

The Impact of leadership styles on Organizational performance

Asmatullah Qani

Teaching Assistant, Faculty of Economics, Bost University, Helmand Afghanistan

Email: as.qani2324@gmail.com

Abstract

The study which assumes the Impact of leadership style on Organizational performance, leadership is one of the key Determinants associated with the Success and Failure of any Organization. The leadership styles which are investigated in this study, which were developed by Kurt Lewin, were considered in this study. And the main Objectives of the study is to Examine the Relationship of leadership styles on organizational performance. It is a Qualitative Research which is Carried out by Primary Data using a Likert scale Questionnaire which is Sent out both by Google Forms and physically to Respondents, The Yamen's formula is Used for the Determination of sample size. For more Credible Results, the Autocorrelation, Multi-collinearity, and Reliability tests were Applied before running of multiple Regression Using SPSS Version-24. From Applied tests, the Cronbach's alpha Coefficient of alpha was 0.870 showing high internal Consistency, 2.052 of Durbin Watson statistics showing almost no Autocorrelation, and the Average VIF is around 1.52 showing no Multi-collinearity. For final Result the multiple regression was applied. the Regression model shows that all three independent variables have a positive relationship with the independent variable and are significant at 0.10 Confidence interval, in which H1, H2, and H3 are Accepted. the Autocratic leadership style with a Coefficient of 0.196, Democratic Leadership style with a Coefficient of 0.242 and Laissez-fair with a Coefficient of 0.352. It is concluded that among the three leaderships, laissez-fair mostly impacts organizational performance Democratic leadership is second and Autocratic leadership has less Impact on Organizational performance.

Keywords: Organizational performance, Autocratic, Democratic, Laissez fair and Leadership Style.

Introduction

According to (Griffin, 2015) leadership as a process, the use of non-coercive influence to shape the Group's or Organizational Goals and Motivate Behavior toward the Achievement of those Goals. leadership is one of the key Determinants associated with the Success and Failure of any Organization (Hasan, 2018). Performance is the ratio between output and the total of factors required to achieve it. (Sougui, Bon. & Hagi, 2015) Employee performance Depends on Employee's satisfaction (Insan et al., 2013) and it Directly Impacts Organizational performance. The leadership style in nature is a manner by which Direction and motivation are Applied by a leader to Achieve Organizational Goals. the leadership style in any organization has given managers the ability to ask Employees about matters, make decisions and participate with others (Bhargav & Yaseen, 2016). Organizations use leadership styles that Enhance the Abilities and Capabilities of people. The role of leadership in an organization is crucial in terms of Creating a vision, mission, Determination, and Establishment of objectives, designing strategies, policies, and methods to achieve the organizational objectives Effectively and Efficiently along with directing and coordinating the Efforts and organizational Activities (XU and wang, 2008). Leadership has a Cause and Effect Relationship with Organizational performance (Akpapere, Jengre, & Mogre, 2019)

Many organizations face problems related to Unsound practices, poor financial performance, high labor turnover Etc (Hasan, 2018). Leadership style influenced organizational modernization and organizational learning completely and considerably. Organizational modernization and organizational learning also completely and considerably influenced organizational performance (Hariswaran, Nawaz, and Gajenderan, 2020). the leadership styles have a Direct Relationship with performance (Beakana, 2017), further said leadership styles with a significant positive relationship with organizational performance (Saleh, Nusari, Habtoor, Isaac, 2018)

Research hypothesis:

H1: there is a significant relationship between laissez-faire leadership and Organizational performance.

H2: there is a significant relationship between autocratic leadership and Organizational performance.

H3: there is a significant relationship between Democratic leadership and Organizational performance.

Research problem:

Leadership style Determines subordinates' participation in making the decision and the way organization is run administratively (Muchiri & Hazel, 2017). How leadership styles Affect organizational performance is the issue many Specialists and Researchers working in Leadership scope are interested in (Bhargav & Yaseen, 2016). So the main reason for Conducting Research is to Reveal, whether Leadership Styles Effects organizational performance in Different organizations or not.

Research Questions:

Is there Relationship between leadership styles and organizational performance, and if so how much?

To what extent do leadership styles affect organizational performance?

Which leadership style Is the Effective one in Organizational Performance?

Research objectives:

The main objective of the research is to Determine the Impact of Democratic, autocratic, and laissez faire organizational styles on Organizational performance. The main objective of the study is to Assess the influence of leadership styles on organizational performance from scholars of different organizations. As said Objectives are:

To Examine the impact of the Autocratic leadership style on organizational performance.

To Examine the impact of the Democratic leadership style on organizational performance.

To Examine the impact of the Laissez-faire leadership style on organizational performance.

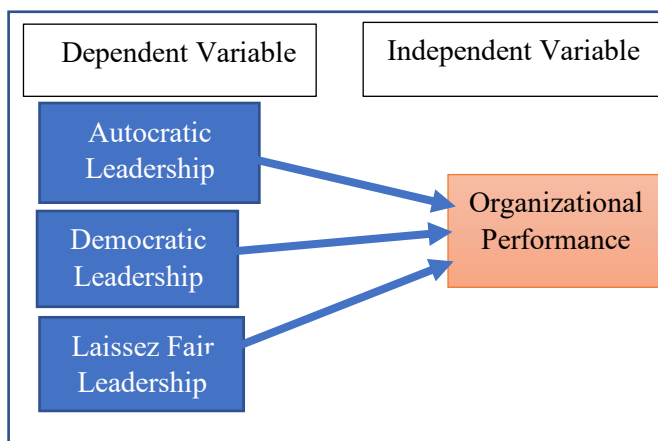
Materials and Methods

The Research Conducted on the Impact of leadership styles on Organizational Performance is Qualitative Research Carried out by Primary Data using a Likert scale Questionnaire which is Sent out both by Google Forms and physically to Respondents. The Yamen's formula is Used for the Determination of sample size, which is used for Different Confidence intervals (Anokye, 2020)

$$n = \frac{N}{1+N(e)^2}$$

Where n is the Sample size, N is the size of the population, and e is the level of precision (significance (e = 0.05). according to population. From 90 samples, 75 Responses were Obtained. The Research is Carried out Qualitatively in which Autocratic, Democratic, and laissez-fair leadership styles are independent Variables and Organizational Performance is a Dependent Variable. The Following Conceptual Framework illustrates the Study structure.

Figure 1: Conceptual Framework of study



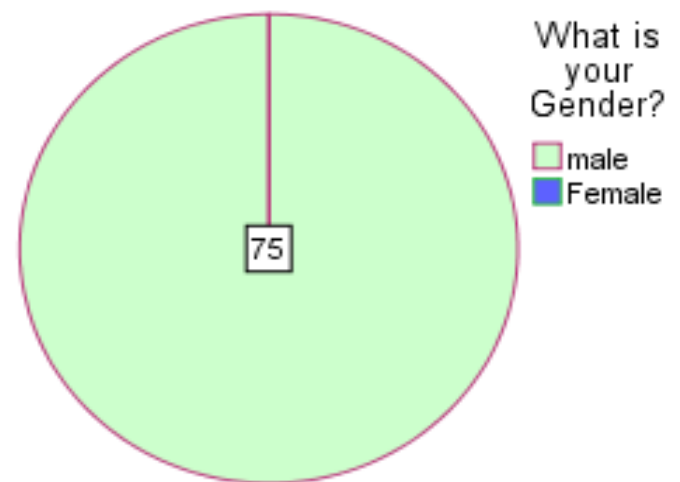
For more Reliable results, some Tests before Multiple Regression were performed. The Cronbach's alpha for internal Consistency, Durbin Watson test for Checking Autocorrelation, and VIF test for checking Multi-collinearity. All the Analyses are being done by SPSS (v.24).

Results and Discussion

As mentioned the Research is Conducted through Primary Data using a Likert scale Questionnaire

Including the first section of General information about Respondents which is being brought as follows.

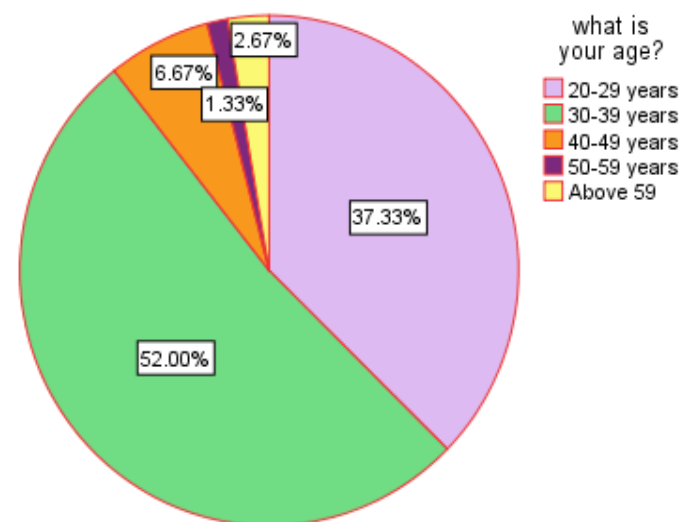
Figure 2: what is your gender



Source: Analyzed with SPSS

The figure-1 shows that all 75 Respondents are Males, in which 52% are 30-39 years, 37.33% are 20-29 years, 6.67% are 40-49 years, 2.67% are above 59 years and 1.33% are 50-59 years old.

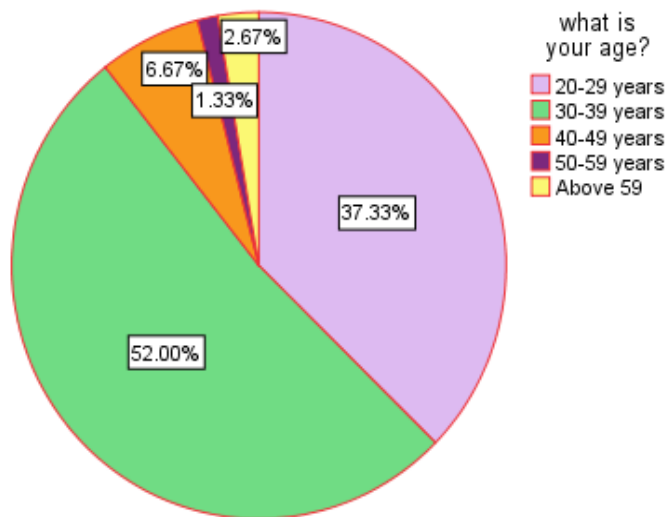
Figure 3: what is your age?



Source: Analyzed with SPSS

The figure-2 illustrates that out of 75 Respondents 52%, 37.33%, 6.67%, 2.67%, 1.33% are 30-39, 20-29, 40-49, above 59 and 50-59 years old Respectively.

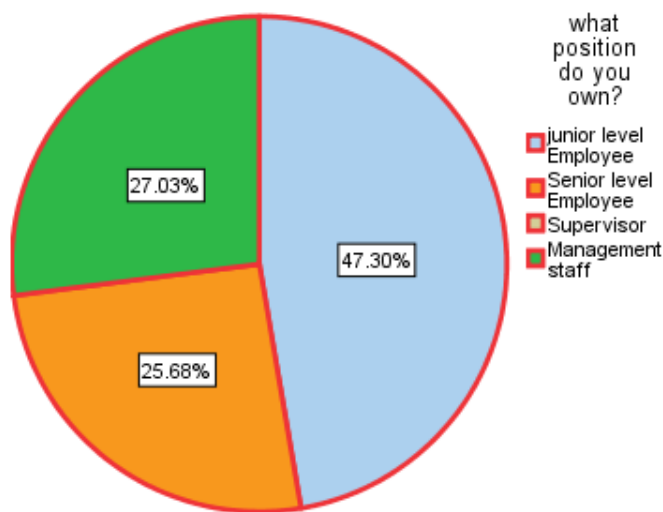
Figure 4: what is your age?



Source: Analyzed with SPSS

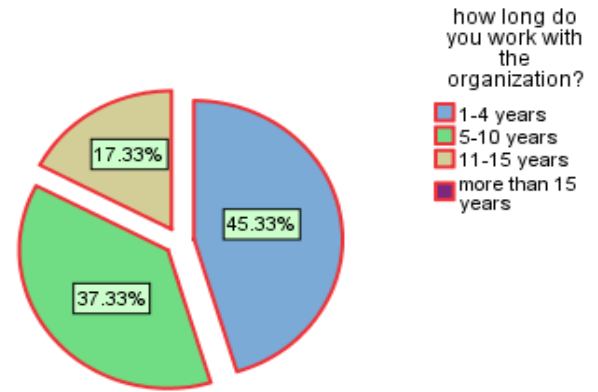
The figure-2 illustrates that out of 75 Respondents 52%, 37.33%, 6.67%, 2.67%, 1.33% are 30-39, 20-29, 40-49, above 59 and 50-59 years old Respectively.

Figure 5: what position do you own?



Source: Analyzed with SPSS

Figure 6: how long do you work with the organization



Source: Analyzed with SPSS

the most commonly used indicator of internal consistency is Cronbach's alpha coefficient. Ideally, the Cronbach alpha coefficient of a scale of above 0.7 shows adequate Reliability (DeVellis 2012).

Table 1: Cronbach's alpha

Reliability Statistics	
Cronbach's Alpha	N of Items
.870	21

Source: Calculated by SPSS

So in this study, internal Consistency is measured through Cronbach's alpha in which the Coefficient of alpha is 0.870 which shows that there is high internal Consistency among the Grouped Scale Data shown in table-1

Multi-collinearity analysis:

Multi-collinearity Refers to Relationships among independent Variables. (Pallant, 2016) states that Multi-collinearity exists when the

independent variables are highly correlated ($r=.9$ and above).

Table 2: Multi-collinearity

Coefficients		
Model	Collinearity Statistics	
	Tolerance	VIF
Autocratic Leadership	.734	1.362
Democratic Leadership	.590	1.695
Laissezfair_Leadership	.656	1.525

a. Dependent Variable: Organizational performance

Source: Calculated by SPSS

the VIF is a tool to measure and quantify how much the variance is inflated by statistics (Daoud 2017). here (table-2) is Calculated by SPSS Showing there is Almost no Multi-Collinearity Among predictors.

Autocorrelation

The Most Common Test for Checking autocorrelation of Errors in the Regression model is the Durbin-Watson test (Dufour and Dagenais, 1984)

Table 3: Durbin Watson statistics

Durbin-Watson	
Statistics	2.052

Source: Calculated by SPSS

The Durbin-Watson statistics calculated by SPSS in table-3 is 2.052 shows, there is almost no Autocorrelation

For following the final

Regression

Table 4: model summary table

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.690a	.476	.453	.519

a. Predictors: (Constant), Laissezfair_Leadership, Autocratic Leadership, Democratic Leadership

Source: Calculated by SPSS

The Model summary table-4 which is Calculated with SPSS shows R Square with 0.476 Value indicating that the

dependent variable is Explained or Influenced with predictors of 47.6%.

Table 5: ANOVA table

ANOVA a					
Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	17.311	3	5.770	21.462	.000b
Residual	19.089	71	.269		
Total	36.400	74			

a. Dependent Variable: Organizational performance
 b. Predictors: (Constant), Laissezfair_Leadership, Autocratic Leadership, Democratic Leadership

Source: Calculated by SPSS

The ANOVA table-5 having sig. Value which is 0.000, shows the Overall significance of the Model.

Table 6: Coefficient table

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-.125	.431		-.289	.773
Autocratic Leadership	.196	.103	.191	1.906	.061
Democratic Leadership	.242	.098	.276	2.465	.016
Laissezfair_Leadership	.352	.101	.370	3.490	.001

a. Dependent Variable: Organizational performance

Source: Calculated by SPSS

The Coefficient table-6 of the Regression model shows that the all three independent variables have a positive relationship with the independent variable and are significant at 0.10 Confidence interval, in which H1, H2, and H3 are Accepted. Autocratic leadership style with a Coefficient of 0.196, Democratic Leadership style with 0.242, and Laissez-faire leadership style with a Coefficient of 0.352, it Concludes that among the three leaderships, laissez-fair mostly impacts organizational performance and Democratic leadership is second and Autocratic leadership has less Impact on Organizational performance.

Conclusion

The study was conducted on the impact of leadership styles on organizational performance by scholars of Different Organizations. The leadership styles in this study are assumed which are introduced by (Lewin. K., Lippit. & White, 1939). a Likert scale Questionnaire was prepared and sent out to Respondents by Google form and Physically Having three Autocratic leadership, democratic leadership, and Laissez-fair leadership styles as independent variables and organizational performance as the dependent variable. in which 90

sample size was determined by Yamen's formula. From 90 Questionnaires 75 Responses were Obtained. As mentioned the Research is Conducted through Primary Data using a Likert scale Questionnaire Including the first section of General information about Respondents which is being brought as all 75 Respondents are Males, in which 52% are 30-39 years, 37.33% are 20-29 years, 6.67% are 40-49 years, 2.67% are above 59 years and 1.33% are 50-59 years. out of 75 Respondents 52%, 37.33%, 6.67%, 2.67%, 1.33% are 30-39, 20-29, 40-49, above 59 and 50-59 years old respectively. the Qualification of Respondents, 78.67% are Bachelors, 17.33% are Masters and 4.00% are having Ph.D. degrees. Working in different Positions in organizations in which 47.30% are junior level Employees, 27.03% are Management staff and 25.68% are Senior level Employees. the Respondents were also asked about working with the Organizations, out of 75 Respondents 45.33%, 37.33%, and 17.33% are working with the same organization for 1-4, 5-10, and 11-15 years Respectively. For more Credible Results, the Autocorrelation, Multi-collinearity, and Reliability tests were Applied before running of multiple Regression. From Applied tests, the Cronbach's alpha Coefficient of alpha was 0.870 showing high internal Consistency, 2.052 of Durbin Watson statistics showing almost no Autocorrelation, and the Average VIF is around 1.52 showing no Multi-collinearity. For final Result the multiple regression was applied. the Regression model shows that the all three independent variables have a positive relationship with the independent variable and are significant at 0.10 Confidence intervals in which H1, H2, and H3 are Accepted. the Autocratic leadership style with a Coefficient of 0.196, the Democratic Leadership style with 0.242, and the Laissez-faire leadership style with a Coefficient of 0.35. which is the same as found by (Saleh, Nusari, Habtoor, and Isaac, 2018). (Hasan,2018). (Méndez, José, Monserrat, 2013), (Owani, Ogwang & Mwesigwa, 2020), (Karacsony, 2021), Akparep., Jengre, & Mogre, 2019), (Ojokuku, Odetayo, and Sajuyigbe, 2012), (Iqbal, Anwar, and Haider, 2015), (Bhutto, Kanwal and sethar, 2022). And Opposed found by (Amal and Nosheen,2014), (Alkhaled ., Fenn j. 2020), (Chris 2016), (Shafie., Baghersalimi, &

Barghi. 2013), (Fakhri, 2018) It is concluded that among the three leaderships, laissez-fair mostly impacts organizational performance and the Democratic

References

- Abeh Ukaidi Chris U. (2016). the influence of leadership styles on organizational performance in Nigeria. *Global Journal of Human Resource Management*.4,pp.25-34.
- Akparep, J. Y., Jengre, E., & Mogre, A. A. (2019). The Influence of Leadership Style on Organizational Performance at TumaKavi Development Association, Tamale, Northern Region of Ghana. *Open Journal of Leadership*, 8, 1-22.
- Alkhaled ak ab., Fenn C. J., (2020) the impact of leadership styles on organizational performance, *Berjaya Journal of Services & Management*. (13). Pp.55.
- Amal Z. K. and Nosheen Ad., (2014). [Impact of Leadership Styles on Organizational Performance](#). *International Journal of Management Sciences*, (2), pp. 501.
- Anokye M. Adam, (2020). Sample Size Determination in Survey Research. *Journal of Scientific Research & Reports*. (26). Pp. 91.
- Beakana A. N., (2017). Effects of Leadership Styles on Organisational Performance in Ahantaman Rural Bank Limited. *Texila International Journal of Management*, (3). Pp. 1.
- Bhargavi, S. & Yaseen, A. (2016). Leadership Styles and Organizational Performance. *Strategic Management Quarterly*. (4). Pp. 87.
- Bhutto A., sethar w., Kanwal M.(2022). the impact of leadership style on Faculty performance. *licensee Growing Science, Canada*. (12). Pp.1.
- Dufour J. and Dagenais G., (1985). Durbin-Watson tests for Serial Correlation in Regressions with missing Observations, *Journal of Econometrics*, 27,pp.371-375.
- DeVellis, R. F. (2012). *Scale development: Theory and application*. Newbury Park, CA: Sage. Pp. 52.
- Fakhri L. Jd.. (2018).The prominent leadership style/s adopted by Jordanian firms managers a case study of the Jordanian private firms. *International Journal of Development Research*, (8). Pp. 24343.
- Griffin.R.,(2015). *fundamentals of Management*. eighth Edition, Cengage Learning, Canada.Pp.329.
- Hasan Al Khajeh Eb. (2018). Impact of Leadership Styles on Organizational Performance. *Journal of Human Resources Management Research*.(2018), pp.1
- Hariswaran B, Nishad N., and Vijayakumar G.,(2020). Impact of Leadership on Organizational Performance in Service Organizations. *International Journal of Management*, (11),pp.249.
- Igbaekemen GO, Odivwri JE (2015). Impact of Leadership Style on Organization Performance: A Critical Literature Review. *Arabian Journal of Business Management Review*. (5).pp.1.
- Insan, A.N., Astuti, E.S., Raharjo, K. & Hamid, D. (2013). The effect of the transformational leadership model on employees' job satisfaction and performance at Perusahaan listrik Negara (plan persero) in south Sulawesi Indonesia. In: *Information and Knowledge Management*, (3), pp. 135.
- Iqbal, Anwar, and Haider,(2015). Effect of Leadership Style on Employee Performance, *Arabian Journal of Business and Management Review*,(5). Pp. 1
- Jamal I. Daoud J. (2017). Multicollinearity and Regression Analysis *Phys. Conf. Ser.* 949 012009. Pp. 4.
- Jamali A. R., Bhutto A., Khaskhelya M. and Sethar W. (2021). Impact of leadership styles on faculty performance Moderating role of organizational culture in higher education.*Management Science Letters*, Mehran University of Engineering & Technology, Jamshoro. (12), pp. 1.
- Karacsony, P. (2021). Relationship between the leadership style and organizational performance in

- Hungary. *Economic Annals-XXI*, 190(5-6(2)), Pp.128.
- Lewin. K., Lippit. R. & White. R. K. (1939). Patterns of aggressive behavior in experimentally created social climates. *Journal of Social Psychology*. (10). Pp. 273.
- Muchiri K. J., Hazel Gachunga,(2018). Effects of leadership styles on organizational performance of listed Commercial Banks in the Nairobi Security Exchange, *International Journal of Business Management & Finance* (1). Pp. 596.
- Méndez R. M, José G. S, Monserrat M. A., (2013). leadership styles and organizational Effectiveness in small construction businesses in Puebla Mexico. *Global journal of business research*. (7). Pp.47.
- Morris Owani, Godfrey Okello Ogwang & David Mwesigwa (2020). An Investigation into the Influence of Leadership Styles on Organizational Performance in Ugandan Public Universities. *South Asian Journal of Development Research*, (3). Pp. 14.
- Akparep, J. Y., Jengre, E., & Mogre, A. A. (2019). The Influence of Leadership Style on Organizational Performance at TumaKavi Development Association, Tamale, Northern Region of Ghana. *Open Journal of Leadership*, 8, pp. 4.
- Ojokuku R., Odetayo T. and Sajuyigbe A. , (2012).Impact of Leadership Style on Organizational Performance A Case Study of Nigerian Bank. *American Journal of Business and Management*. (1).Pp 202.
- Pallant, J. (2016). *SPSS survival Manual*. McGraw hill Education, Printed in China by Everbest Printing Co.Ltd, Pp. 170.
- Saleh, Nusari, Nasser H., Isaac,(2018). The Effect of Leadership Style on Organizational Performance: Organizational Commitment as a Mediator Variable in the Manufacturing Sector of Yemen. *International Journal of Management and Human Science (IJMHS)*, (2).Pp.13-14.
- Shafie, B., Baghersalimi, S. & Barghi, V. (2013). The relationship between leadership style and employee performance. *Singaporean Journal Of Business Economics, And Management Studies*, (2), pp. 21.
- Sougui Ali O. Bon A.T., Hagi Hassan. M.H, (2015). The Impact of Leadership Styles on Employees“ performance in Telecom Engineering companies. *Aust. J. Basic & Appl. Sci.*, (8).pp. 1-2.
- G. -y. Xu and Z. -s. Wang, (2008). The impact of transformational leadership style on organizational performance: The intermediary effects of leader-member exchange. *International Conference on Management Science and Engineering 15th Annual Conference Proceedings*, (15). pp. 1090-1092.

د سازمان پر کارکردگی باندی د رهبری د طریقو تاثیر

نوماند پوهنیار عصمت الله قانع

اقتصاد پوهنځی، بټ پوهنتون

مسؤل ایمیل ادرس: as.qani2324@gmail.com

لنډيز

په دې څېړنه کې د رهبري د ډولونو تاثیر د سازمان پر کارکردگی باندې په نظر کې نیول سوی، رهبري د یو ادارې/سازمان د بریا یو مهم ټاکونکي عامل بلل کېږي. په دې څېړنه کې د رهبري هغه طریقې چې د Kurt Lewin لخوا رامنځته سوي وې په نظر کې نیول سوي دي چې د څېړني اساسي هدف هم دادی چې د رهبري د ډولونو تاثیر د سازمان پر کارکردگی باندې معلوم کړي. د یو کیفی څېړني په صفت ددې څېړني ډاټا د ترتیب سوي پوښتنپانې له لاري ترلاسه سوي چې د Google Form او فزیکي شکلونو ځواب وپونکو ته وړاندې سوي او د نمونې شمیر یې د Yamen's فورمول له لاري محاسبه سوی دی. د لا باوري نتایجو لپاره تر Multiple Regression مخکې د Autocorrelation, Multi-collinearity او Reliability ټیسټونه د SPSS سافټ ویر په مرسته عملي سوي دي. د موندنو په نتیجه کې د Cronbach's Alpha ارزښت 0.870 چې د پوښتنو داخلي تړلتیا ښيي، د 2.052 د Durbin Watson احصایوي رقم یې چې د Autocorrelation نه موجودیت او د VIF ارزښت 1.52 چې تقریباً د Multi-collinearity نه موجودیت په گوته کوي. د رهبري د طریقو تاثیر د سازمان پر کارکردگی باندې د Multiple Regression د ضریبونو په واسطه سره وړاندې سوي، چې په نظر کې نیول سوي د رهبري درې طریقې د سازمان پر کارکردگی مثبتې اړیکه لري او درې واړه متبادلي فرضیې موثره او د قبول وړ دي چې ازاده رهبري د 0.352 ضریب په درلودلو سره لومړی، ولسواکه رهبري د 0.242 ضریب په درلودلو سره دوهم او امرانه رهبري د 0.196 ضریب په درلودلو سره په دریم قدم کې د سازمان پر کارکردگی تاثیر لري.

کلیدي کلیمې: د سازمان کارکردگی، امرانه رهبري، مشارکتی رهبري، خپلواکه رهبري او د رهبري ډولونه