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# A Study on the Impact of Leadership Styles on Employee Moral

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## ABSTRACT

**Purpose:** *The purpose of the paper is to understand the impact of leadership styles on employee morale.*

**Research Implications:** *The paper gives a preliminary understanding on the impact of different leadership styles on employee morale. The leadership styles that have been studied are transformational leadership, transactional leadership and laissez faire leadership.*

**Findings:** *A leader assesses the nature of the employees and chooses a particular style of leadership which has the ability to empower and allow the employees to realize their fullest potential. Leaders who through their behavior effectively influence, train and train the followers to put their skills to work make the employees proactive and dedicated to organizational goals which increases the level of employee morale.*

**Keywords:** *Leadership style, Leader, Employee morale, job satisfaction, Motivate.*

## I. INTRODUCTION

*“Leadership is the process of influencing people so that they strive willingly and enthusiastically towards the achievement of group goals.”*

*– Harold Koontz and Heinz Weihrich.*

Leadership is the method of shaping people's actions by motivating them to work voluntarily toward organizational objectives. Employees are the key for achievement of the common organizational objectives. It is necessary to ensure that their efforts are not wasted in any manner and are channelized in the right direction and thus the need of a leader arises. A leader is a person who effectively guides and motivates the employees to reach the goals and positively contribute their energies for the benefit of the organization. A leader must have a definite skill set, willingness to cooperate and commitment so that they provide confidence and encouragement to the employees and create a congenial work environment.

Leaders possess certain traits which distinguishes them from the followers, but the utilization

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of these skill set differs from leader to leader and therefore different leadership styles are observed. Leaders and their style of leadership play a very significant role in creating a workspace that boosts the productivity and enthusiasm among the employees which would motivate them to perform better and achieve set objectives.

The style that a leader follows sets the way in which plans are implemented and employees are motivated. The course of leadership has an immediate impact on the spirit of the employees as well as the entire organization.

There are various styles of leading such as transformational , participative, autocratic, democratic etc. For this study the leadership styles studied are- Transformational leadership, Transactional leadership and Laissez Faire leadership.

**1. Transformational leadership** - The leader encourages and inspires the employees to contribute to change that allows personal as well as organizational growth. Transformational leadership, according to James Macgregor Burns, occurs when "leaders and followers make each other progress to a higher degree of moral and motivation."

**2. Transactional Leadership** - There is an *exchange* that takes place between the subordinate and the leader. A valued outcome is expected from both ends (Karl W. Kuhnert et al., 1987) wherein the followers are rewarded for meeting specific requirements set by the leaders which may be monetary or non-monetary in nature.

**3. Laissez-faire Leadership** - Described as "absence of leadership" (Bass & Avolio, 1990) this style is observed when the leader does not get too involved in the activities of the subordinates. There are no actions taken on the part of the leader that would have an impact on the outcome of the work performed by the subordinates.

The type of leadership styles discussed above are only a few out of many and application of these styles vary for each leader. The leadership style depends upon the nature of the followers and the professional atmosphere that prevails in the organization. When a leader adopts a particular style of leadership, the behavioral pattern of the leader would aim at influencing and motivating the employees to perform their best. The same will be discussed further.

#### **(A) Objectives of the Study**

1. To study varied leadership styles.
2. To study the impact of leadership style on employee morale
3. To Highlight the role of strategic leader in boosting employee morale.

**(B) Review of literature**

Kemal M. Surji (2014) identified and summarized the importance of leadership for a satisfied workforce in well performing organizations and included elements such as employee performance, recognition, reward and organizational culture.

Ali M. Alghazo and Meshal Al- Anazi (2016) examined and studied the relationship between leadership style and employee motivation in a petrochemical company by conducting a survey among 30 employees with the help of a self-made questionnaire and derived the conclusion that leaders who adopt the style of supporting and work on developing the capabilities of the employees are more likely to motivate and boost the morale of the employees.

Mintzberg (1994) explained that strategizing requires the use of creativity and thus a leader must have the ability to structure their leadership style strategically to deal with challenges, changes, any kind of pressure or difficulty and inspire the employees to voluntarily strive towards achievement of goals.

**II. SIGNIFICANCE/ IMPLICATIONS**

Leaders are the key to organizational success and their competency gives them a unique position from where they can encourage and guide their subordinates. Leadership style influences the employee morale and behavior and when the leader adopts a leadership style that suits the employees, they feel positive about their work environment and have the belief that they are contributing towards a greater good; something that reaps benefits for themselves and the organization. On the contrary when the employees are unable to drive motivation from their leader and the leadership style does not influence their behavior in a positive way, a negative and unhappy work environment is established wherein the employees complain about organizational goals or its facilities which sets a low employee morale and effects the productivity of the organization.

Employee morale is a complex concept as it is multifaceted. It includes factors such as employee satisfaction and engagement, type of work they are involved in, supervision etc.

A leader should carefully select and use their leadership style as it serves as a foundation for their relationship with the employees. A leader must ensure that their behavior with the employees make them feel recognized and valued and at the same time motivates them in performing their tasks.

The choice of leadership style depends on factors such as employees' character traits, knowledge and abilities, nature of the task or objective to be achieved, the leader's personality

and organizational environment.

The leadership types studied are Transformational Leadership, Transactional leadership and Laissez Faire Leadership.

**(A) Transformational leadership-** Transformational leadership refers to the style of leadership when a leader transforms a vision into reality and encourages the followers to rise above their personal interest for the good of the group. This style focuses on the spirit of team building and collaboration of employees with leaders at different levels of the organization. A transformational leader carefully transforms the personal goals and values of the followers to support the vision of the organization, ultimately creating a sense of trust. The leader acts optimistically and through their actions reflect that they have confidence in their subordinates. More than the rewards this style of leadership focuses on progress, development and establishing confident interpersonal relationship.

It includes 4 components

1. Inspiration : Leaders following this style, inspire the followers to see a beneficial future by interactive communication and encouraging an enthusiastic team spirit.
2. Intellectual stimulation: Leaders encourage the employees to be innovative and contribute to creative change. They influence employees by including them in the process of decision making and problem solving.
3. Idealize influence: The leader acts as a role model and ensures to follow the practices that he/she preaches. This element encourages the employees to follow, admire and respect their leader.
4. Individualized consideration: The leader ensures that they treat every employee as a unique and skilled individual. A transformational leader allows the employees to use their knowledge by delegating tasks and then monitors the same without micromanaging but providing support and direction whenever needed.

This style has a high level of communication between the leader and followers. The leader guides the employees through challenging problems and also trains them in tackling issues of similar manner. Such leadership significantly boosts employee morale as the employees feel that the leader pays attention to their needs which increases job satisfaction(Fransisca et al., 2016) . Employees work better than the organizations expectations when they are satisfied with their jobs, have a sense of belongingness and trust their leader.

### **(B) Transactional Leadership**

Under this style of leadership leaders give the followers something that they want in exchange

of a desired action or achievement of an objective by the follower. These leaders engage their followers in a situation of mutual dependence in which contributions are made from both the sides (Karl W. Kuhnert et al., 1987) . This style of leadership can be considered practical in nature as it aims at specific targets and objectives of the organization. The role and task of the subordinates are clearly defined under this style. The leader focuses on the completion of tasks and motivates the employees with the help of rewards or punishments based on the evaluated performance. The rewards which the employees get can be monetary (fee, bonus, remuneration) or non-monetary (appreciation, trust, recognition) in nature.

The impact of such leadership style on employee morale can be positive or negative.

If a mistake occurs in the work of the employees, they might fear punishment and such fear can be make them nervous or refrain them from performing their best even before the task commemorates. On the other hand, employees who work according to the requirements of the leader and perform at their best capability while avoiding mistakes are rewarded which provides good motivation to them and encourages them to work harder and better.

### **(C) Laissez Faire Leadership-**

This style of leadership is passive and non-directive in nature. The leader delegates majority of his/her authority and avoids power. They act as a leader only when resources are required by the subordinates or when a serious problem arises. Even though this style allows the employees to use their talents and knowledge to the fullest, it may prove ineffective and inefficient if the leader delegates his/her authority to the followers who may necessarily not have the required skill set and need guidance and support of the leader throughout the task. As subordinates take the decisions themselves there is minimal communication between the employee and the leader and due to lack of communication and involvement , the employees do not get any feedback which leads to dissatisfaction. This style of leadership is only effective in boosting the employee morale when most of the employees under the leader are highly experienced, self-motivated willingly assume responsibility and do not need supervision or control. This allows in giving a high sense of self control and self-achievement which results in full utilization of the employee potential.

By using the leadership style that works the best for the employees, a leader trains, educates, guides and motivates the employees in utilizing their skills in the best possible way and gives them a chance to grow. While the leader follows a leadership style, he/she should incorporate strategic leadership as well. A strategic leader is one who has clear vision, task and policy to lead organizational performance. Such leaders are considered to be visionary as they share their

knowledge with the employees, have a linear and nonlinear thinking and possess the ability to identify a challenge and immediately come up with a measure to face it. Strategy in strategic leadership allows in getting a perspective of the future of the organization and frame business contours whereas the leadership part aims at influencing the employees to achieve the desired output. (Bush and Glover, 2003)

A strategic leader is one who aims at organizational excellence by involving change. They bridge the gap between routine activities and desired goals. The vision for excellence in a competitive business environment allows the leader in enhancing the skills and abilities of the employee. The employees are trained in such a way that they embrace the changes and avoid any resistance. While training them, the leaders make great use of rewards which encourages the employees to keep up with the quality work and show much better performance. When the employees feel that they are part of a dynamic and successful organization, there is a boost in their morale as they derive greater job security and are ensured of the fact that they will be given opportunities to improve their skills and career advancements which acts as a great stimulator to perform to their best level.

#### **(D) Limitations**

The study is not explanatory as it is based on secondary data of books, researches, articles, journals, etc. Primary data was not collected and studied due to time and money constraints.

### **III. CONCLUSION**

Leadership can be understood as a process wherein the leaders inspire their subordinates to work towards common objectives and contribute to new ideas which allow in development of personal and professional skills. There are vast differences in how each leader leads and different leadership styles facilitate in understanding these differences. By studying the various leadership styles it can be established that leadership style and job satisfaction derived by the employees are interrelated. The approach of the leader towards their followers have a huge impact on their quality of work.

A leader may use different types of leadership styles at different periods of time based on the situational requirements but one style always tends to predominate. Even when a leader changes, integrates or continues with a style of leadership, they must ensure to incorporate strategic leadership because it serves as a fuel for continuous growth and development which allows in enhancing productivity and motivation among the employees as the organization gets a competitive advantage.

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