

# **EMPIRICAL STUDY ON LEADERSHIP STYLES AND ITS INFLUENCE ON JOB SATISFACTION OF EMPLOYEES IN BPO's – VISAKHAPATNAM.**

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## **ABSTRACT:**

This paper attempts to study the elements, which influences the performance of the employees working in BPOs at all the levels. To prove this, two elements i.e. leadership styles and job satisfaction are taken into consideration with the objectives to understand and identify the employee perceptions of their leaders' style, identify employee job satisfaction level and identify & predicting, which leadership style is best for employees in the present day scenario. For the purpose of analysis, SPSS version 20 is used to conduct t test for the acceptance or rejection of hypothesis and correlation analysis is used to find the degree of association between the elements of each element. It is observed from the analysis that the respondents felt that if they were given an opportunity for advancement in their job leads to job satisfaction and also the quality of manager i.e. allowing his/her employees to look at the problem from different angles was chosen by many of the respondents as the best quality in their managers which improves their job satisfaction and performance.

**KEY WORDS:** Leader, Leadership Style, Job Satisfaction, BPO

## **INTRODUCTION:**

The leader and his activities are the integral part of any organization, whether service or manufacturing. The appropriate leadership style will enhance the organization's productivity and profit. Thereof increases the level of satisfaction and commitment in the employees of the organization. Leaders must enhance employees' motivation as having engaged employees is critical for an organization to achieve the goals (Batista-Taran et al., 2009). Previous studies, ( Bakker and Bal, 2010; Harter et al., 2002; Xathopoulou et al., 2009) recorded the noteworthiness of employees' work engagement for organizational achievement measured in terms of monetary returns, productivity, customer satisfaction, and a number of individual-level enticing employees' characteristics such as taking initiative and being proactive. Leadership is an essential management function that helps an organisation to direct its resources for achieving goals and enhanced efficacy. In current competitive world, many companies are facing the challenges related to unethical practices; high labor turnover, poor financial performance, etc. may be due to the lack of effective leadership hence, there is a need of effective leaders for coordinating and motivating the employees (Vigoda-Gadot, 2012). Based on this postulation, the

present study targeted to explore the relationship between leadership style, organizational performance and employee satisfaction. There are several types of leadership styles such as transformational leadership, transactional leadership, autocratic, democratic leadership, charismatic etc.

Under transformational leadership style the leader always aims at transforming and improving functions and capabilities by assigning regular tasks and schedules to his/her employees for the development of the organization. Transactional leadership style is based on the action-reward concept. In the autocratic leadership style employees opinions were not considered, where democratic/participative leadership style is just opposite to autocratic style of leadership, which is employee centric. Charismatic leader has a certain kind of charm and the ability to connect with people on multiple levels to drive company initiatives and motivating and encouraging employees.

### OBJECTIVES OF THE STUDY:

1. To understand and identify the employee perceptions of their leaders' style.
2. To identify employee job satisfaction levels.
3. To identify and predict which leadership style is best for employees in the present-day scenario.

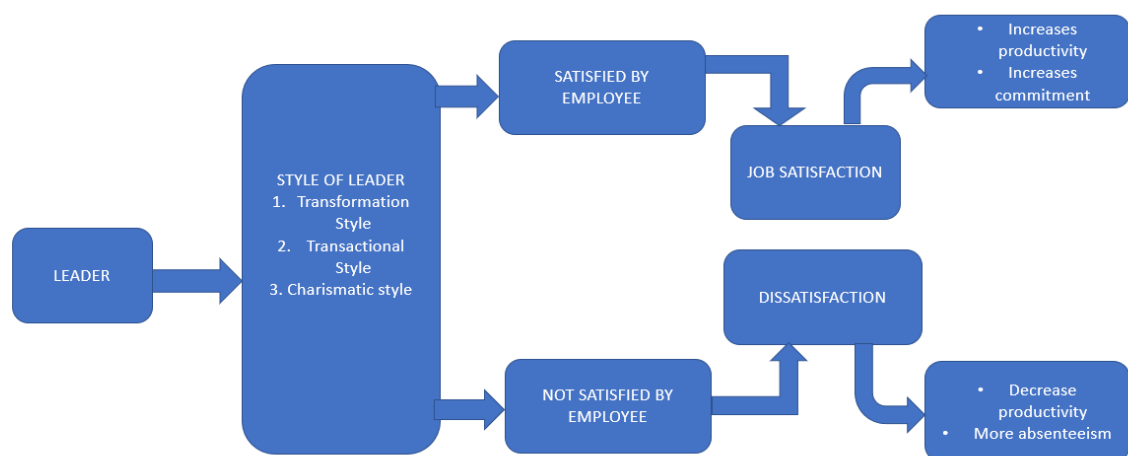
### HYPOTHESES:

H<sub>0a</sub>: There is no significant difference of various elements considered in job satisfaction

H<sub>0b</sub>: There is no significant difference of the various elements considered in leadership qualities of managers.

### CONCEPTUAL FRAMEWORK:

#### INFLUENCE OF LEADERS ON THE TEAM PERFORMANCE



**REVIEW OF LITERATURE:****➤ LEADERSHIP STYLES:****a. TRANSFORMATION LEADERSHIP STYLE:**

Thomas W.H. Ng.(2017) observed that transformational leadership is positively related to employees' attitudes toward their jobs and work outcomes. Hina Saleem (2015) concluded that transformational leadership has a positive association with job satisfaction, which means that transformational leaders, through their inspiring and motivating behavior, can induce changes in the psychological states of members of the organization. According to Burns (1978) in transformational leadership, leaders encourage their subordinates to increase the level of their beliefs, morals, perceptions, motivations and coalitions with organizations objectives. Givens (2008) Transformational leaders show confidence and respect in their subordinates and have the ability to influence their subordinate's behavior in such a way that results in more work fulfilment and positive organizational outcomes (Givens, 2008).

**a. CHARISMATIC LEADERSHIP STYLES:**

Antonio Sacavem (2017) his research specifically focused on how immediacy and dominance will impact the relationship between leaders' delivery style and followers' mood, perceptions of charismatic leadership and their performance .

DeGroot & Kiker et.al(2000) concluded Charismatic leaders have been seen as friendly and warm but also strong dynamic and powerful

Riggio(1987) has defined charismatic leadership in terms of the non-verbal patterns of behaviour that which conveying a sense of the leaders' enthusiasm and confidence.

**b. TRANSACTIONAL LEADERSHIP STYLES:**

Judge & Piccolo (2004) in his research he observed that the transactional leadership style is ignored but meta analyses have strongly predicted the importance of transactional leadership towards employees in terms of motivation , leader effectiveness and job satisfaction. Bass, et.al(1997) concluded that the transactional leadership styles always tries to satisfy the needs of employees through recognition after reaching the agreed task objectives and goals.

**➤ JOB SATISFACTION**

Jelena Culibrk, et.al (2018) have conducted an empirical study with aimed at identifying and quantifying the relationship between work characteristics, Organizational commitment, job satisfaction, job involvement and organizational policies and producers in the transition economy. In their study they have concluded that job satisfaction is affected by work characteristics but not the organizational policies and procedures.

Schneider and Snyder, Locke, (1975 & 1976) Job satisfaction is one of the most researched phenomena in the domain of human resource management and organizational behavior. It is commonly defined as a "pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences".

**DISCUSSION OF RESULTS:**

TABLE NO: 1 One-Sample Test

JOB SATISFACTION	Test Value=0						
	t	Df	Sig. (2-tailed)	N	Mean Difference	Std. Deviation	Std. Error Mean
Able to keep myself busy all the time.	20.149	29	.000	30	1.87	.507	.093
Given the opportunity to work alone on the job.	19.343	29	.000	30	2.30	.651	.119
Given the opportunity to do different things.	15.894	29	.000	30	2.17	.747	.136
Manager handles <u>hisTeam</u> Professionally.	15.766	29	.000	30	2.00	.695	.127
My Manager is Competent in Making Decisions.	21.734	29	.000	30	2.07	.521	.095
Have an opportunity for advancement in his job	21.079	29	.000	30	2.37	.615	.112
Freedom to use my own judgement	17.971	29	.000	30	2.33	.711	.130
Receive praise for doing good job	25.167	29	.000	30	2.07	.450	.082

From the above table, it is clear that eight elements are considered for measuring job satisfaction and 't' test is conducted at 5% level of significance. The sixth element "Have an opportunity advancement in this job" is with maximum mean value of 2.37 with a standard deviation of 0.615 when compared to other elements. The seventh element "Freedom to use own judgment" has scored next maximum mean value of 2.33 with a standard deviation 0.711.

The first element "Able to keep myself busy all the time" has secured least mean value of 1.87 with the standard deviation 0.507. Therefore it can be concluded that most of the respondents have preferred the element 'opportunity for advancement in the job', followed by 'freedom to use own judgment', 'given opportunity to work alone on the job', 'opportunity to do different things', 'praise for doing a good job', 'manager is competent in making decisions', 'manager handles his/her team professionally' and 'able to keep myself busy all the time' respectively.

Hence it is clear that there is a high level of job satisfaction in employees which is the positive emotion feeling an employee gets when they are happy with their work. This happens when the work meets the expectations of the employee such as being given an opportunity to work alone, to do different things, managers are competent enough in taking right decisions, employee having freedom to use their own judgement, and receiving praises for their effective work etc.

Since the calculated values are more than the table value therefore the null hypothesis is rejected and it can be concluded that there is a significant difference among the elements of job satisfaction.

Table No.2: One-Sample Test

LEADERSHIP	Test Value=0						
	t	Df	Sig. (2-tailed)	N	Mean Difference	Std. Deviation	Std. Error Mean
Spends time in teaching and coaching	18.655	29	.000	30	2.000	.587	.107
Makes clear what one can expect to receive when performance goals are achieved	17.696	29	.000	30	2.067	.640	.117
Treats me as an individual rather than just a member of the group	18.018	29	.000	30	2.233	.679	.124
Act in ways that builds my respect for him /her	18.655	29	.000	30	2.000	.587	.107
Displays a sense of power and confidence	17.971	29	.000	30	2.333	.711	.130
Directs my attention towards Failure to meet standards.	21.138	29	.000	30	2.300	.596	.109
Gets me to look at Problem from different angles.	26.444	29	.000	30	2.433	.504	.092
Help me to develop my strengths	21.875	29	.000	30	2.200	.551	.101
Suggest new ways of doing things.	22.563	29	.000	30	2.167	.531	.097
Expresses satisfaction when I meet expectation	33.796	29	.000	30	2.133	.346	.063
use methods of leadership that are satisfying	18.582	29	.000	30	2.133	.629	.115
Talk about his/her most important values & belief.	19.338	29	.000	30	2.333	.661	.121
Is absent when needed	18.137	29	.000	30	2.200	.664	.121

From the table 2, the calculated values for thirteen elements are more than the table value at significance level of 5% and 29 degrees of freedom. Therefore the null hypothesis is rejected and it is concluded that there is a significant difference of the various elements considered in leadership qualities of managers.

Among the thirteen elements considered for the study the results depicts the seventh element i.e., “gets me to look at the problem from different angles” has the maximum mean value (2.43) with a standard deviation of 0.504 when compared to the remaining elements. Two elements five and twelve i.e., “displays a sense of power and confidence” and “talk about his/her most important values and belief” have the next highest mean value of 2.33 each, however with different standard deviations of 0.664 and 0.711 respectively.

Therefore most of the employees have stated that their manager possesses a high degree of qualities in sense of power and confidence by allowing subordinates to look at a problem from different angles, and shares about his/ her most important values and belief in the organization. Whereas the elements one and four i.e., “spends time in teaching and coaching”, “act in ways that builds my respect for him/her” have the least mean value of 2.0 with the same standard deviation of 0.587.

Therefore, it is well understood that there are several essential qualities that mould a successful leader for any organization. It can be concluded that most of the employees prefer leaders should possess essential qualities like capable of providing a chance in solving the problems, good sense of power and confidence and talking about important values and belief etc. In connection to discussion it is well understood that their leadership style causes change in individual and social system. In this ideal form, it creates valuable and positive impact in the followers with the end goal of developing followers into leaders.

## CORRELATION ON

### ➤ JOB SATISFACTION:

JOB SATISFACTION		Able to keep myself busy all the time	Given the opportunity to work alone on the job	Given the opportunity to do different things	Manager handles his Team Professionally	My Manager is Competent in Making Decisions	have an opportunity for advancement in this job	Freedom to use my own judgement	Receive Praise for doing good job
Able to keep myself busy all the time	Pearson Correlation	1	.647**	.152	.391*	.296	.162	.223	.342
	Sig. (2-tailed)		.000	.424	.033	.113	.392	.236	.064
	N	30	30	30	30	30	30	30	30
Given the opportunity to work alone on the job	Pearson Correlation	.647**	1	.390*	.381*	.041	.146	.298	.400*
	Sig. (2-tailed)	.000		.033	.038	.831	.440	.110	.028
	N	30	30	30	30	30	30	30	30

Given the opportunity to do different things	Pearson Correlation	.152	.390*	1	.266	.236	.238	.087	.377*
	Sig. (2-tailed)	.424	.033		.156	.208	.206	.649	.040
	N	30	30	30	30	30	30	30	30
Manager handles his Team Professionally	Pearson Correlation	.391*	.381*	.266	1	.572**	.161	.070	.221
	Sig. (2-tailed)	.033	.038	.156		.001	.394	.714	.241
	N	30	30	30	30	30	30	30	30
My Manager is Competent in Making Decisions	Pearson Correlation	.296	.041	.236	.572**	1	.244	.031	.128
	Sig. (2-tailed)	.113	.831	.208	.001		.194	.871	.502
	N	30	30	30	30	30	30	30	30
have an opportunity for advancement in this job	Pearson Correlation	.162	.146	.238	.161	.244	1	.499**	.158
	Sig. (2-tailed)	.392	.440	.206	.394	.194		.005	.405
	N	30	30	30	30	30	30	30	30
Freedom to use my own judgement	Pearson Correlation	.223	.298	.087	.070	.031	.499**	1	.359
	Sig. (2-tailed)	.236	.110	.649	.714	.871	.005		.051
	N	30	30	30	30	30	30	30	30
Receive Praise for doing good job	Pearson Correlation	.342	.400*	.377*	.221	.128	.158	.359	1
	Sig. (2-tailed)	.064	.028	.040	.241	.502	.405	.051	
	N	30	30	30	30	30	30	30	30

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

To test the relation among the elements which leads to job satisfaction, correlation test was conducted and based on the results it was observed in table 3 that there is most likely relationship (0.647) between the elements one and two i.e., “able to keep myself busy all the time” and “ opportunity to work alone on the job”. It was also identified that there is a likely relationship (0.572) between the elements four and five i.e., “manager handles his team professionally” and “manager is competent in making decisions”.

Thus from the above discussion it is well understood that the job satisfaction of employees working in the organization can be achieved if the management supports in achieving their goals by making them engaged all the time and by providing an opportunity to work alone because they are genuinely interested and happy with the work they do. In fact one should remember that job satisfaction is not driven by an employee’s sense of pride instead it is a strong emotion towards the fulfillment of doing what the employee loves.

## ➤ LEADERSHIP ELEMENTS:

Correlations														
LEADERSHIP		Spends time in teaching and Coaching	Makes clear what one can expect to receive when performance goals are achieved	Treats me as an individual rather than just a member of the group	Act in ways that builds my respect for him /her	Displays a sense of power and confidence	Directs my attention towards Failure to meet standards.	Gets me to look at Problem from different angles.	Help me to develop my strengths	Suggest new ways of doing things.	Expresses satisfaction when I meet expectation	use methods of leadership that are satisfying	Talk about his/ her most important values & belief.	Is absent when needed
Spends time in teaching and Coaching	Pearson Correlation	1	.459*	.519**	.400*	.083	.197	.000	-.213	.332	.170	.187	.089	.354
	Sig. (2-tailed)		.011	.003	.029	.664	.297	1.000	.258	.073	.370	.323	.641	.055
Makes clear what one can expect to receive when performance goals are achieved	Pearson Correlation	.459*	1	.360	.459*	.177	-.054	.121	-.137	.068	.270	.577**	.272	.373*
	Sig. (2-tailed)	.011		.051	.011	.350	.776	.523	.470	.722	.149	.001	.146	.042
Treats me as an individual rather than just a member of the group	Pearson Correlation	.519**	.360	1	.519**	.333	.332	.198	-.221	.175	.304	.248	.205	.275
	Sig. (2-tailed)	.003	.051		.003	.072	.073	.294	.240	.354	.103	.187	.277	.141
Act in ways that builds my respect for him /her	Pearson Correlation	.400*	.459*	.519**	1	.330	.296	.233	.000	.443*	.170	.467**	.178	.354



	Sig. (2-tailed)	.029	.011	.003		.075	.113	.215	1.000	.014	.370	.009	.347	.055
Displays a sense of power and confidence	Pearson Correlation	.083	.177	.333	.330	1	.488**	.160	-.088	.122	.374*	.206	.196	.146
	Sig. (2-tailed)	.664	.350	.072	.075		.006	.397	.644	.521	.042	.276	.300	.441
Directs my attention towards Failure to meet standards.	Pearson Correlation	.197	-.054	.332	.296	.488**	1	.126	-.084	.273	.301	.166	.263	.366*
	Sig. (2-tailed)	.297	.776	.073	.113	.006		.506	.659	.145	.106	.382	.161	.047
Gets me to look at Problem from different angles.	Pearson Correlation	.000	.121	.198	.233	.160	.126	1	.050	-.021	.053	.029	.069	.144
	Sig. (2-tailed)	1.000	.523	.294	.215	.397	.506		.794	.910	.782	.879	.717	.447
Help me to develop my strengths	Pearson Correlation	-.213	-.137	-.221	.000	-.088	-.084	.050	1	-.118	-.145	-.279	-.189	-.490**
	Sig. (2-tailed)	.258	.470	.240	1.000	.644	.659	.794		.535	.445	.136	.316	.006
Suggest new ways of doing things.	Pearson Correlation	.332	.068	.175	.443*	.122	.273	-.021	-.118	1	.063	.241	.033	.196
	Sig. (2-tailed)	.073	.722	.354	.014	.521	.145	.910	.535		.742	.199	.863	.300

Expresses satisfaction when I meet expectation	Pearson Correlation	.170	.270	.304	.170	.374*	.301	.053	-.145	.063	1	.233	.252	-.120
	Sig. (2-tailed)	.370	.149	.103	.370	.042	.106	.782	.445	.742		.216	.180	.527
use methods of leadership that are satisfying	Pearson Correlation	.187	.577**	.248	.467**	.206	.166	.029	-.279	.241	.233	1	.221	.512**
	Sig. (2-tailed)	.323	.001	.187	.009	.276	.382	.879	.136	.199	.216		.240	.004
Talk about his/her most important values & belief.	Pearson Correlation	.089	.272	.205	.178	.196	.263	.069	-.189	.033	.252	.221	1	.314
	Sig. (2-tailed)	.641	.146	.277	.347	.300	.161	.717	.316	.863	.180	.240		.091
Is absent when needed	Pearson Correlation	.354	.373*	.275	.354	.146	.366*	.144	-.490**	.196	-.120	.512**	.314	1
	Sig. (2-tailed)	.055	.042	.141	.055	.441	.047	.447	.006	.300	.527	.004	.091	

\*. Correlation is significant at the 0.05 level (2-tailed).

\*\*. Correlation is significant at the 0.01 level (2-tailed).

To test the relation among the select thirteen elements, which helps to know the leadership style, correlation test is conducted and based on the results it is observed that there is most likely relationship (0.577) between the elements one and eleven i.e., “spend time in teaching and coaching” and “use methods of leadership that are satisfying”. It was also found that there is a likely relationship of 0.519 between the elements three and four i.e., “treats me as an individual rather than just a member of the group” and “act in ways that builds my respect for him/her”.

Whereas there is a negative correlation to the element eight i.e., “helps me to develop my strengths” with elements thirteen (-0.49) and eleven (-0.279) i.e., “is absent when needed” and “use methods of leadership that are satisfying” respectively.

From the above discussion it can be concluded that leadership is the ability to direct a group of people in realizing a common goal. Therefore leaders create commitment and enthusiasm among the employees by spending valuable time in teaching and providing coaching with the help of few methods that satisfy the employees. Effective leadership can be achieved by treating the employees as an individual rather than just a member of a group and thereby the managers can acquire respect for themselves. Thus there is a common belief that leadership is vital for effective organizational and societal functioning and its success.

**FINDINGS:**

Eight elements related to the employees' & managers' attitude and thirteen elements related to leadership qualities in their superiors were considered respectively in the study to measure the job satisfaction levels of employees and leadership styles that were adopted by managers and their impact on employees' performance from different BPO organizations in Visakhapatnam city. Based on the results, the following points were observed:

- Most of the respondents felt that if they were given an opportunity for advancement in their job that leads to job satisfaction.
- Majority of the employees opinioned that if they were given free hand to use their own judgment increases their job satisfaction levels.
- The quality of manager i.e., allowing his/her employees to look at the problem from different angles was chosen by many of the respondents as the best quality in their managers which improves their performance and leads to job satisfaction.
- The respondents felt that if the manager displays a sense of power and confidence and also talks about their most important values & belief that may pave way to job satisfaction and better performance of the employees.

**SUGGESTIONS:**

From the research it is suggestible that the employees can increase their level of job satisfaction under the style of a leader are as follows:

- It is suggestible to keep the employees busy all the time by giving them free hand while doing work. This might give a scope for the employee to go to next level, which leads to job satisfaction.
- Management development programmes should be conducted by the organization to change his/her behaviour aspects towards handling their team professionally and also making decisions effectively.
- Being a leader, he/she should inculcate the culture of spending time in teaching and coaching the team members.
- Managers should be exposed to seminars and workshops on personality development so that they can learn how to behave with their team members.
- Leader should define the job roles clearly to the team members in order to increase efficacy and satisfying of the employees towards the job.
- Leader should be available when the subordinate are in need of his/her help

**CONCLUSION:**

The study has revealed that effective leadership and job satisfaction are essential for the success of any organization. A capable leader spends time in teaching and coaching the employees moreover he makes clear what one can expect to receive when performance goals are achieved. Therefore an efficient leader

will always treat the employees as the most important asset in an organization. This research also explores the leaders now-a-days following the transformation style, where one can notice the change in the psychological states of members, through their inspiring and motivating behavior. The elements such as giving an opportunity for advancement in their job and given free hand to use their own judgment etc. show that there is a high degree of job satisfaction in employees.

So in accordance with the results, the transformational leadership has the ability to structure a relationship between the managers and their subordinates, which in turn helps to increase the job satisfaction of the employees.

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