



Shri Dharmasthala Manjunatheshwara Institute for Management Development, Mysuru, India

**12th International HR Conference on “Navigating the Human Capital Management in the Digital Era”,
on 19 and 20 December 2024**

Leadership Styles Impact on Employee Inspiration

Devi Shravani

3rd Year BBA

Dayananda Sagar College of Arts Science & Commerce,
Bangalore

Balu. L

Professor & Principal

Dayananda Sagar College of Arts Science & Commerce
Bangalore

principal-dscasc@dayanandasagar.edu

Abstract

Effective leadership has more to do with leadership style. Hence, a leader's ability to take charge and know whether a situation requires an executive decision, or a more consultative one is vital. Furthermore, a leader needs to have the ability to know the most effective leadership style that is suitable for an organization or situation to succeed. Understanding one's leadership style allows a leader to take ownership, control, and responsibility for the size and scope of the tasks ahead. Leadership styles refer to the behavioral approach employed by leaders to influence, motivate, and direct their followers. A leadership style determines how leaders implement plans and strategies to accomplish given objectives while accounting for stakeholder expectations and the wellbeing and soundness of their team. This paper explores the impact of different types of leadership styles on employee motivation and job satisfaction within organizational settings. This study has been looking into leadership styles and exploring which one happens to influence employee attitude towards work satisfaction. Authors in this paper have tried through to provide suggestions for organizational leaders to embrace right leadership style to cultivate a happy and driven staff, which will improve the performance of the firm.

Keywords: *Transformational leadership, Transactional leadership, Laissez-faire leadership, Charismatic.*

Introduction

Effective leadership has a profound impact on an employee's motivation and job satisfaction. Focusing on job satisfaction as the central concept, this study aims to achieve its primary objective to examine the various styles of leadership and how it persuades an employee and their work environment. According to Thompson (2011), even when the right course of action seems evident, doing the right thing requires significant moral courage, as leaders often encounter challenges without straightforward solutions. Regardless of the situation, leaders must exemplify moral conduct to set a positive standard within the organization. On the other hand, Howell and Costley highlight several contemporary leadership challenges that suggest some leaders fall short of these ideals. These issues include diversity, fairness, ethics, leader development, change management, and transformational leadership. Effective communication between leaders and followers relies on an underlying

assumption that both parties will act justly and morally to achieve shared goals, with mutual trust being essential to this process. Kouzes and Posner highlight that unethical leaders tend to prioritize personal gain at the expense of customers and investors who place their trust in them. Such leaders are often willing to collaborate with others only to advance their organization's survival, even if it means breaking commitments. This underscores the importance of leaders adopting fair and ethical practices, serving as role models for employees. Following leadership styles can be considered based on the applications in an organization.

Transformational leadership: The interest in transformational leadership arises from its ability to create positive relationships with subordinates, boost commitment, motivate performance, and develop effective leaders (Masa'deh et al., 2016). Transformational leadership emphasizes the growth of subordinates. Leaders evaluate each individual's skills and potential, looking for ways to help them grow and succeed in the future (Bastari et al., 2020). These leaders are also known for their ability to bring about change within organizations by performance (Masa'deh et al., 2016).

Transactional leadership: According to Noor Azizah et al., (2020) Transactional leadership has a significant effect on lecturer performance. Transactional leadership will seek to maintain stability in the organization through regular economic and social exchanges in achieving certain goals, both for leaders and their followers (Olabanji & Abayomi, 2016). Transactional leaders also have a strong desire to encourage consistent performance from followers which enables them to meet agreed goals. So that a lecturer in obtaining their performance and responsibilities in carrying out their professional duties (Purwanto et al., 2020), can be assisted by the influence of transactional leaders. Transactional leader (Kleefstra, 2019)ship will use rewards and punishments to improve the performance of the lecturer, thus turning the leader follower relationship into an economic exchange transaction. In contrast to transformational and transactional leadership.

Laissez-faire leaders view people as unpredictable and uncontrollable, believing that understanding them is futile. As a result, they adopt a low profile and rely on existing structures without offering suggestions or criticism. The core concept of servant leadership is based on the idea that the most effective leaders in motivating and inspiring their followers are those who prioritize the needs and desires of their followers over their own (Greenleaf, 2008). The primary goal of a servant leader is not to motivate followers solely for the sake of achieving higher performance in return; instead, by enhancing follower satisfaction, a servant leader fosters enthusiasm and a greater willingness to serve others, including stakeholders, teammates, and the organization as a whole (Van Dierendonck, 2011)

Weber defines **charismatic leadership** as relying on the devotion to an individual's exceptional qualities, such as their sanctity or heroism. He saw religious figures like Jesus as charismatic leaders. Later research also identified political figures like Mahatma Gandhi and even dictators like Hitler as having charismatic traits. These leaders had qualities that made them seem almost god-like to their followers, who often followed them without question. Weber focuses on the social conditions that shape the leader's influence, while later studies highlight the psychological traits that make leaders effective. Research shows that charismatic leaders connect strongly with their followers' values, creating a powerful bond that contributes to their success.

Literature review

(Ketan Palshikar) In this article Charismatic leadership significantly impacts employees and enhances job satisfaction. Charismatic leaders inspire their teams by articulating a compelling vision, motivating individuals to exceed expectations and fostering a strong sense of purpose. This emotional connection

promotes loyalty and commitment, creating a supportive environment where employees feel valued and appreciated. Additionally, charismatic leaders cultivate a positive workplace culture that boosts morale and job satisfaction, allowing employees to experience personal growth and fulfillment. By providing clear direction and aligning efforts toward shared goals, charismatic leaders not only improve organizational performance but also contribute to a greater sense of belonging and community among employees.

(Viduni Udovita) The study reveals that transformational leadership positively impacts employee performance, while transactional leadership does not. Transactional leaders rely on a "reward and penalty" system, which can be ineffective and demotivating, leading employees to meet only minimal expectations (Bass, 1990). In contrast, transformational leadership fosters motivation through a compelling vision, creating strong emotional connections and building trust among team members

(John Pladdys, PhD) Transactional leadership promotes employee participation in recovery experiences, albeit differently than transformational leadership. It is crucial for fostering organizational identification and a supportive culture. However, employees may face negative comments or be overlooked for promotions, which can deter them from taking time off. Many worry that avoiding work during non-work hours conflicts with their work ethic or could harm their reputation. To effectively apply transactional leadership while supporting recovery, managers should prioritize employee well-being over immediate results, as this ultimately enhances organizational productivity.

(M.L. Voon @all) This study aimed to investigate how transactional and transformational leadership affect employee job satisfaction in Malaysia's public sector. Findings showed that transformational leadership positively correlates with job satisfaction, while transactional leadership has a negative relationship. The linear regression analysis indicated that only the contingent reward aspect of transactional leadership significantly affects job satisfaction related to working conditions and assignments. Overall, transformational leadership is deemed more effective for managing government organizations.

(AMIRA SAKINAH BINTI ABD RAHMAN) Herzberg's two-factor theory, introduced by Frederick Herzberg in 1959, posits that satisfied employees are more productive. The theory divides factors into hygiene factors and motivational factors. Hygiene factors, such as supervision quality, pay, company policies, working conditions, and job security, can lead to job dissatisfaction if not managed properly. In contrast, motivational factors—like recognition, promotion, and achievement—are essential for job satisfaction.

When applied in this study, the theory suggests that organizations can foster long-term relationships with employees, who are likely to reciprocate this commitment. This reciprocity leads to enhanced employee engagement and a stronger employee-organization relationship, highlighting the connection between employment relationships and job satisfaction.

The Influence of leadership styles on employee job satisfaction

12th International HR Conference on “Navigating the Human Capital Management in the Digital Era”, on 19 and 20 December 2024

Leadership Training Programs: Organizations should offer training sessions that focus specifically on effective leadership styles, particularly transformational leadership. These programs should teach leaders how to motivate and engage employees by fostering a shared vision, encouraging creativity, and promoting a sense of ownership among team members. Training can include workshops, role-playing scenarios, and mentorship opportunities that equip leaders with the skills needed to inspire their teams, ultimately enhancing job satisfaction and productivity.

360-Degree Feedback: Implementing a 360-degree feedback system allows employees to evaluate their leaders from multiple perspectives, including peers, subordinates, and superiors. This comprehensive feedback can provide valuable insights into leadership effectiveness and identify areas for improvement. By regularly soliciting feedback, organizations can foster a culture of continuous improvement, where leaders are encouraged to reflect on their behaviors and adapt their approaches based on constructive criticism, leading to better relationships with employees.

Encourage Open Communication: Fostering a culture of open communication is essential for creating a supportive work environment. Employees should feel comfortable sharing their thoughts, concerns, and suggestions regarding leadership styles without fear of retaliation. Regular check-ins, one-on-one meetings, and anonymous surveys can help facilitate honest feedback. When employees feel heard, it enhances their engagement and satisfaction, as they see that their input is valued and can influence leadership practices.

Recognition and Rewards: Recognizing and rewarding employee contributions is a powerful way to enhance job satisfaction. Leaders should develop systems to acknowledge individual and team achievements, whether through formal recognition programs, bonuses, or simple verbal praise. When employees feel appreciated for their hard work, it strengthens the employee-leader relationship and fosters a positive workplace culture, encouraging employees to go above and beyond in their roles.

Set Clear Goals and Expectations: Clear communication of objectives and expectations is vital for employee motivation. Leaders should ensure that team members understand their roles and how their work contributes to the broader organizational goals. This alignment fosters a sense of purpose and direction, allowing employees to focus their efforts effectively. Regularly reviewing and adjusting these goals can also help maintain motivation and ensure that employees stay engaged and aligned with the organization’s mission.

Promote Employee Development: Encouraging leaders to support their employees’ professional growth is crucial for job satisfaction. Organizations should provide mentorship, training opportunities, and career advancement discussions that empower employees to enhance their skills and pursue their career goals. By investing in employee development, organizations demonstrate a commitment to their workforce, fostering loyalty and engagement while also equipping employees with the tools needed to succeed in their roles.

Flexible Leadership Approaches: Training leaders to adopt flexible leadership styles based on team dynamics and individual employee needs allows for a more personalized management approach. Leaders should be encouraged to assess their team’s unique characteristics and adapt their methods accordingly. This flexibility helps accommodate diverse working styles, preferences, and strengths, creating an inclusive environment where all employees feel supported and valued.

Regular Assessments: Conducting regular assessments of job satisfaction and leadership effectiveness is essential for continuous improvement. Organizations should use surveys and performance evaluations to gauge employee sentiment and the impact of leadership practices. By analyzing this

data, leaders can identify trends, address concerns, and make informed adjustments to their strategies, ensuring that leadership approaches remain effective and aligned with employee needs.

Create Supportive Work Environments: Leaders should cultivate a positive work environment that prioritizes employee well-being and work-life balance. This includes promoting flexible working arrangements, providing resources for mental health support, and encouraging a culture that values time off and self-care. When employees feel supported in their personal and professional lives, their job satisfaction and overall morale improve, leading to increased productivity and retention.

Role of Leadership in Inspiring Employees

Vision and Purpose: Effective leaders articulate a clear and compelling vision for the organization. When leaders communicate a strong sense of purpose, employees can see how their work contributes to larger goals. This connection fosters a sense of belonging and motivates employees to strive toward common objectives. By regularly reinforcing this vision, leaders can inspire commitment and drive within their teams.

Empowerment and Autonomy: Leaders who empower their employees by granting autonomy encourage creativity and innovation. When employees feel trusted to make decisions and take ownership of their work, they are more likely to be inspired and motivated. This empowerment not only enhances job satisfaction but also leads to greater engagement and productivity, as employees take pride in their contributions.

Positive Reinforcement: Inspirational leaders recognize and celebrate employee achievements, both big and small. By providing positive reinforcement, leaders boost morale and motivate employees to continue performing at high levels. This recognition can take many forms, such as verbal praise, awards, or public acknowledgment. Celebrating successes fosters a culture of appreciation and inspires employees to strive for excellence.

Leading by Example: Inspirational leaders model the behaviors and attitudes they wish to see in their employees. By demonstrating commitment, enthusiasm, and integrity, leaders set a standard for their teams to follow. When employees observe their leaders embodying the values of the organization, they are more likely to emulate those behaviors, creating a motivated and cohesive team dynamic.

Building Trust and Relationships: Trust is a fundamental component of an inspiring leadership approach. Leaders who invest time in building strong relationships with their employees create an environment where individuals feel valued and supported. Open communication, active listening, and showing genuine interest in employees' well-being foster trust, which in turn inspires loyalty and engagement.

Encouraging Growth and Development: Inspirational leaders prioritize the professional growth of their employees. By offering mentorship, training opportunities, and constructive feedback, leaders can help employees enhance their skills and achieve their career aspirations. When employees see that their leaders are invested in their development, they are more likely to feel inspired and motivated to excel in their roles.

Creating a Collaborative Culture: Leaders who foster collaboration and teamwork inspire employees to work together toward shared goals. By promoting a collaborative culture, leaders encourage the exchange of ideas and support among team members. This sense of camaraderie not only enhances

motivation but also drives creativity and innovation, as diverse perspectives contribute to problem-solving.

Recognizing Individual Strengths: Inspirational leaders take the time to understand the unique strengths and talents of their employees. By recognizing and leveraging these strengths, leaders can assign tasks that align with individual capabilities, leading to greater job satisfaction and motivation. When employees feel that their skills are valued and utilized effectively, they are more likely to be engaged and inspired.

Providing Support During Challenges: During difficult times, inspirational leaders offer support and guidance to their teams. By being approachable and empathetic, leaders can help employees navigate challenges, reinforcing the idea that they are not alone in their struggles. This support fosters resilience and inspires employees to persevere, knowing they have a leader who believes in their potential.

Cultivating a Positive Work Environment: Creating a positive and inclusive work environment is essential for inspiring employees. Leaders should prioritize employee well-being, work-life balance, and a culture of respect and inclusivity. When employees feel safe and valued in their work environment, they are more likely to be inspired to contribute fully and passionately to their roles.

Conclusion

Leadership has an effective relationship with the employees' job satisfaction and inspiration. Different styles have different impacts on an individual employee. The leaders must adapt various techniques based on the type of organization. Risks cannot be avoided but eliminated through various leadership styles. The inclusive leadership styles have been persuading the transforming world. Hence the developing organizations must examine the context and apply necessary steps to achieve their goals and make the workplace more belonging to the employees.

References

- Adair, J. (1988). *Effective leadership*. London. Pan Books.
- Alimo-Metcalfe, B.; Alban-Metcalfe, J. (2005). *Leadership: Time for a New Direction?* Leadership, 1 (1), 51-71.
- Avery, G. C. (2005). *Understanding Leadership*. London: Sage Publications
- Bass, B.M. (1985). *Leadership and performance beyond expectations*. New York: Free Press.
- Conger, J.A. (1989). *The charismatic leader: Behind the mystique of exceptional leadership*. Jossey-Bass, San Francisco, CA.
- Choi Sang Long, W. M. (2014). *The Impact of Transformational Leadership Style on Job Satisfaction*. World Applied Sciences Journal 29 (1), 8.
- Encyclopedia of Management (2009). *Leadership Theories and Studies*. In Encyclopedia of Management. <http://www.enotes.com/management-encyclopedia/leadership-theories-studies>
- Hersey, P. and Blanchard, P. (1969). *The life cycle theory of leadership*. Training and Development Journal, 23 (5), 26-34.

**12th International HR Conference on “Navigating the Human Capital Management in the Digital Era”,
on 19 and 20 December 2024**

House, R.J. (1971). A path-goal theory of leader effectiveness. *Administrative Science Quarterly*, 16, 321 - 339.

Sills, D. L. (Ed) (1991). *International encyclopedia of the social sciences*. New York: Free Press.

Katz, R. L. (1955). Skills of an effective administrator. *Harvard Business review*, 33 (1), 33-42.

Kirkpatrick, S. & Locke, E. (1991). Leadership: Do traits matter? *Academy of Management Executive*, May, 48-60.

Kotter, J. P.(1990). *Force for change: How leadership differs from management*. New York: The Free Press.

Likert, R. (1967). *New patterns of management*. New York: McGraw-Hill.

McCaffery, P. (2004). *The higher education manager's handbook: Effective leadership and management in universities and colleges*. London: Routledge Fa

Shafiq Ibrahim AL-Haddad, O. N. (November 2018). The Impact of Transformational Leadership Style on Employees' Job. *International Journal of Pure and Applied Mathematics*, 15.