

# A STUDY ON THE INFLUENCE OF LEADERSHIP STYLES AND SKILLS ON PERFORMANCE IN THE TEXTILE INDUSTRY

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## **1. ABSTRACT**

The main purpose was to measure the influence of leadership types and skills on performance of textile industries at Dindigul, Tamilnadu, India. Major leadership styles were taken for the study. The data was gathered from 25 textile industries. A sample of 136 project leader/manager was considered purposely for the study. The study was descriptive and found that Transactional Leadership and Transformational leadership are significant and having positive effect on organizational outcomes. Managerial skills have a meaningful influence on the organizational outcome.

**Key words: Leadership styles, skills, Textile industry**

## **2. INTRODUCTION:**

Organizations highly depend on their leaders to go further in their vision and mission of the management to fulfill their intended goals. Prior scholars (Green, 2010; Howell, 2010; Korrapati, 2010; McGraw, 2009, Oren, 2009; Thompson, 2010) have observed that a number of leadership behaviors can improve success rates of the organisation. Previous research on leadership concentrated on finding the personality characteristics which characterized successful leaders (Mahoney et al., 1960). According to Trait theories leaders are 'born' and have specific personal qualities which differentiate them from non-leaders (Stodgill, 1948). However, the challenge in classifying and validating these characteristics led to lot of criticism of this trait approach, signaling the emergence of types and behavioural methods to leadership (Stodgill, 1948). Type and behavioural scientists changed the focus from the leaders qualities to the behaviour and type the leader used (Hemphill and Coons, 1957; Likert, 1961). Various literature which analyse the linkage between leadership and performance match with the revolving the one method to lead conflict. A number of researchers conceptualized transformational leadership as associated to organizational performance (Bycio et al., 1995; Howell and Avolio, 1993). Theoretically, it is explained that the visionary and inspirational skills of transformational leaders inspire followers to provide superior work (Nicholls, 1988; Quick, 1992).

## **3. THEORETICAL CONCEPTS:**

### **1. Autocratic Leadership**

Authoritarian leaders, also known as autocratic leaders, deliver clear requirements for what needs to be performed, when it should be performed, and how it should be performed. There is also a clear classification between the leader and the followers. Authoritarian leaders make plans with autonomy and with less or without any input from other members in the group.

### **2. Democratic Leadership**

Democratic leadership is commonly the most efficient leadership type. Democratic leaders provide assistance to group members, but they also engaged in the group and permit input from other group members.

### **3. Laissez-faire Leadership**

Delegative leaders provide less or without assistance to the group members and leave decision-making up to group members. While this type can be efficient in circumstances where group members are highly qualified in the field of study, it often leads to poorly defined roles and a lack of motivation.

#### 4. Transactional Leadership

Transactional leadership, also known as managerial leadership, aims at the role of monitoring, institution and group outcome.

#### 5. Transformational Leadership

Transformational leadership develops the motivation, morale, and job output of followers through types of practices. These comprise of linking the follower's sense of find and self to the project and the overall image of an organization; being an example for followers that motivates them and makes them interested; challenging followers to take greater ownership for their performance, and perception towards the strengths and weaknesses of followers, so the leader can match followers with works that develop their performance.

#### LEADERSHIP SKILLS:

Leadership is both dynamic competence and a relational process, which require specific Skills and capabilities for envisioning, setting aspirations, and for motivating others.

##### 1. Technical Skills

Technical skill is proficiency, based on specific knowledge, in a particular area of work. To have technical skills means that an employee is potential and knowledgeable with respect to the specific task of an organization, the organization's norms and standard operating practices, and the organization's products and services (Katz, 1974; Yukl, 2006). Technical skill is most significant at monitoring levels of management, less significant for middle managers, and least significant for top-level executives such as CEOs and senior managers.

##### 2. Managerial Skills

Whetten and Cameron (2002) classified the basic skills of executives in two groups, personal and communication skills. They have classified managerial skills into three groups such as Individual skill like self-awareness, stress management, problem solving skills, Interpersonal relationship like, communicative skills, influencing skill, conflict management, and motivational skill. Group skills like empowerment, team building and delegation. According to Bently (1999) Communication skill like presentation technique, letter writing, effective listening, reporting, networking and negotiation techniques, power of designing mental models and decision making power, skills related to innovation like courage in new thinking, ability in practicing, inappeasable, risk taking, and imagination power. Latif (2000) proclaims that managerial skills are viewed as being of basic significance for enhanced overall managerial performance and effectiveness. Recent improvements in the field point to the presence of three paramount and overlapping categories of managerial skills namely, task- people- and self-related, that play a crucial role towards enhancing the effectiveness of the senior executives in both private and public sector organisations.

##### 3. Personal Skills

Personal skills are competence in engaged with people based on a individual skill about population and how they behave, how they operate in groups, how to communicate efficiently with them, and their desires, attitudes, and feelings. They are the skills required to effectively influence superiors, peers, and subordinates in the performance of organizational goals. These skills enable a leader to influence team or group members to work together to achieve organizational goals and objectives. Personnel skill competency means that leaders know their thoughts on various problems and, at the same time, become cognizant of the thoughts of others. Subsequently, leaders with higher orders of interpersonal skills are better capable of using their own perception to other people's ideas, especially when this will assist in achieving managerial goals more quickly and efficiently. These leaders are more sensitive and empathetic to what inspires others, create an atmosphere of trust for their followers, and take others' needs and motivations into account when deciding what to do to achieve managerial goals. Interpersonal skills are required at all three levels of management: supervisory, middle management, and senior management (Katz, 1974; Yukl, 2006).

#### 4. METHODOLOGY

##### Research sample and data collection

The study covered twenty five randomly selected textile Industries at Dindigul, Tamilnadu. A structured questionnaire was adopted in gathering relevant data from the Project managers/leaders. 200 questionnaires were purposely distributed and 164 questionnaires were filled and returned by the respondents. After scrutinizing 136 questionnaires were used for further analysis. For the present five leadership styles and three skill sets were specifically selected from the previous studies. Regression and correlation analysis were carried out for statistical analysis. The study was conducted at a period of November 2014 to January 2015. The project leaders were selected based on their project duration.i.e the projects which were carried out between 1 year to three years.

Table 1 –leadership styles with mean and standard deviation

Leadership styles	Characteristic	Mean	Standard Deviation
<b>1.Autocratic Leadership</b>	Leaders decision	3.956	0.929
	Dictating process	4.379	1.349
	Retaining power and authority	4.294	1.06
	Complete supervision and control	4.247	1.031
	Fallow one way communication	4.350	1.134
	Fallow structured set of reward and punishment	4.291	1.053
	Takes full credit of work by own	4.140	1.142
	No- participation of team member	3.871	1.017
<b>2.Democratic Leadership</b>	Keep communication open	3.970	1.045
	Focus on discussion	4.246	1.043
	Committed	4.669	1.036
	Respect others idea	4.512	1.084
	Participation of team member	4.351	1.071
<b>3.laissez-faire Leadership</b>	Like hands off approach	3.855	1.229
	Complete freedom to team members	4.230	1.022
	Decision making power with team member	4.382	1.036
	Problem solved by team member	4.145	1.121
<b>4.Transactional Leadership</b>	Providing definite and clear commands	4.314	1.025
	Monitoring subordinate	4.059	1.065
	More importance to motivation	4.027	1.043
	Decision making power with leader	4.350	1.044
	Leader brings solution for problems	4.199	1.017
<b>5. Transformational Leadership</b>	Importance to organization growth	3.604	0.938
	Creates vision and inculcate passion in team members	4.137	0.98
	Adaptable and flexible	4.704	1.174
	Lets the ego to get the best	4.211	1.102
	Believe in motivation and self management	4.495	1.004

The above table 1 shows the leadership styles, mean and standard deviation of the variables.

Table 2- leadership skills

Skills	Factors	Mean	Standard Deviation
<b>1.Technical skills</b>	Technical knowledge	4.345	1.362
	Approaches for managing projects	4.284	0.966
	Scheduling projects	3.886	0.915
	Scope control	3.848	0.992
	Developing structure	3.521	0.887
<b>2.Managerial skills</b>	Team building	3.666	0.952
	Project planning, initiating and organising	4.170	0.942
	Conflict management	4.333	1.061
	Decision making skills	4.001	0.863
	Risk taking	4.064	1.016
<b>3. Personal skills</b>	Positive attitude	3.560	0.946
	Define expectation	3.825	1.006
	Being thoughtful	3.953	1.279

The above table 2 shows the leadership skills, mean and standard deviation of the variables.

Table 3- showing the relations of leadership style and organizational performance

S. No	Leadership styles	1	2	3	4	5	6
1	Organisational Performance	1.000					
2	Autocratic Leadership	0.453*	1.000				
3	Democratic Leadership	0.613**	-.057	1.000			
4	laissez-faire Leadership	0.527**	-.170*	0.214*	1.000		
5	Transactional Leadership	.759**	0.460**	0.016	0.267*	1.000	
6	Transformational Leadership	0.728**	0.237*	0.208*	0.127*	0.102	1.000

Note: \*\*P<.001 \* P<.05

The outcome of table 3 shows that leadership styles have both positive and negative associates with organizational performance. Autocratic leadership, Transactional leadership and Transformational leadership have positive effect on the Organisational Performance and Democratic leadership and laissez-faire leadership have negative impacts on organizational performance. This implies that Democratic leadership and laissez-faire leadership do not encourage employees to perform as predictable. These styles of leadership may discourage the employees.

Table 4-model summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.873 <sup>a</sup>	0.7612	0.7601	0.274	1.794

a. Predictors: (Constant), Autocratic Leadership, Democratic Leadership, laissez-faire Leadership, Transactional Leadership, Transformational Leadership,

b. Dependent Variable: Organisational Performance

Table 5-anova<sup>a</sup>

Model 1	Sum of Squares	df	Mean Square	F	Sig.
Regression	109.979	5	21.9958	8.86569	0.000 <sup>b</sup>
Residual	322.532	130	2.481		
Total	432.511	135			

a. Dependent Variable: Organisational Performance

b. Predictors: (Constant), Autocratic Leadership, Democratic Leadership, laissez-faire Leadership, Transactional Leadership, Transformational Leadership.

Table 6-coefficients<sup>a</sup>

Model 1	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	11.609	0.603		15.321	0.000
Autocratic Leadership	0.461	0.024	0.459	3.355	0.009
Democratic Leadership	-.119	0.102	-.177	0.147	0.243
laissez-faire Leadership	-.227	0.014	-.290	1.012	0.785
Transactional Leadership	0.290	0.017	0.287	12.054	0.000
Transformational Leadership	0.447	0.080	0.436	11.039	0.000

a. Dependent Variable: Organisational Performance

### Testing of hypothesis:

**Ho: Leadership styles have no significant influence on the organizational performance.**

From the tables 4, 5 and 6 result shows that leadership styles (Autocratic, Democratic, laissez-faire, Transactional, Transformational) were jointly predicting the organizational performance {F (4, 131) = 11.1225; R<sup>2</sup> = 0.7612; P <.05}. These variables jointly explained 76% of the variance of organizational performance, while the remaining 24% could be due to the effect of unrelated variables.

Democratic leadership (( $\beta$ = -0.177; t = 1.77; P>0.05) and laissez-faire Leadership ( $\beta$ = -0.365; t = -4.401; P >0.05) and Bureaucratic leadership ( $\beta$ = 0.297; t = 1.012; P>0.05) are insignificant and having negative effect. Autocratic leadership, Transactional leadership and Transformational leadership have positive effect are significant and having positive effect on organizational outcomes. The estimated regression equation is written as Organisational Performance = 11.609 +.461(Autocratic Leadership) -.119(Democratic Leadership) -.227(laissez-faire Leadership) + 0.290(Transactional Leadership) -.447(Transformational Leadership).

**Table 7- showing the relations of leadership skills and organizational performance**

S.No	Skills	1	2	3	4
1	Organisational Performance	1.000			
2	TechnicalSkills	0.710*	1.000		
3	Managerial Skills	0.209**	0.340**	1.000	
4	Personal Skills	0.702*	0.230**	0.281**	1.000

Note: \*\*P<.001 \* P<.05

The findings on the table 7 show that leadership skills have both positive relationships with organizational performance. Technical Skills, Managerial Skills and personal Skills have jointly had an effect on Organisational outcome.

**Table 8-model summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.714 <sup>a</sup>	0.50979	0.4925	0.094	1.602

a. Predictors: (Constant), Technical Skills, Managerial Skills and personal Skills

b. Dependent Variable: Organisational Performance

**Table 9-anova<sup>a</sup>**

Model 1	Sum of Squares	df	Mean Square	F	Sig.
Regression	11.583	3	3.861	8.8352	0.000 <sup>b</sup>
Residual	57.684	132	0.437		
Total	69.267	135			

a. Dependent Variable: Organisational Performance

b. Predictors: (Constant), Technical Skills, Managerial Skills and personal Skills

**Table 10-coefficients<sup>a</sup>**

Model 1	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	6.404	.045		7.432	0.000
Technicalskills	0.287	0.043	0.180	1.912	0.113
Managerial Skills	.310	0.129	.315	6.206	0.000
Personal skills	.109	0.143	.116	5.870	0.000

a. Dependent Variable: Organisational Performance

**Testing of hypothesis:****Ho: Leadership skills have no significant influence on the organizational work.**

From the tables 8,9 and 10, result shows that leadership Skills (Technical skills, Managerial Skills and PersonalSkills) were jointly predicting the organizational performance { $F(3, 135) = 8.8352$ ;  $R^2 = 0.50979$ ;  $P < .05$ }. These variables jointly explained 50% of the variance of organizational performance, while the remaining 50% could be due to the effect of unrelated variables. Technical skills, Managerial Skills and Personal Skills are significantly influence the organizational performance. The estimated regression equation is written as

$$\text{Organisational Performance} = 6.404 + 0.287 (\text{TechnicalSkills}) + 0.310 (\text{Managerial Skills} - .109(\text{personalSkills}))$$

**5. CONCLUSION**

This study has analysed the influence of leadership type and Skills on organizational outcome in textile industries. The findings of this research indicate that there is a substantial association between leadership style, Skills and organizational performance. Based on the outcomes of this research, it can be concluded that leadership type has both positive and negative influence on organizational outcome. The research found that Autocratic leadership, Transactional leadership and Transformational leadership are significant and having positive effect on organizational performance. Leadership Skills has meaningful effects on the organizational outcomes.

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