022 ( $p < 0.05$ ) significant but -2.314 negative effect and autocratic Leadership styles .801 not significant and has negative effect -.253 on OEE. Chris and Ukaidi (2016) Concluded that democratic leadership style of the organization



significantly influence the performance and organizational output which is the same as this research while autocratic and laissez-fair has insignificantly influence.

4.25 Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4.837	0.639		7.567	0
	Democratic Leadership Style	0.283	0.079	0.283	3.591	0
	Charismatic Leadership Style	0.519	0.082	0.517	6.31	0
	Autocratic Leadership Style	-0.048	0.19	-0.027	-0.25	0.801
	Laissez-faire leadership Style	-0.594	0.257	-0.256	-2.31	0.022

a. Dependent Variable: OEE

(Source from SPSS analysis)

## 7. Hypothesis Testing

The five hypotheses were answered through model summary, ANOVAs and coefficient;

**Hypothesis 1 (H1):** The leadership style has effect on profitability. Only democratic leadership style is significantly predicts organizational performance 0.001 ( $p < 0.05$ ).

**Hypothesis 2 (H2):** The leadership style has effect on liquidity. Only autocratic leadership style is significantly predicts organizational liquidity 0.027 ( $p < 0.05$ ).

**Hypothesis 3 (H3):** The leadership style has on employee motivation. Charismatic and democratic leadership style are significantly predict motivation of employees in organization 0.000 and 0.001 respectively ( $p < 0.05$ ).

**Hypothesis 4 (H4):** The leadership style has effect on productivity. Only charismatic leadership style is significantly predicts organizational productivity 0.038 ( $p < 0.05$ ).

**Hypothesis 5 (H5):** The leadership style has an effect on Overall Equipment Effectiveness (OEE). There was a positive correlation between OEE and charismatic leadership style .000 ( $p < 0.05$ ) and democratic leadership style .000 ( $p < 0.05$ ) indicating that high levels of OEE is associated with high levels of exercising charismatic & democratic leadership style.

## 4.8 Discussions

The main purpose of this research is to show the relationship of leadership style and organizational

performance. As the researchers observed from their experience in the KMPF the top and middle level management have little idea about leadership styles and their effect on the organizational performance. There is no coordinated system of waste disposal and quick selling and wise use of its second grade products after a time the weight of the under product will reduce due to corrosion this intern decreases the amount of money obtained from selling of the discarded products. There are unnecessary costs incurred due to under quality of spare parts, over usage of cooling water due to poor construction of water trench, poor quality of safety materials. This is due to the carelessness of top leaders and could not know how to manage all the necessary assets of the company. From this leadership style has an effect on organizational financial performance (profitability and liquidity).

The organization leaders expand the factory by installing latest machines and make available the required raw material in quantity and on time. But there is a doubt on the quality of raw material available; even though the amount of annual production level is increases every year the input raw material is purchased by considering mainly the cost. Due to a poor quality of raw materials sometimes there is an increase in second grades and scraps which is a direct reflection of leader ship style exercised. The leaders of KMPF believe that there are low quality of spare parts and inputs purchased due to this the performances of the machine reduced, downtime is high and machine breakages are increased. To overcome this problem, the leaders should working on improving the raw material quality so as to reduce the amount of scraps this will increase machine performance. Overall Equipment Effectiveness (OEE) is a way to monitor and improve the efficiency of your manufacturing process (EXOR / DataVisor Marques).

Without informing the employees about how to care the business and make them to sense as their own, it is difficult to get success. High productivity can only be achieved if workers are highly skilled and adequately motivated (Kondalkar, 2007). On paper, there is a system of recognition and rewarding for outstanding workers but in reality there is a gap. There is on-the-job and off-the-job training given every year according to the survey conducted at the end of the budget year which in turn helps the company to improve its process and installs new machines. The top leaders of KMPF almost all work together with employees by communicating face to face. They following what are going on the production floor and according to the total performance at the end year there are some bonuses and also for holidays the company give extra incentives.

There is lot of expansion by installing different types of production lines that will substitute imported metal products like furniture pipes which is the result of leaders that are characterized by charismatic. Charismatic leaders also pay a great deal of attention to scanning and reading their environment, and are good at picking up the moods and concerns of both individuals and larger audiences. They then will try

to hone their actions and words to suit the situation (Kolzow, 2014).

There is a good trend of relationships between subordinates of different departments that helps the factory to be effective in its processes. Of course, there is some dispute among them which is not that much creates harm on the company. The employees work not as departments rather they work for one objective even though their aim is to accomplish the department's goal the cumulative result become the organization goal. This is because the leaders closely support each member under his/her supervision. Subordinates (lower level employees) are not allowed to fully participate in decision making. Regarding meeting in the leaders work together with their subordinates and with all members under the leader's supervision this has been considered as a meeting as they always talk with them about the daily working process and if there is something wrong happening, the leaders participate members for the best solution. However, there are leaders who do not accept subordinates' support and guidance for what they are going to do.

As per interview results, the top managers encourage the development of employees by rules that help employees to improve themselves like giving training, education up to first degree, delegating them, and assigning the employees according to their skills and educational background.

There are most important values that the top managers demonstrate as a leader like integrity, group work, keeping promise, telling all the employees the goals, and main objectives of KMPF. Regarding their leadership style they follow democratic leadership style, which is similar with the result from the questionnaire. There are motivational schemes like giving a short term training, according to the profit at the end of the year all employees gate a bonus based on their performance, and increasing the monthly salary are the main motivating system of KMPF of course these are not fully satisfying the employees because there were a lot of motivation system that helps the employee to do their works with morale.

Goals of the company is accomplished by cascading the KMPF goals in to departments, establishing a system for following the activities of each departments, creating a strong group work, making all the required resources ready on time with the required amount, and showing direction how to reach the goals. The top management agree that a leader can fail if a leader has no vision, do not plan appropriately according to all the available resources, not encourage employees, if the leader has no the skills and knowledge that the position require. The performance of the firm and employees is measured comparing the production, sales, waste reduction plan and actual work accomplished at the end of the year using a five year strategic plan. The employee performance is measured using balanced score card according to their activities, discipline etc.

The top management considers success as a leader when there are positive changes as a group and individually, when the subordinates become a leader, when the plan is achieved without additional inputs and with quality. When managements are unsure about how to achieve the goals of the team; first all the required information from inside and outside will be gathered regarding the situation and then a discussion will be made with all the concerned stake holders and then the best decision will be made. All agree that Leadership style definitely has an effect for financial and non-financial performance of the organization.

Concerning focus group discussion, they agree that there is no one type of leadership style in KMPF all styles is exercised according to the situation. The dominant are democrat and charismatic leadership style. Some groups said that leaders show the path how to be a leader but majority said that especially in the production department there is a gap in making the follower to be a good leader this is because they do not know the benefit of empowering the follower to be a good leader. The entire group agrees that leadership style has an effect on financial and non-financial performance.

All the inputs like accessories, raw material and, stationary, cleaning items and the like that are purchased for the overall purpose of the company are not the right quality which is the direct effect of the top leaders. Some members said that their subordinates are satisfied by their leaders because they are given some benefits relative to other similar companies. The other group agrees that the subordinate are not satisfied because they only focus on the job not for employees, money alone is not the solution well experienced employees are leaving the factory due to the leaders they were working. The majority agrees that democrat leadership style is more appropriate this is because delegate's authority to others, encourages participation, relies on subordinates' knowledge for completion of tasks, and depends on subordinate respect for influencer.

The majority agrees that they are totally not satisfied especially those that are middle level managers and below there is a huge work load, not good working condition, and there is two different benefits given for similar factory workers especially those that are working in production; for one department there is special salary and incentive while for the other that are working in a dangerous situation and covers above 60 percent of the factory income do not get adequate benefits.

## **5. Conclusion Ans Recomendation**

### **5.1 Conclusions**

This study has investigated the effect of leadership style on organizational performance in KMPF. The results of this study revealed that there is strong relationship between leadership style and

organizational performance. On the basis of the findings of this study, it can be concluded that leadership style has both positive and negative effect on organizational performance. Charismatic leadership style and democratic leadership style has a positive relation and significantly effects Overall Equipment Effectiveness (OEE) with this research question one is addressed. Charismatic leadership style has a positive relation and significantly effects organizational productivity gives research question two answer. Organizational profitability has positive relationship and significantly affected by Democratic leadership style addressed research question three.

Autocratic leadership style has a positive relation with organizational liquidity answered research question number four. The study found that charismatic leadership style and democratic leadership style has a positive relation and significantly effects with employee motivation answered research question five. In contrary Autocratic leadership has a negative relation with employee motivation, OEE, productivity, profitability. Democratic leadership style has a negative relation with organizational productivity and liquidity. Charismatic leadership style a negative relation with organizational liquidity and profitability; and Laissez-fair leadership style has a negative relation with organizational liquidity, profitability, productivity, OEE, and employee motivation. Charismatic leadership style and democratic leadership style are exercised in the organization with charismatic leadership style dominant

## 5.2 Recommendations

Findings of this study show charismatic and democratic leadership exercise the most in KMPF. A democrat leader delegate's authority to others encourages participation, relies on subordinates' knowledge for completion of tasks, and depends on subordinate respect for influencer. In order to be more profitable organization it is better to exercise at most democratic leadership styles.

There is a hint of autocratic leadership style which predicts organizational liquidity with the characteristics of tends to centralize authority and derive power from position, control of rewards, and coercion. Groups with autocratic leaders perform highly so long as the leader is present to supervise them; so that the organization should look carefully in order not to develop such leadership style.

Employee motivation is the basic variable that can affect organizational profitability the leaders of KMPF should satisfy the needs of the employees by providing equal benefit, satisfactory salary, appropriate insurances, recognition systems, and the like so as the members of the factory will do all their best skills, commitment, good social interaction with all members. To be a good and productive leader the top management should adopt a culture of accepting feedback from their subordinates, change working system of the factory that can make the employee feel as owner of the factory. Creates a

good friend ship within the departments, make themselves exposed for change.

For the sake of efficiency and better resource utilization the organization creates a well-accepted and participatory leadership style. If the available resources are not managed accordingly there will be a loss ultimately the organization will be shutdown which is the result of poor exercising of leadership and not knowing the best style. Furthermore, in order to reduce the amount of scraps and second grade products and at the same time improve the output (first grade) product, the leaders of KMPF should focus on purchasing standard and quality inputs which are suitable for both the machine and the operators and also the customer. This intern reduces speed loss, down time loss. The other main point to consider is that to respond appropriately to external threats and opportunities the leaders give attention for Innovation and adaptation.

Availability, Performance, and Quality are the three Overall Equipment Effectiveness (OEE) measuring metrics that are influenced by leadership style. There three metric empowers manufacturing companies to improve their processes and in turn ensure quality, consistency, and productivity. The organization should also adhere to the best leadership style which is democratic leadership style to create an accepted management tool to measure and evaluate plant floor productivity.

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# Labyrinth Of Women Leaders : Manifestations & Ramifications

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## **ABSTRACT**

*Leadership is an activity that is performed by individuals in an organizational or societal setting. It is a function that can make unique contributions to every sphere of human activity. It is further claimed to be a process, a style or an act of different traits resulting in optimum performance and is concurrent, collective, collaborative and compassionate in nature. Now the question is - Can all this be attributed to a person's gender alone? In short, can it be claimed that leadership establishes its credential by gender and gender alone.*

*Leaders provide vision and meaning to an organization that embody the ideals to strive for excellence in all that is done in the work sphere. Traditional scholars view leaders as alike and also as being genderless. If this was the true description of leaders, why then are women unable to accede to leadership positions in greater numbers? Are men better administrators and leaders than women, simply because they are male? Interestingly, a plethora of research conducted on the said theme does not support this assumption.*

*The present study delves into all aspects of women leadership ranging from the leadership, negotiating and communication styles of women to how their presence in board rooms more often than not, spells firm profitability. The study also deliberates on the various barriers encountered by women to reach leadership positions and the bias that is prevalent towards them at work in particular and society in general. Finally, interesting insights and observations give the big picture on the subject.*

*The study is based on secondary data and utilizes the information available in Books, Journals, Magazines, Reports and Websites. The three sixty degree angle is utilized to obtain a multiple perspective on the subject and all inferences drawn are based on the secondary data. This study is a precursor for the empirical investigation that is called for in order to arrive at concrete findings*

**Key Words: Women Leaders; Leadership; Labyrinth; Barriers & Bias.**

## **Women in Leadership - Myth vs. Reality**

In the last century or two, leadership is being spoken about with platitude and there are several myths shrouding it. The history of leadership throws up very few women leaders and it is difficult to comprehend as to why it is so? Data available about women helps in shedding more light on this aspect.

- Women comprise almost half the population but statistics suggest, very few women occupy the board of director positions in the corporate even today.



- Women hold only 4.1% of the line manager roles, considered the “pipeline positions” to take up key positions including that of CEO.
- In the business world, women occupy only 4.6 % of Fortune 500 CEO positions and the same percentage of Fortune 1000 CEO positions.
- Income earned by women is 24% less than men in equivalent positions; this widens as women go higher up in the organization.
- Research says women have a narrower range of behaviors and need to navigate them carefully to present themselves as both credible and sufficiently feminine and not challenge societal assumptions about gender. (Sealy and Singh, 2010)
- Women are over mentored and under sponsored (Singh et al 2003).
- Both men and women accede to stereotypes about managers as male - think manager, think male (Shein 2001)
- According to Goldman Sachs, the narrowing gap between male and female employment participation rates boosts GDP.
- Fortune 500 companies with the highest representation of women board directors attained significantly higher financial performance, on average, than those with the lowest representation of women board directors, according to Catalyst’s report -The Bottom Line: Corporate Performance and Women’s Representation on Boards.
- “Clearly, financial measures excel where women serve on corporate boards,” - Ilene H. Lang, President of Catalyst and most importantly, the Catalyst study demonstrates the strong correlation between corporate financial performance and gender diversity.

**\*Data collected and culled from various sources.**

### **Lack of Women Leaders - A Bane for Business**

Women have not been taken seriously in business in the past and hence the number of women in top leadership positions is definitely not what it ought to be at present. The glass ceiling does exist as suggested but many women are slowly smashing it and forging ahead. Women really need to get out in

the open from their own protected shells and cocoons. In fact, as women moved ahead in their profession in the later part of the last century they used their masculine traits i.e. playing men in women garb to be effective leaders. Whether they were comfortable and enjoyed doing that, no one can tell, but in reality this was not what was required. Businesses truly needed the feminine strengths of listening, nurturing & the silver lining of creativity at work to add value to the leadership spectrum. As of now, more and more women have realized the importance of being themselves and are proud of bringing their unique female traits to their leadership roles and into all the areas of their profession which is a blessing for all concerned. The issues concerning women leaders are plenty and it is hard but not impossible for them to be focused and determined, empathetic and generous, self-assured and assertive overcome all challenges and be successful. Many preconceived notions exist because of the stereotyping that has been happening since ages but women have to face it boldly and shrug it off if they want to lead and head organizations and get into the board rooms in bigger numbers. According to Lois Frankel, President of Corporate Coaching International the importance of being assertive at the work place irrespective of gender is very important and it is surely fine speaking up for one's self or having an outspoken disposition. Today, leaders are appreciated and popular for their outspokenness and it is seen as a merit, contrary to the view in the past.

**Purpose of the Study** - Women, on an average are superior in performance when compared to men in almost all spheres of life. However, many people still harbor the belief that women are less capable, competitive and productive in comparison to men in the corporate world. Women do want to be leaders and this is the truth and reality. Women exhibit the preparedness for upward mobility encountering all barriers and become role models for young women aspiring to be leaders. The present paper attempts to discuss these issues & links it up to the current state of human existence.

**Methodology** - The present study is based on secondary data and utilizes the information available in Books, Journals, Magazines, Reports and Websites. The three sixty degree angle is made use of to obtain a multiple perspective on the subject. Inferences are drawn based on the secondary data. The study serves as a precursor and calls for an empirical enquiry.

### **Leadership Style of Women**

Women leaders were few and still remain so despite advancement of the status of women in business and society as evidenced by women occupying high political office and corner suites of big companies in the globalized world, today. There is a visible paucity of women in board rooms which can be attributed to social conditioning and lack of support and encouragement for female advancement in business. Gender stereotypes have made it difficult for women who possess requisite leadership skills to be accepted as leaders. Instead of appreciating successful women leaders, societies see them as aping

male traits, perceived as negative traits in women. Successful women leaders find their way through this double-bind by adopting a cooperative and nurturing style of leadership to gain acceptance, generally unacceptable to many who suggest this as unsuitable in the long run to head and lead organizations.

Excellent communication coupled with exceptional networking skills and a crystal clear vision leading to high achievements with enhanced capability of taking informed decisions are key to effective leadership irrespective of gender. The sole and glaring difference observed between the genders are in the styles of management. Males are autocratic and directive while females are nurture g and collaborative. As women continue their upward trajectory in the business world, they are yet to be fully appreciated for the unique qualities and abilities they bring to the workplace. At present, the capability of an individual and not gender is given prime importance.

However, it is to be noted that there are leadership styles and models with specific communication and negotiation patterns that women adopt in their work activities as leaders which gives them a sure shot lead in achieving success.

### **Communication & Negotiation Style of Women**

As leaders, it is said that women communicate with greater precision and clarity though they use too many words and sentences to convey the message. Women naturally, use more words while transmitting messages diluting the content as seen by many and viewed as a fundamental gender difference. It is said that 25 % fewer words in conversations and e-mails can do wonders for women. Taking time to respond to a question and structuring arguments are important in leadership and business. Being succinct is key to being heard. The golden rule of effective communication is – “If you can say it in five words, do not use ten”. Women have taken the cue to improvise on this to be better communicators and thereby better leaders.

According to research conducted by Lisa Barron of the University of California, Irvine, women generally negotiate for less money when offered the same position as a man for fear of coming across as greedy. The study shows that women are less comfortable equating monetary consideration with their self-worth. They build relationships with others on an individual level and are uncomfortable promoting self-interests but this is a generational barrier and is likely to dissolve over time as more young women join the workforce. Another point in business negotiations is that men take control by talking more than women and interrupting frequently to air their ideas or seek clarifications. When former US Secretary of State Madeleine Albright, was asked what advice she had for up-coming professional women, her reply was “Learn to interrupt.” Women must talk and learn to talk more about themselves, their ideas and accomplishments and not shy away thinking that they may be perceived as

being ambitious and money minded.

Be it communication or negotiation, anything is achievable if the pursuit is well understood and the passion for achieving it is present and currently it is seen that women are working on it. As mentioned, there are very few women on boards and heading large companies even today but it must be understood that feminine characteristics are good enough to achieve anything and everything and they must stop worrying that they do not possess the traits and characteristics to be leaders. Replacing and replicating masculine traits to get there and be noticed is not the answer. Women must realize that they are self-reliant to be effective leaders and have it all in them to take on the mantle of leadership. Women leaders must manage to balance the ability for transformational value-driven passion or “Contagious Energy,” with a disciplined distance from emotive responses. Doubts, fears and disappointments are a part of life and women must get over them and inspire themselves by motivation and reinforcement to go ahead.

### **Women Leadership and Bias**

In the leadership context, bias plays a major role and at several levels. Many questions arise based on bias. Do women really make good leaders? Are women really suitable to leadership positions in big firms? The bias is so strong that it is not easy to shake off given that it has been there for centuries. The prejudice generally observed are in the following ways - In the way, the organizations structure their leadership patterns & positions

- In the way people perceive women in top leadership roles.
- In the way, that women leaders perceive their own selves.
- In the way some qualities are traditionally associated with leadership
- In the way certain specific roles are traditionally associated with women
- In the way what women need to do to succeed in leadership roles?

At each of the above levels, a woman's qualification and suitability for leadership is called in for questioning and many feel women are unsuitable for leadership roles and interestingly many women leaders themselves view leadership thru' the cultural lens that is often distorted by the “Gender Bias”. Gender bias presents a significant problem not only for women but also for organizations (Hogue & Lord 2007).

Women's under-representation in leadership positions is partly attributed to gender expectation practices. Statistics point the barriers that women encounter in assuming leadership roles but most intriguing is the experience of women leaders who state that gender expectations and practices shape

experiences even after they reach the top leadership positions. A fundamental challenge to women leadership arises from the mismatch between the qualities traditionally associated with leadership and those traditionally associated with women. (Catalyst, 2007; Eagly&Carli 2007) Things have not changes much even today and the study done years ago still holds good representing the general mind set of people about women and leadership.

Attitudes towards women are positive, in fact more positive than towards men. However, these views do not hold well when women occupy high positions and excel in these positions. Though women are seen as highly competent they are less liked when compared to successful men. In short, women unlike men, face trade-offs between the factor of competence leading to success and the likability factor in leadership roles. The assertive, authoritative and dominant behaviors that people link with leadership are viewed as unattractive and atypical of women which may add on to the reason for distaste and dislike observed for successful women. Unless organizations take steps to check this bias, women leaders will be misjudged even with high levels of preparation and aptitude for corporate leadership roles.

### **Benefits Accrued from Women's Participation on Boards**

Studies show mixed results from including women on corporate boards. Having women on corporate boards, does not necessarily lead to better performance at the firm according to a few studies. However, most literature emphasizes the benefits accrued from women's participation on boards and in senior management teams:

- Women tend to bring in skill sets that benefits different aspects of team work: empathy, flexibility, communication and collaboration.
- Women tend to be more risk-averse with implications for firms endangered by excessive risk-taking.
- Women contribute to “social sensitivity” and collective intelligence by bringing varying perspectives, opinions and expertise that would otherwise not be found on all-male teams.
- Women are more diligent in attending board meetings and influence male board members to improve their attendance.

### **Labyrinth of Women Leadership**

In an article in the Harvard Business Review, researchers described a woman's progress to the top using the metaphor of the “Career Labyrinth”. The passage through the labyrinth was possible, but required persistence, awareness of one's progress and a thorough analysis of the road with many obstacles to cross over. A woman's progress can easily be stalled by inherent prejudices, issues of leadership styles and its authentication and stereotypes about social obligations and family responsibilities. The career labyrinth was used as a metaphor identified based on the experiences of many women leaders. Organizations had to improve gender equity statistics and they began with a few suggestions as stated

below -

- Bring in gender equity to the top management table.
- Ensure a top male executive is an Executive Sponsor.
- Support with annual gender equity plan along with an annual gender equity pay analysis.
- Acquaint and build awareness with apt resources and cases available. Example - Workplace Gender Equality Agency. (<http://www.wgea.gov.au/>)
- Train teams to make objective selection, promotion and pay decisions.
- Stop stereotyping “flexible work practices” as a panacea for working women. (Flexible work practices need to be made available for all employees.)

During a Cooperative Inquiry, women shared experiences from their personal lives, family events and transitions to the challenges of their work lives and the changing public landscape; from their ambitions, plans and questions about their professional futures, to their discovery of other interesting parts of themselves. The group responded strongly to the metaphor of the labyrinth of leadership, which they discovered in a recently published article in the Harvard Business Review. By reframing the obstacles for women as a labyrinth rather than the traditional “glass ceiling”, the authors emphasize that the route to leadership is complex and circuitous at every career stage for women. The participants explored the concept application to their own lives and identified a set of distinct features mentioned below:

- **The narrow band of women leadership:** The participants spoke of the futility of “getting leadership right”; whether they utilized command & control or facilitative leadership as their behavior was perceived in a distorted way by colleagues and superiors.
- **Ambivalence about ambition:** While ambition was identified as a critical element of leadership trajectory, fueling accomplishments and driving results, manifestation of conflicts was observed because of ambitious women participants.
- **Challenges of transition:** The participants spoke of inconsistency in being recognized for actual achievements. The sense of disequilibrium, intensified during career transitions, even among the highly accomplished and achievement oriented women.
- **Race and gender:** Race often trumps gender as a factor in the way women were perceived as leaders. An in depth understanding of how race and gender impact women's accession to top positions and at work are of great importance here.

- **Expanding the conversation and supporting each other:** Over the course of the inquiry, some participants experimented with new behaviors and conversations and provided a feed back to the group. The women also got closer to each other by offering counsel and support to encounter current professional challenges.

While the ambitious question that launched the inquiry could not be answered in the timeframe of the CI, the group felt that they had made some inroads in identifying key issues, which in their own experience, represents the pieces which might contribute to the puzzle of this transformation. The exercise proved to be useful in terms of the insights and observations on women leaders.

### **Barriers to Women in Leadership Roles**

The obstacles, blocks or hindrances to the success of women leaders are many with ceilings, floors and walled boundaries set to their aspirations and desires made up of something more than the glass material. Social attitudes and cultural patterns remain unchanged over centuries. Overt discrimination has lessened over the years but the circuit of old boy network's still operate, unflinching and strong. The desired skills and confidence for career advancement are not acquired overnight and the practical challenges faced by women can vex even the most determined and focused of women leaders as they try to embrace both work & family. All said and done, women must learn to navigate thru' these and come out unbrazen.

**Perceptual Barriers** - Critical impediments for women leaders, continue to hinder their progress for no reason or fault of theirs. Identified barriers to success are mostly from the socio- cultural and psychological perspective such as gender stereotyping, fewer role models and most of all societal attitudes. These blocks haunt women as also their procrastinating nature and the common adage - "It is a man's world" and "Women are best confined to the kitchen" attitude.

**Attitudinal Barriers** - A Catalyst survey finds little difference between senior level businessmen and women in the U.S. on their aspirations to occupy the most senior role in their organizations. Similarly the same study reports there is no difference in aspirations between women who have children and women who do not. However, it is to be noted that changing attitudes about working women may not change attitudes about women as leaders. Interestingly, many people in organization preferred to have a male boss to a female one depicting the miniscule magnitude of the attitudinal change that has occurred over the years.

**Familial barriers-** Women are more likely than men to see family responsibilities as a significant barrier for hoping to reach the top levels of corporate leadership. It is opined that it's better for a woman

who wants to reach a top executive position in business to have children early on in her career than wait. Many women believe it is better to have children early on in their careers but a lot more especially the younger generation suggest that women with leadership aspirations are better off not having children at all so that the entire focus is on the career.

## **Women Leadership: Important Insights and Observations**

### **Economic development and Women leadership**

Economic development does not beget female leadership. There are many developed countries with low levels of female representation, such as the 11.3% female legislators in Japan or 17% in the United States and in contrast are countries with low levels of development and higher representation such as 39.2% women in the Mozambique parliament. Similarly in corporate boards, 17% of board directors are women in Bulgaria and Latvia, compared to Europe, which is below 9%. A good example is Italy with a mere 3.9% of female board directors.

### **Broad Career paths and Women leadership**

The broadening of career paths for women has not led to a proportional increase in female leaders. Increased education and labor participation rates among women are only weakly correlated with the number of women in leadership positions in the corporate sector. Despite the increase of women working in high-paying management and professional positions the trends are not very encouraging. Available data reflects a large number of companies with only one woman on the board, which clearly indicates tokenism rather than substantive leadership success of women leadership.

### **Experience and Woman Leadership**

Women on an average have less experience, but this does not predict leadership performance. Career interruptions and putting in fewer hours at work result in women having less experience. Data suggest a steady attrition of women as they move up the career ladder in organizations. A study of Chicago Business School MBA's by Bertrand, Goldin and Katz (2010) shows that while men and women enter the labor force at similar rates and earn comparable salaries at entry level, nine years out of school women are 12% less likely to be working when compared to men. Working women put in an average of 10% fewer hours per week than their male counterparts with a wage gap of 40% in annual earnings. The evidence on the relationship between experience and performance in leadership positions is mixed.

Experience or the lack of it really does not predict leadership effectiveness or efficiency whether it is a male or female leader.



**Women advancement spillovers from Politics to Corporates**

There is also little evidence of spillovers of gender advancement from politics to the corporate sphere. Even with relatively high levels of female political representation in Norway (36.4% after the 2001 parliamentary elections, the percentage of female corporate board directors remained below 7% until quotas were directly implemented in the business sector in 2003. Rather than originating from firms, however, the move toward corporate quotas has been external, largely based on a realization in the public sector that political quotas have been successful in increasing female leadership.

**Barriers to Female Leadership– The Fact File**

**Preferences and Costs of Entry:** Most women shoulder a huge responsibility comprising child and elderly care of both parents and in-laws, besides the ever increasing household chores. Little or no help comes forth from other family members who may be earning members and busy at work. Whether women choose to stay home by choice or necessity it will imply higher costs of entering and continuing in the work force for many women. As on-the-job experience is a key criterion for promotions and selection of candidates by firms for top slots thus fewer women get selected for existing and anticipated vacancies due to several career interruptions in a life time.

**Aspirations and Desires:** It is perfectly feasible for women to aspire to be leaders, but the fact is that many may not be aware in addition to lack motivation and morale to become leaders unless they have women leaders as role models. Women face several barriers to gain entry due to the lack of female predecessors demonstrating that women can excel in leadership roles and be successful with vast opportunities available and beckoning them.

**Aversion to Competition:** Women basically prefer non-competitive environments which may limit their drive for competitive corporate advancement process. Niederle and Vesterlund (2007) say that women prefer competitive engagements less than half as often as men of similar ability. This effect is strong when women compete against men, rather than only women. This may present an additional challenge to women competing in largely male-dominated fields.

**Taste Discrimination:** Personal tastes can cause a preference for male leaders only. Such taste discrimination is often rooted in the social norms that women should not be leaders or that leadership is a masculine activity. Kelley and McAllister (1984) and Beaman et al. (2009) demonstrate taste discrimination against women among voters in elections, while Bagues- Volart (2010) presents evidence of a preference for male candidates in the hiring process as well as seen in Spain.

**Statistical Discrimination:** Lack of documented and proper information about the abilities of women

leaders may cause members to rely on apocryphal beliefs about average performance.

The small number of women leaders may cause such beliefs to be reeling under bias and result in inefficient statistical discrimination that undervalues the true performance of women as leaders.

**Biased systems of Selection:** Existing selecting systems adopted for choosing directors of corporate boards may restrict the demand for female leaders. A large body of research has shown that proportional representation systems lead to greater representation of women versus other systems (Siaroff 2000, Norris 2005 or Matland 2005).

**Accessibility:** Selection panels for corporate board members often utilize the networks of existing board members and top level executives, who are predominantly men. A commonly cited reason for few female leaders on boards is the lack of access of potential female candidates to informal networking opportunities, particularly to break into male-dominated networks. Since panels rely on existing networks, selection may be restricted in terms of selecting well-qualified women to the boards.

**Recognition:** The corporate has been painstakingly slow in the recognition of the paradigm shift in demographics and corporate culture, with women making a head-way in the industry. Tapping the latent potential in women and helping them rise to leadership positions has not been a top priority at all. Corporate interest and gender inclusive initiatives to capitalize the female talent available in the industry has been seen in the last few years. The realization has set in, that in a globalized economy, “winning the war of talent” is a major competitive factor and highly educated and talented women are to be considered critical assets not to be under-valued, under-utilized or ignored.

As of now the corporate gives due recognition to women as they contribute in a big way and add value to the industry. Companies are changing the ways of conducting business to eliminate all ceilings a step that is reactive and positive. Companies have realized that discriminating women can prove costly and is highly unethical. Change is taking place with the glass ceiling slowly racking as more women get promoted to jobs that otherwise would have been filled by men. Things are really looking up for women who aspire to be leaders.

**“Effective leadership is not about making speeches or being liked; leadership is defined by results not attributes. Management is doing things right; leadership is doing the right things”.**

**- Peter Drucker.**

## Conclusions

Gender roles are socially constructed and furthered by patriarchal society and families. It is imperative that these fundamental classifications be challenged and deconstructed. Leadership is not just a trait. It is a function which manifests in several ways. There is no single style of leadership that is universally accepted as the best and gender alone may not be that variable that will crack the differences. All of us are born equal but with different anatomies. Women leaders reflect a nurturing & caring attitude, attributes which can be found in abundance in men and the daring and bold nature of men is reflected by a lot of women as well. More formats of leadership are yet to be captured by academia. Leadership means inspiration, nurturance, collaboration, motivational influence and exhibiting the ability to constantly learn, develop and evolve no matter what gender one belongs to. Women are as intelligent, capable and competent as men and can do whatever men can, but they need to inspire themselves that they “can” and they “will”. Where there is a Will there is a Way for all to enjoy the leadership journey.

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