

**Review Paper:****Leadership styles****Nanjundeswaraswamy T. S.\* and Swamy D. R.**Department of Industrial Engineering and Management, JSS Academy of Technical Education, Bangalore, INDIA  
\*nswamy.ts@gmail.com**Abstract**

*In this global competitive environment, effective leadership style is necessary to reduce the attrition rate. From the effective leadership styles only it is possible to achieve organizational goal productively. Leadership styles affect on the employee performance and productivity. This paper summarizes and analyzes the available literature of leadership styles and effect on different components of Quality of work life.*

**Keywords:** Leadership styles, productivity, performance, work life.

**Introduction**

An effective leader influences followers in a desired manner to achieve desired goals. Different leadership styles may affect organizational effectiveness or performance<sup>30</sup>. Transformational leadership is a stronger predictor of both job satisfaction and overall satisfaction<sup>7</sup>. In the study it was concluded that organizational performance is influenced by a competitive and innovative culture. Organizational Culture is influenced by leadership style and consequently, leadership style affects organizational performance.

**Review of Literature**

**Leadership Styles:** Leadership is a social influence process in which the leader seeks the voluntary participation of subordinates in an effort to reach organization goals<sup>10</sup>. A leader can be defined as a person who delegates or influencing others to act so as to carry out specified objectives<sup>28</sup>. Today's organizations need effective leaders who understand the complexities of the rapidly changing global environment. If the task is highly structured and the leader has good relationship with the employees, effectiveness will be high on the part of the employees. The study further revealed that democratic leaders take great care to involve all members of the team in discussion and can work with a small but highly motivated team.

Barchiesi et al<sup>1</sup> measured the leadership effectiveness and leadership role and its influence on performance, leadership behaviors, attitudes. They found that high leadership indexes are not related to past performance records but associated both to higher potentiality of enhanced performance and to higher reputation of organizations, pointing in the direction of a meaningful influence of behavioral complexity and dynamics on the leadership perceived level. A mechanism of leadership styles affecting team innovation in the private research centers investigated the relationship between different leadership styles and

team innovation with the mediating effects of knowledge sharing and team communication<sup>14</sup>.

Exploring the Relationship between Organizational Culture and Style of Leadership we used the factors like Organizational Culture, Charismatic Leadership, Transformational Leadership and Transactional Leadership. Voon et al<sup>37</sup> found out the influence of leadership styles on employees' job satisfaction in public sector organizations in Malaysia. They used the factors like salaries, job autonomy, job security, workplace flexibility. Out of these factors, they found that transformational leadership style has a stronger relationship with job satisfaction.

Chung – Hsiung Fang et al<sup>13</sup> identified that leadership style can affect organizational commitment and work satisfaction positively and work satisfaction intern can affect organizational commitment and work performance positively. Leadership is largely culturally orientated, embracing traditional beliefs, norms and values and a preoccupation<sup>29</sup>. According to Goh Yuan et al<sup>17</sup> study, leadership style is significantly influenced by the leader's immediate and extended family, clan and tribe. This study finds the linkages between organizational leadership and business ethics, thereby making a contribution toward increasing the quality of organizational life which may have a positive influence on both members of the organization and the wider community. Lu Ye et al<sup>27</sup> study explained employees' perceptions about transactional or transformational leadership style of executive, both have highly positive correlation with perceptions about executive's encouragement factors of its innovation climate.

Podsakoff et al<sup>32</sup> said that leadership behavior can affect trust and satisfaction of employees to organization and organizational citizenship behavior further enhances the relationship between leadership style and organizational commitment directly. Transactional leadership is considered as the subordinates' rewards through their efforts and performance. Guang-yi et al<sup>18</sup> compared the Transactional leadership. Transformational leadership theory is deemed to improve the subordinates' performance by changing the motives and values of employees.

Bass<sup>5</sup> divided leadership style into transformational leadership and transactional leadership. Transformational leadership has the characteristics of individual influence, spiritual encouragement and intellectual stimulation. They often take individual into consideration, establish vision and aim inside, create open culture, trust the staff to reach their goals and give full play for staff's potential.

Transactional leadership is focused on staff's basic and external demand, the relationship between leaders and subordinates is based on the contract. They tend to attain organizational goal by pacific job roles and mission design, their basic purpose is to maintain a stable organization.

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Leadership style is the 'relatively consistent pattern of behavior that characterizes a leader'<sup>15</sup>. Today's organizations need effective leaders who understand the complexities of the rapidly changing global environment. Different leadership styles may affect organizational electiveness or performance<sup>30</sup>. According to the Oladipo et al<sup>31</sup>, the success or failure of proper organizations, nations and other social units has been largely credited to the nature of their leadership style,

Jeremy et al<sup>22</sup> explained in manufacturing company, leadership is really a process for impacting on others commitment towards recognizing their full potential in achieving goals, vision with passion and integrity. The study also revealed that the associations between leader and worker give additional factor employees' satisfaction which are considerably affected through the leadership style adopted by the leader. However from the available literature we can summarize the different dimensions of leadership styles and their effect on employee satisfaction, team work, organizational change and employee performance. Table 1 lists some of the dimensions of leadership styles and components as viewed by the scholars along with the type of the sectors and outcomes.

**Transformational Leadership styles:** Transformational leadership style concentrates on the development of followers as well as their needs. Managers with transformational leadership style concentrate on the growth and development of value system of employees, their inspirational level and moralities with the preamble of their abilities<sup>21</sup>. According to Bass<sup>5</sup>, the aim of transformational leadership would be to 'transform' people and organizations inside a literal sense - to alter them in the mind and heart enlarge vision, insight and understanding clarify reasons make behavior congruent with values, concepts and brings about changes which are permanent, self-perpetuating and momentum building.

According to Bass and Avolio<sup>4</sup>, transformational leadership happens when leader become wider and uphold the interests of the employees, once they generate awareness and acceptance for the purpose and assignment of the group, so when they blend employees to appear beyond their own self-interest for the good of the group.

According to Bass and Avolio<sup>2</sup>, transformational leaders encourage followers to view problems from new perspectives, provide support and encouragement communicates a vision, stimulates emotion and identification. Bruce et al<sup>9</sup> said that transformational leaders are able to define and articulate a vision for their organizations and their leadership style can influence or "transform" individual-level variables such as increasing motivation and organization-level variables, such as mediating conflict among groups or teams. Podsakoff et al<sup>32</sup> disclosed transformational leadership had active influence on individual and organizational outcomes such as employee satisfaction and performance. Higher levels of transformational leadership were associated with higher levels of group potency.

**Transactional Leadership styles:** Transactional leadership relies more about "trades" between the leader and follower by which followers are compensated for meeting specific goals or performance criteria<sup>36</sup>. The transactional leader will first validate the relationship between performance and reward and then exchange it for an appropriate response that encourages subordinates to improve performance<sup>34</sup>.

Transactional leadership in organizations plays an exchange role between managers and subordinates<sup>24</sup>. Transactional leadership style is understood to be the exchange of rewards and targets between employees and management<sup>20</sup>. Bass and Avolio<sup>2</sup> explained Transactional leaders motivate subordinates through the use of contingent rewards, corrective actions and rule enforcement.

Bass Bernard et al<sup>6</sup> explained that transactional leadership depends on contingent reinforcement, either positive contingent reward or the more negative active or passive forms of management-by-exception. Transactional leaders motivate followers through exchange; for example, accomplishing work in exchange for rewards or preferences<sup>38</sup>. Kahai et al<sup>33</sup> found group efficacy was higher under the transactional leadership condition. According to Burns<sup>11</sup>, transactional leader tends to focus on task completion and employee compliance and these leaders rely quite heavily on organizational rewards and punishments to influence employee performance.

## Conclusion

It is observed that from the available literature, all the studies conducted are related to the large sector which interns reveal that leadership style, organizational commitment and work satisfaction are interrelated. Thus, leadership styles can affect the quality of work life. Since much work has not been carried out with respect to SMEs, there is a need for the study of the effect of Transformational and Transactional leadership styles on the Quality of work life of employees working in the SMEs.

**Table 1**  
**Leadership styles and components on which leadership styles effect**

Author	Dimensions of leadership styles	Components	Type of the Industries	Outcomes
Berson Jonathan Linton <sup>7</sup>	1 Transformational Leadership, 2 Transactional And Non- Transactional, 3 Laissez-Faire Leadership	Employee Satisfaction	Telecommunication firms	Impact of transformational leadership styles is more significant to establish quality environment in the R and D part of Telecommunication firms
Goh Yuan Sheng et al <sup>17</sup>	1 Transformational Leadership, 2 Transactional leadership,	1 Job Performance, 2 Deontology Ethical Approach,, 3 Teleology Ethical Approach.	All types of SMEs in Singapore	The result indicates that the ethical behavior of leader have an important mediating effect between their leadership styles and job performance of employees
Liliana pedraja-rejas,Emilion Rodriguez-Ponce,Y Juan Rodriguez-Ponce <sup>39</sup>	1 Participative style 2 Supportive style 3 Instrumental style	Effectiveness	SMEs In Chile	Supportive and participative leadership styles have a positive influence on effectiveness in SMEs. Instrumental leadership has a negative influence on effectiveness in small organizations.
Bunmi Omolayo <sup>10</sup>	1 Autocratic Leadership Style 2 Democratic Leadership Style	1 Job-Related Tension And 2 Psychological Sense Of Community In Work Organizations	Manufacturing organizations Lagos State, Nigeria	Results shows that workers under democratic leadership style do not experience higher job-related tension than workers under autocratic leadership style. Also, workers under autocratic style of leadership do not experience higher sense of community than workers under democratic style of leadership
Jui-Kuei Chen and I-Shuo Chen <sup>23</sup>	1 Active Participant Style	Big- Five Personal Traits	Professors and lecturers from universities in Taiwan	The results of the study show that leadership style has a significant relationship to innovative operation.
Lirong Long and Minxin Mao <sup>26</sup>	1 Transformational Leadership 2 Transactional Leadership	Organizational change	Employees from different types of private and public organizations in China	The findings indicate that both transformational leadership and transactional leadership have positive impact on organizational change.
Hsien-Che Lee Yi-Wen Liu <sup>40</sup>	1 Transactional Leadership 2 Transformation Leadership	1 Organizational Innovation Performance, 2 Organizational Innovation Capability	Electronics Information Industry in Taiwan	The leadership style has a positive relationship on organizational innovation performance, and the leadership style moderates the relationship between organizational innovation capability and organizational innovation performance.
Chung-Hsiung Fang et al <sup>13</sup>	1 Leadership Style	1 Staff Work Satisfaction, 2 Organizational Commitment 3 Work Performance	Hospital Employees	Leadership has a significant, positive and direct effect on work satisfaction and can affect organizational commitment and work performance indirectly through work satisfaction.

Yafang Tsai, Shih-Wang Wu, and Hsien-Jui Chung <sup>41</sup>	1 Charismatic leadership 2 Transformational leadership 3 Transactional leadership 4 Team leadership	1 Organizational Culture 2 Ideological Culture 3 Hierarchical Culture 4 Coordinate Culture	Hospitals employees in Taiwan	The results show us that organizational cultures influence the style of leadership. There is positive correlation between ideological culture and transformational leadership. There is positive correlation between hierarchical culture and charismatic leadership. There is positive correlation between coordinate culture and team leadership. There is positive correlation between rational culture and transactional leadership.
Cong Yang Yu Wei <sup>42</sup>	1 Leader's Charm,	1 Staffs Psychological Empowerment. 2 Staffs Satisfaction.	tourist hotels employees China	Leader's charm has positive effects on employees' Satisfaction and service innovation.
Duanxu Wang et al <sup>14</sup>	1 Authoritarian Leadership 2 Transformational Leadership 3 Transactional Leadership 4 Benevolent Leadership	1 Team Innovations 2 Team Communications. 3 Knowledge Sharing	Employees and supervisors in the PRC , China	Study suggested that knowledge sharing & team communication completely mediated the negative relationship between authoritarian leadership and team innovation, and partially mediated the contributions of transformational leadership and benevolent leadership to team innovation.
Li-Ren Yang and Yen-Ting Chen <sup>43</sup>	1 Transactional Leadership 2 Transformation Leadership	1 Teamwork a. Communication, b. Collaboration c. Cohesiveness 2 Performance	Employees of Taiwanese industry, Taipei, Taiwan	The analyses suggest that project manager's leadership style, teamwork, and project performance are highly correlated. The findings also indicate that teamwork dimensions may partially or fully mediate the relationships between leadership style and project performance.
Voon et al <sup>37</sup>	1 Transactional Leadership 2 Transformation Leadership	Job Satisfaction.	Malaysian executives working in public sectors, Malaysia	The results showed that transformational leadership style has a stronger relationship with job satisfaction. This implies that transformational leadership is deemed suitable for managing government organizations
Lu Ye et al <sup>27</sup>	1 Transactional Leadership 2 Transformation Leadership	1 Innovation Climate, 2 Job Independency, 3 Job Challenging	Employees of high-tech corporations in Hebei	The empirical study show that employees' perceptions about transactional or transformational leadership style of executive both have highly positive correlation with perceptions about executive's encouragement factors of its innovation climate. Between them, transformational leadership style has had a higher influence on cognition of leader's motivation,

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