

## Role of Management Styles on Job Performance: A Literature Review

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### Abstract

*Organizations are set up with the objective of augmenting productivity and enhancing profits. In order to accomplish the aforesaid target, certain strategies are entailed to manage the accessible human and material resources of the organization. The call for such strategies gives rise to organization management. The management of an organization is the art of building a nexus amongst employees to unite them to operate as a single unit and extract their optimum potential. The assortment of ways of dealing with employees at the workplace is known as management style. Being a fundamental pre-requisite, management styles are for achieving the goals of an organization that also influences the functioning of employees who strive willingly with zeal and confidence to attain organizational aims. The present paper aims to understand through existing empirical studies, the role of management styles on job performance. This paper also examines the role of various management styles on employees' performance.*

**Keywords:** Organization, Management Styles, Job Performance.

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### Introduction

The present research work will focus on the review of pertinent literature. Effort will be made towards acquiring prior works on the area of this study and related topic for the purpose of analysis.

Apposite academic journals, periodicals and research papers of seminars/conferences pertaining to Role of Management Styles on Job Performance in organizations will be appraised. In addition, the research will explore management style and its major types, job performance and the role of various management styles on the performance of the employee.

### Background

The raison d'être for an organization is to augment production of merchandise as well as services and enhance profits in the process. In the endeavour to attain the aforementioned goal, unambiguous methodologies are engendered to manage the accessible human and material

resources of the organization. The call for such methodologies kindles the existence of organization management. The term management style can be defined as the method a manager uses in administering an organization. (Robbin, 2003) It is a distinctive way in which an organization makes decisions and discharges various functions of goal-setting, formulation, implementation of strategy, corporate image building, dealing with key stakeholders and other basic management activities. (Khandwalla, 1995)

The management of an organization is the art of forging a nexus amongst employees to amalgamate them to operate as a cohesive group and extract their optimum potential. The array of modus operandi of interaction with employees at the workplace is known as management style. Management styles are the different styles used by the manager to influence the employees so that they will strive willingly toward the achievement of organizational goals. (Watson,

2003) It is imperative that willingness must encompass zeal and confidence. Zeal reflects solemnity and passion in the execution of work while confidence reflects experience and technical ability. Thus, management styles are the fundamental pre-requisite for crafting the success of an organization. The prime purpose of management style is to enhance employees' performance so that the objective of the organisation can be achieved.(Prasetya & Kato, 2011) Management style is a multidimensional construct and an extremely vital criterion that determines organisational success or failure.(Kanyabi & Devi, 2011)

### **Management Styles**

The efficient manner in which a manager incessantly and gradually administers and guides followers to a stipulated destination of the organization amounts to an effectual management style. It is the manner of approach to issues by the manager towards achieving the goals of the organization by transforming various resources available in the organization into outputs through the functions of management.(Field & Dubey, 2001)

Numerous management styles have evolved hitherto as distinct managers employ differing approaches in executing responsibilities en-route their administrative work. Sequel to the emanation of styles of management, scholars have conceded and elucidated various formal styles of management since the 1950's. Burn and Stalker (1961) recognized organic and mechanistic styles of management while Likert (1967) categorized four approaches of management that tantamount to participative, paternalistic, exploitative and consultative management style. Harbison and Myers (1969) classified management styles as autocratic, paternalistic, participative and Laissez-faire. Furthermore, Minzberg (1973) appraised entrepreneurial and strategic planning as genres of management styles adopted by

managers in organizational establishments. Blandhard (1994) identified management styles as directing, supporting, coaching and delegating.

In contemporary times, management styles are classified as autocratic, democratic, laissez faire, participative, paternalistic, and persuasive.(Effere, 2005) In autocratic management style, absolute authority is vested in the manager to make decisions unilaterally, without much regard for subordinates. The manager in democratic management style sanctions the participation of the employees and decisions are concurred upon by the majority. Laissez-faire management style entails the manager to take his hands-off and empower employees to establish their own objectives, unravel their own crisis and generate their own decision with almost no interference. Participatory management style persuades employees at all levels to have a say in ascertaining the objectives of the organization and play an active role in sculpting decisions. In the paternalistic management style, the manager bears in mind the paramount benefits of the employees as well as that of the organization. The manager keeps the employees compliant and simultaneously allows them space to be innovative while performing their jobs. The manager of the persuasive management style, draws on his aptitude to comprehend a situation, the activities and discussion of people and then effectively insists on or induces them to execute a task according to his/her way.

### **Job Performance**

Job performance consists of the observable behaviour that people do in their jobs that are relevant to the goals of the organization and that can be scaled in terms of each individual's proficiency.(Campbell et al., 1993) Performance is not the consequence of behaviour, but rather the behaviour themselves.(Campbell, 1990) Therefore,

performance comprises of the observable behaviour of the employees which they undertake in reality. Performance is an analysis of an employee's work habits undertaken at a fixed point in time to determine the degree to which stated objectives and expectations have been reached. (Maxwell, 2008) In the milieu of work settings, the performance of all those that constitute the organization are earmarked towards the realization of the objectives of the organization. The overall productivity of the organization is hinged on the performance of each individual within the organization. Hence, job performance gains spotlight by organizations due to the significance of high levels of output in the workplace.

#### ***Job Performance as a Multi-Dimensional Concept***

Performance has been divided into task and contextual performance. (Borman & Motowidlo, 1993) Task performance was defined as the effectiveness with which job incumbents perform activities that contribute to the organization's technical core. (Borman & Motowidlo, 1997) Contextual performance was defined as performance that is not formally required as part of the job but that helps shape the social and psychological context of the organization. (Borman & Motowidlo, 1993) Contextual performance has been further suggested to have two facets: interpersonal facilitation and job dedication. (1) Interpersonal facilitation includes "cooperative, considerate, and helpful acts that assist co-workers' performance". On the other hand, (2) job dedication, includes "self-disciplined, motivated acts such as working hard, taking initiative, and following rules to support organizational objectives." (Van Scotter & Motowidlo, 1996) Contextual performance and related elements of performance, such as organizational citizenship behaviour (Bateman & Organ, 1983; Smith et al., 1983), pro-social

organizational behaviour (Brief & Motowidlo, 1986), and extra-role performance (Van Dyne et al., 1995), contribute to organizational effectiveness.

#### **A Review of Literature**

Management style is a contingency variable that indicates much about the degree of formality of the organization, the management control process, the appropriate motivation process, the degree of participation and the level at which decisions are made. (Daft, 1998; Larson et al., 1986) Management style affects the attainment of organizational goals through organizing, leading, controlling organizational resources. (Daft, 1998) The organization's efficacy depends largely on the perceptions of the followers. Hence, managers play a significant role in a person's career. Subordinates look up to managers as role models and as vital sources of performance feedback.

Job performance is the appraisal of the behaviour of the employees on the basis of the input of behaviour to the organizational goal. "The suitable organization of individual performance is isolating to the execution of system and the organization accomplishing its key objectives."

(Amos, et al., 2004) Performance can't be left in foreknowledge that it will develop really, despite the representative's typical needing to perform and be balanced for it. This aching ought to be obliged, supported and made. (Amos et al., 2004) In this way for this performance, organizations upgrade themselves in distinctive sorts of solicitation. (Foot & Hook, 1999) Work performance has changed into a topical issue in today's business surroundings, to such a degree, to the point that organizations set forth an excellent try to assess and regulate it. (Armstrong & Baron, 1998) Individual performance is the result of farthest point reproduced by inspiration. (Whetten & Cameron, 1998)

### ***Autocratic management style and Job Performance***

Often regarded as the classical approach, the manager exercising the autocratic management style wields utmost power and retains the authority of decision-making. The premise of the autocratic management style is the belief that by and large the workers lack the expertise to contribute to their own work, and even if they could, they would be reluctant to participate. Autocratic managers aspire to simplify work to secure maximum authority. Planning of work, encompassing quality planning is centralized. A stringent top-down, chain-of-command approach to management is observed. Employees are only expected to obey orders without receiving any explanations. (Brewer, Selden & Facer, 2000) This type of management style tends to focus more on the task and not on the human resources needed to get the task done.

Basil (2005) criticized autocratic management style for not allowing open communication and feedback of ideas. Autocratic management style can result to low motivation and low job satisfaction and low employees' performance. (Basil, 2005)

### ***Democratic management style and Job Performance***

In democratic management style, the manager desires to keep employees up to date about issues concerning them, permitting employees to partake in decision-making and problem-solving duties, and endows employees with opportunities to develop awareness of personal growth and job satisfaction. The democratic management style refers to facilitating the conversation, supporting people to bring their ideas to the table, and then synthesizing all the information on hand into a worthy decision. The democratic manager ought to convey the decision to the group to beget unity subsequent to the plan being chosen. Managers

are willing to foster leadership skills in subordinates.

Democratic management style results in the highest productivity, greatest feelings of involvement and job satisfaction and the best relations, though it does not mean managers have to be good communicators and have to take time for the necessary consultation with workers. Management studies have generally shown that group members like a democratic leader best. (Stefanou, 1989) It is believed that subordinates share a sense of responsibility for the organization when they are allowed to participate actively in decision-making. (Prezez, Milstein, Wood & Jacquez 1999) A democratic manager's keeps staff morale high and therefore positive climate prevails in the organization. (Goleman et al., 2002)

### ***Laissez- faire management style and Job Performance***

The laissez-faire management style is also known as “the hands-off style” of management. The manager practicing laissez – faire management style, imparts little or no direction and bestows employees with as much freedom as feasible. All authority and power is handed over to the employees and they establish targets, shape decisions, and resolve predicaments on their own. A laissez-faire manager relinquishes accountability, procrastinate decisions, refrains from feedback, and offers little assistance to followers fulfil their needs.

The foundation for this style of management is two-fold. First, there is a strong belief that the employees are well acquainted with their work so they should be left alone to perform their duties. Secondly, the manager may be in a political, election-based position and would not prefer to exert power and control for fear of not being re-elected. Such a manager grants essential but nominal information and resources. Managers of laissez faire

management style, neither provide feedback to their subordinates nor use rewards or any other tools to encourage them. This leads to employees being disgruntled, unproductive and inefficient in their jobs.

The Laissez-faire management style is also used when the manager needs to be at another place doing other things. However, the manager is still responsible for the decisions that are made. This leads to a lack of staff focus and sense of direction, which in turn leads to much dissatisfaction, and a poor company image.

#### ***Participative Management Style and Job Performance***

Participation is a process in which influence is shared among individuals who are otherwise hierarchically unequal. Participative management style has been admired because employees are informed about matters that impinge on their work, with management and employees partaking decision making and problem solving tasks. The management assumes the role of a coach who coordinate their team of employees to work together to upgrade the overall performance of the organization. Participatory management style balances the involvement of managers and their subordinates in information-processing, decision-making, or problem-solving endeavour. (Wagner, 1994)

Workers participation in decision-making; profit sharing; worker's ownership; etc. were positively associated with productivity, quality, and employees' morale and satisfaction. (Doucouliagos, 1995) Studies have shown that participative management style has a positive impact on employees' motivation, job satisfaction and productivity. (Spreitzer 1997; Likert 2007)

#### ***Paternalistic Management Style and Job Performance***

Paternalism refers to a father-like management style with the combination of authority. (Westwood & Chan, 2002)

Paternalistic management style denotes that the managers will behave like a father with the employee. The manager comes up with a decision which is apposite for the employees as well as the organization. Strategies are designed for the well being of both the employees and the organization. Decisions are framed on the basis of proposals and feedback of the subordinates. Paternalistic management style is a style that combines strong discipline and authority with fatherly benevolence and moral integrity. (Farh & Cheng, 2000)

In this type of management style the employees feel attached and loyal towards their organization and are motivated in doing their jobs. When employees are motivated to work and when they do not see their work as a burden, their level of performance will definitely improve. This type of management has also been observed to have a positive effect on subordinate-supervisor relationship and working morale. (Chang & Chao, 2008)

#### ***Persuasive Management style and Job Performance***

A persuasive management style connotes that the managers utilize their competence to construe circumstances, people's deeds and communication, and then formidably advocates or convinces them to carry out a task or attain goals in accordance to the manager. Persuasive managers retain hold over all facets of the business indirectly. As an alternative furnishing instructions, these managers manoeuvre by elucidating the reason for tasks to be performed in a specific manner. Albeit employees are likely to believe more engaged in the decision-making process; nonetheless, ultimate authority rests solely upon the manager. Employees adhere to the directives of the manager and perform their tasks efficiently. Persuasive management is a particularly helpful style when complicated tasks need to be carried out in the work place. (Brewer, Selden, & Facer, 2000)

### Summary

The prime aim of the study has been the determination of the Role of Management Style on Job Performance. The focus of attention was also on the influence of individual management style in enhancing the performance of employees.

During the course of the study, the analysis suggests that there is a positive relationship between management styles and job performance of employees with the exception of autocratic and laissez-faire management styles which exhibit a negative relationship. Democratic, participative, paternalistic and persuasive management styles show a positive relationship with employees' job performance. Hence, the paper concludes that the management style of the manager does influence the job performance of the subordinates. In order to boost the performance of the organization, it is essential that the employees are bestowed with the opportunity of actively participating in the decision making process.

### Significance of the Study

The present research paper is of considerable significance. It is anticipated that it will aid as policy guidance to establishments and offer indispensable stimulus for amplifying employee efficiency. The management of the organizations will be enlightened about the worth and call for effectual managers. The employees will develop awareness about their duties and responsibilities to the management in the organization. The paper recognizes the reason for the constructive response of employees to a particular management style and aims to determine the rationale for worker's motivation and satisfaction with their job.

The paper facilitates to bring forth the obstacles and consequences of various management styles. It assists in emphasizing the manner in which managers and workers respond in stereotyped circumstances. It will provide

impetus to academicians for the development of curriculum and research. Lastly, the paper will aid and guide future research on management styles and job performance.

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