

Leadership in Public Sector Organisations; A Case Study In A Semi-Governmental Organisation In Mauritius

Needesh Ramphul and Gaitree Ramgolam
University of Technology, Mauritius

Abstract

The goal of the research is to come out the aspects distressing turnover tax gathering of category “B” taxpayer in Leadership is considered as one of the most fundamental factor influencing the success of an organisation. However, there can be different leadership styles which are used in different sectors and they may not have the same impacts on the organisation in terms of motivation and performance of employees. Leaders can adopt the transactional, transformational and the laissez faire style. Each style of leadership may have different impact on the followers both in terms of motivation and performance. As such, the aim of this study is to make an assessment of leadership in a semi-governmental organisation. The study focused in defining leadership and its characteristics. It also sheds light on the impact of leadership on employee motivation, and employee performance. Moreover, this study was undertaken through questionnaire survey in order to collect data. The findings revealed that most of the respondents did not agree with the leading style of their leaders and the motivation level was very low. Employees were not provided with incentives to feel more motivated and efficient at work. Another finding is that the leadership style influenced the level of performance of employees in the organisation

Keywords: Leadership, Leadership Styles, Motivation, Performance, Public Sector Organisations.

INTRODUCTION

Leadership plays a crucial role in creating an enthusiastic atmosphere and culture in an organization [2]. Hurdzue [13] proclaimed that effective leadership style could promote excellence in the development of the members of the organisation. Thus organisations are striving to search great leaders that can lead them to success. In today's business environment, the future belongs to those managers who can best manage change. To manage change, organizations must have employees committed to the demand of rapid change and as such committed employees are the source of competitive advantage [10]. In fulfilling their roles, leaders have to adopt leadership styles and collaborative structure which is appropriate so as to attain their goals and objectives. Leadership motivates employees to achieve a better and higher performance through their strong human relations. A good leader will help the organisation maximize efficiency and achieve organizational goals. The success of an organisation depends greatly on leadership. When good leadership exists in an organisation, it can be felt throughout the organisation by the presence of a good culture, effective communication, understanding the vision and goal of the organisation and team work among employees. The same is true for organisations even in the public sector.

This research will enable to identify the leadership style prevalent in the semi-governmental organization

and assess its impact on employee motivation and performance. This research is important since it will help leaders in the public sector to reassess their leadership style and consequently, try to be more effective in improving the performance of employees within the public sector context. The main contribution of research to knowledge is to show the relationship of transactional and transformational leadership style and motivation and performance of employees in a Public sector context.

Leadership

Leaders come in all shapes and sizes, from autocrats to diplomats with many in between. Leadership is a process by which a person influences others to accomplish an objective and directs the organisation in a way that makes it more cohesive and coherent [4]. Stogdill [28] as quoted by Babygeya [3] defined leadership as the process of influencing the activities of an organised group towards the goal setting and accomplishment. Furthermore, leadership is defined as leader's effective behaviour, conduct and tactic in influencing others [19] and persuading others to achieve individual and organisation's goals and objectives. The purpose of leadership is thus to facilitate group goal attainment by establishing and maintaining an environment favourable to group performance.

Leadership Style

There are several different leadership styles that can be identified in various leaders. Every style has its own set of good and negative characteristics. Burns [7] and Bass [5] developed the transactional and transformational theories of leadership.

Transactional Leadership

Transactional Leadership, also known as managerial leadership, focuses on the role of supervision, organisation, and group performance. Transactional leadership is a style of leadership in which the leader promotes compliance of his followers through both rewards and punishments. These leaders pay attention to followers' work in order to find faults and deviations. This type of leadership is effective in crisis and emergency situations, as well as when projects need to be carried out in a specific fashion. Employees in this leadership style can be punished for poor work or negative outcomes, until the problem is corrected. One way that transactional leadership focuses on lower level needs is by stressing specific task performance [12]. Transactional leaders are effective in getting specific tasks completed by managing each portion individually. They are extrinsic motivators that bring minimal compliance from followers. They accept goals, structure, and the culture of the existing organisation while being directive and action oriented organisation. They tend to think inside the box when solving problems and are primarily passive. They take action when a problem arises [14].

Transformational Leadership

The transformational leadership theory makes provisions for power and influence in the leadership process as the transactional leadership theory. According to Burns [7], the relationship between the leader and the subordinate is based on emotion. The leader utilizes the trust and confidence that the subordinate places in them to motivate behavior [5]. Transformational leaders typically rely on four characteristics namely charisma, inspiration, individual consideration, and intellectual stimulation [5]. A transformational leader is a person who stimulates and inspires followers to achieve extraordinary outcomes [23]. He pays attention to the concern and developmental needs of individual followers and changes followers' awareness of issues by helping them to look at old problems in a new way. These leaders are able to arouse, excite and inspire followers to put out extra effort to achieve group goals and to share a vision. Transformational leadership theory is all about leadership that creates positive change in the followers whereby they take care of each other's interests and act in the interests of the group as a whole[30]. This leadership style fulfils and enhances each individual team members' need for self-fulfilment,

and self-worth and inspires followers to grow and develop.

Impact of Leadership on Employee Motivation

Work motivation is a reflection of personal attitudes and attitudes towards group work and collaboration. Such as attitudes to every employee, motivation is also to some extent influenced by the factors of the leaders' part, especially by the leaders' wisdom [22]. A motivated workforce is essential for the success of organisations. Effective leaders should therefore be able to motivate their subordinates. In the transactional leadership, leaders impose on their employees to make an effort to work in exchange for a reward or to avoid a punishment. Whereas in transformational leadership, leaders involve employees in decision making. As a result, employees willingly work towards their full potential inspired by their leader. These leaders also encourage their employees for extra effort and are more likely to inspire and motivate their employees. These leadership styles are combined with two types of motivation, namely intrinsic and extrinsic motivation. Intrinsic motivation is internally driven and therefore, certain task characteristics are important in the sense that employees are satisfied with their work. Extrinsic motivation is externally driven and the focus is on the result of the activity of the employee himself. The outcome could be a reward or the avoidance of punishment. Motivation should be a great concern to leaders as motivated employees lead to increased productivity with more creativity and quality work. A leader should find out what motivates the employees, praise them and compliment them often and believe in them. Leaders should know that what motivates one employee is different from what motivates another employee. For example, some employees are simply motivated by the job security, others by clear company policies, power, recognition, compensation, whereas some employees are intrinsically motivated and are just enjoying what they do.

In his article, Root [24] explains the different leadership style and how they affect employee motivation. According to Root, managers who follow the autocratic leadership style that is leaders who make decisions by themselves without consulting employees can be beneficial as decision making process goes more rapidly. And they are considered as knowledgeable managers which make employees more comfortable and motivated to work. In the democratic leadership style as discussed by Root [24], the influence is more on employee motivation as employees are consulted before taking decisions making. Employees feel included and their opinions are valued. The third style is the Laissez-faire leadership where the manager delegates most of his duties to employees who are highly qualified thus empowering them to make their own success. The last style discussed by Root is the

transformational style where a leader brings a vision and set a clear plan of achieving it.

Impact of Leadership on Employee Performance and Performance Management System

Employee performance is basically outcomes achieved and accomplishments made at work. Although performance evaluation is the heart of performance management the performance of an individual or an organisation depends heavily on all organisational policies, practices, and design features of an organisation [8]. According to Güngör [11], employee performance can also be seen as what employees do and do not do and consists of elements such as quantity of output, quality of output, timeliness of output, presence at work and cooperativeness. So as to be more profitable and competitive, organisations need employees who are great achievers. Productive employees are the lifeblood of every business. Leaders should continually monitor and evaluate their employees. There are several ways to measure employee performance which are punctuality, quality of work, observing personal habits, checking the attitude of employees, reviewing personal presentation, carrying out a client survey and random checks. It is believed that employee productivity and job satisfaction is positively correlated to transformational leadership style. In this competitive environment, where innovation and creativity is basic requirement for organisational success, transactional leadership style is almost useless[17].

Considerable research has highlighted the importance of empowering leadership behavior for individual performance [29]. Leaders who encourage greater independence from authority, greater lateral cooperation, and greater individual self-management skills are considered to have subordinates with a higher level of satisfaction and performance [27]. Studies show that the more the empowering leadership, the higher employee adaptability [1], lower role ambiguity [9] and higher job performance [25]. It is important for leaders to evaluate and monitor the performance of employees. Thus implementing a performance management system in an organisation is beneficial. Performance management system has been defined as ‘an integrated set of planning and review procedures which cascade down through the organisation to provide a link between each individual and the overall strategy of the organisation’[26]. The performance management system can be used to determine if an employee may be eligible for a promotion, increment, or other benefits. If an employee has an adverse performance, a leader will coach the employee by providing the latter with trainings and coaching.

Leaders roles change and they adopt additional roles in the Performance Management Process. Some of the

roles identified include the Champion for change, performance management advocate, and performance coach. Leaders as change champion are entrusted to improve business performance by taking initiative and through identification of key success details for building performance capacity. Effective leaders as advocates help to evaluate outcomes and find what needs to be done to improve the performance of the employee. Whereas as a performance coach leaders establish discussions with employees, encouraging face-to-face communications, be active participants than passive observers and engage them in listening and questioning their concerns.

McAdam, et. al. [16] found that lack of effective leadership has triggered a fear that performance management will be an annual “tick and flick” formality. Ohomeng, et.al.[20] found the lack of effective leadership in the implementation of performance management could not inspire the employee to participate actively. Many studies show that transformational leadership positively influences performance. Li and Hung [15] found that transformational leadership enhances employees’ higher levels of task performance. Meanwhile, Moynihan, et.al.[18] highlights that transformational leaders are capable of providing goals clarity and convincing the employees to participate in performance management activities actively.

Rasool et al. [21] studied leadership styles and its impact on employee's performance in health sector of Pakistan and concluded that transformational leadership styles have more positive effect on employee performance than transactional leadership. They found out that transformational leadership can perform better in highly organic environment where focus is on competitive advantages. Results of their study also explored that the impact of transactional leadership was not much stronger as compared to transformational leadership on job performance.

RESEARCH METHODOLOGY

A quantitative research methodology was used for the purpose of this research. Given that the main purpose of the study was to determine the leadership style used by leaders in the organisation and its impact on employee motivation and performance used in the semi-governmental organization, the employees of the organization represented the population for the whole research. There was 254 employees in the organization and the sample size was calculated by using the Slovin Formulae at a 95% level of confidence. A sample size of 150 employees was obtained and the questionnaire was administered among these 150 employees at different levels of the organization so as to ensure representativeness of the population. The data that was

collected through the questionnaires was analyzed by using the SPSS software.

MAIN FINDINGS

In order to determine whether the leaders of the semi-governmental organisation are using a transactional, transformational or a passive leadership style, a set of questions was administered. The employees rated the behavior of their leaders in the semi-governmental organization and based on the ratings of the employees the leadership style of the leaders were determined. From the different responses obtained from the employees, it was found that leaders in the semi-governmental organization were using a transactional leadership style. Different statement related to honesty, integrity, accountability, involvement of others in decision making, innovation and creativity, respect and care for subordinates, communication of vision to subordinates and inspiring others were given to the employees and on average 60% of the respondents rated the leaders poorly on the different dimensions. This showed that the leader did not care for employees and they did not inspire them to achieve their objectives and the objectives of the organization. They were mostly concerned with the achievement of the minimum tasks and objectives of the organization.

The second objective of the research was to determine whether there is a relationship between the leadership style and motivation. A Pearson chi square test was carried out to test the relationship between leadership style and motivation. See Table 1.

Given that the p value is 0.000($p < 0.05$), there is a strong evidence of a relationship between leadership style and motivation. This is also shown in our research since 83% of the employees claimed that they are not motivated to work in the organization and this can to a large extent be attributed to the transactional leadership style adopted by the leaders in the semi-governmental organization. This may also suggest that if the leaders were transformational then the motivational level of employees would be higher in the semi-governmental organization.

Table 1: Chi Square Test for leadership style and motivation of employees

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	173.560a	2	.000
Likelihood Ratio	189.779	2	.000
Linear-by-Linear Association	36.536	1	.000
N of Valid Cases	150		

The research also tries to analyse whether there is a relationship between the leadership style and the performance of employees in the organization. A Pearson chi square test was carried out to check whether there is a relationship between leadership style and performance of employees. The following table shows the p value for the two variable being assessed:

Table 2: Chi Square Test for leadership style and performance of employees

	VALUE	DF	ASYMP. SIG. (2-SIDED)
PEARSON CHI-SQUARE	110.564A	4	.000
LIKELIHOOD RATIO	125.371	4	.000
LINEAR-BY-LINEAR ASSOCIATION	102.747	1	.000
N OF VALID CASES	150		

Given that the p value is 0.000($p < 0.05$), there is a strong evidence of a relationship between leadership style and performance of employees. This confirms the findings of Rasool et al. [21] that performance of employees are better when leaders use the transformational leadership style than transactional leadership style.

CONCLUSION

The research has shown that transactional leadership style can lead to low level of motivation and performance of employees. This can be explained by the fact that in transactional leadership style, the leaders focus more on the completion of the tasks and they do not inspire people to go beyond the minimum expectation in terms of tasks. Transformational leadership on the other hand inspires people to go beyond the minimum expectation and this can explain higher level of motivation among employees. We see that leadership style also influences the level of motivation and performance of employees in public sector context. There is lot of focus on achievement of tasks but at the same time employees are strictly required to follow rules, regulations and procedures. This can to some extent explain the use of the transactional leadership style in the public sector organization instead of the transformational leadership style. However, this research is based on a case study and hence the research findings can not be generalized to all public sector organizations. More research has to be carried out to confirm the findings of this research in different types of public sector organizations and in different contexts and countries. The main limitations of this research is that some respondents may have

answered in a favourable way since despite being given the guarantee that their responses will be confidential, they still fear reprisal from their leaders and the margin of error can also be improved by taking a larger sample for the survey.

CONFLICT OF INTEREST

I, on behalf of all the co-authors declare that author(s) have no conflict of interest with this manuscript.

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