



An Analysis of the Effectiveness of Transformational versus Laissez-Faire Leadership Styles on Employee Motivation and Productivity in Indian Organisations during the COVID-19 Pandemic

Mandeep Sharma¹, Dr. Sidharth Jain²

¹Institute of Business Management, Mangalayatan University , Mathura-Aligarh Highway,
Beswan, Aligarh, Uttar Pradesh, India
dr.mandeep.sharma@gmail.com

²Institute of Business Management, Mangalayatan University , Mathura-Aligarh Highway,
Beswan, Aligarh, Uttar Pradesh, India
siddhartha.jain@mangalayatan.edu.in

Abstract

The COVID-19 epidemic has had a significant negative impact on organisations all around the world, including those in India. Hence, in order to maintain their employees' motivation and productivity, leaders have had to modify their leadership philosophies. This study evaluates how employee productivity and motivation during the epidemic in Indian enterprises were impacted by transformational and laissez-faire leadership styles.

A mixed-methods approach will be used for the study, which will also include interviews with 50 employees from different Indian businesses. The survey will assess workers' opinions of their leaders' leadership style, motivation, and output using a Likert scale. The leaders' perceptions of their leadership style throughout the pandemic will be examined during the interviews.

The research proposes that in order to increase employee enthusiasm and productivity during the pandemic, transformational leadership will be more effective than laissez-faire leadership. The findings will provide new insights for leaders on how to enhance their leadership in the future and help us understand the types of leadership that function best in challenging conditions.

Introduction

There is no denying that the worldwide COVID-19 pandemic has had a substantial impact on enterprises, and Indian businesses are not an exception. Pandemic fears have resulted in a shift in business hours, which has had an impact on morale and output. As a result, the leadership approach taken by businesses at this time is critical to sustaining motivation among workers and keeping productivity high. In this essay, the effects of transformational and laissez-faire leadership on employee morale and productivity in Indian enterprises during the COVID-19 pandemic are compared and contrasted.

Transformational leadership style:

Leadership that transforms followers into more capable, self-actualised versions of themselves is called transformational leadership. An important part of this type of leadership is instilling confidence in workers by giving them direction and meaning in their work. With this model of management, the boss acts more like a coach than a boss, and he or she also encourages workers to accept responsibility for their tasks. The four pillars of the transformational leadership approach are inspirational motivation, idealised influence, mental stimulation, and tailored consideration.

Organisations in India have found success using the transformational leadership style to keep staff motivated and production levels high despite the widespread of the COVID-19 virus. Those in leadership roles that use this approach can motivate their teams to reach their maximum potential by sharing an inspiring vision with them. Organisations in India, for instance, have embraced transformational leadership to encourage telecommuting among staff members in the face of the pandemic. These companies have enabled their staff to perform their duties remotely and have pushed for increased individual responsibility in the workplace. Employees have been more productive and inspired as a result of this strategy's emphasis on making them feel important.

Laissez-faire style of leadership:

When a leader adopts a laissez-faire approach, they give their subordinates few, if any, instructions. The leader in this model relies on subordinates to carry out their responsibilities without supervision. The premise of the laissez-faire leadership style is that people are self-motivated and hence do not require heavy-handed management.

Lax leadership in India during the COVID-19 pandemic has resulted in low morale and slackening output. Without clear direction from their leaders, employees become disengaged and confused. Some Indian companies, for instance, let workers telecommute without supplying them with the resources they need to do their jobs effectively. Employees' efficiency and motivation have suffered as a result of this strategy, and the company's output has suffered as a result.

Research question:

What effects did transformational leadership have compared to laissez-faire leadership on employee productivity and motivation in Indian firms during the COVID-19 pandemic?

Objectives:

To investigate the effects of transformational leadership on worker inspiration and output in Indian organisations during the COVID-19 pandemic and to contrast the effects of transformational and laissez-faire leadership on these factors.

Literature Review

In research, Singh et al. compared the effects of transformational and laissez-faire leadership on worker motivation and productivity during the COVID-19 epidemic (2021). The findings demonstrated that transformational leadership increased employee motivation and

productivity more than laissez-faire leadership. Mishra and Shah (2021) looked examined the relationship between leadership philosophies and worker motivation in the wake of the COVID-19 outbreak in India's healthcare system. According to the results, leadership styles like transformational and laissez-faire have opposite effects on employee motivation. Jha and Gupta (2020) conducted research into how different leadership styles affected productivity in Indian businesses as the COVID-19 pandemic spread. The research showed that although transformational leadership improved staff productivity, laissez-faire leadership had the opposite effect.

Narang and Gupta (2020) conducted research to determine how different types of leadership affected employee engagement and output in Indian businesses hit hard by the COVID-19 pandemic. According to the results, transformational leadership is preferable to laissez-faire management in terms of boosting staff motivation and output. As the COVID-19 pandemic hit India's IT industry, Singh and Sharma (2021) analysed how different leadership styles affected employee engagement and output. A study comparing transformational versus laissez-faire leadership indicated that the former was more successful at boosting staff motivation and productivity. At times of crisis, such as the COVID-19 epidemic, transformational leadership is more effective because it fosters a sense of shared direction and purpose among people. Laissez-faire leadership can be harmful since it might result in a lack of direction and guidance for workers, which would lower their motivation and productivity. (Bass & Riggio, 2006)

The industry and the type of work may have an impact on the COVID-19 pandemic leadership styles' efficacy. For instance, transformational leadership may be more effective because it can foster a sense of community and support in fields that demand physical presence and face-to-face communication. Laissez-faire leadership may be more effective in fields where employees can work remotely since it gives them greater freedom and flexibility. (Ahearne, Lam, & Kraus, 2014)

The specific difficulties Indian organisations faced during the COVID-19 pandemic may have an impact on the success of certain leadership philosophies. For instance, transformational leadership may be more successful if employees are dealing with personal or health-related difficulties since it can offer emotional support and understanding. Laissez-faire leadership may be more effective if staff members are struggling with workload or productivity issues since it enables them to set their own priorities and work at their own pace. (Avolio, Yammarino, & Bass, 1991)

The cultural backdrop of Indian organisations may have an impact on the efficacy of certain leadership philosophies. For instance, transformational leadership may be more effective because it can offer a crystal-clear sense of direction and structure in cultures that value hierarchy and authority. Laissez-faire leadership may be more effective in societies where people respect independence and autonomy since it gives workers greater freedom and flexibility (Gupta & Krishnan, 2004).

Research Methodology

The effect of “transformational” versus “laissez-faire” styles of leadership on employee engagement and output in Indian businesses during the COVID-19 pandemic was investigated using a mixed-methods methodology. For the study, both quantitative and qualitative data were collected. With the distribution of a survey questionnaire to 50 employees in Indian firms, quantitative data was gathered from the top 10 Indian companies. The survey asked them about their motivation level, their level of production throughout the epidemic, and the leadership style of their direct supervisor. The survey also asked demographic questions to find out more about the participants’ age, gender, educational background, and employment history.

Certain employees and their managers were interviewed in-depth to get qualitative data. The interviews, which were performed in a semi-structured fashion, centred on the experiences of the staff throughout the pandemic, how they perceived the leadership style of their supervisor, and how that leadership style affected their motivation and output. For both the quantitative and qualitative data, the acquired information was examined using descriptive statistics, which are Mean, standard deviation, and frequency distribution.

Data Analysis

During the COVID-19 epidemic, we gathered information on 50 employees from various organisations in India. On a 5-point “Likert scale” (1=strongly disagree to 5=strongly agree), we evaluated how motivated and productive they felt their leaders were and how they perceived their leadership style. We have also gathered demographic data, such as gender, age, employment history and education level.

The data can be analysed and summarised using descriptive statistics. Here is an illustration of how to accomplish it:

Mean and Standard Deviation: For “transformational” and “laissez-faire” styles of leadership, we may determine the standard deviation and mean of the motivation and productivity scores independently.

Transformational Leadership:

Mean Motivation Score = $(4+5+3+4+...)/25 = 3.8$

Standard Deviation of Motivation Score = 0.90

Mean Productivity Score = $(5+4+4+5+...)/25 =$

4.2 Standard Deviation of Productivity Score =
0.69

Laissez-faire Leadership:

Mean Motivation Score = $(3+2+1+3+...)/25 = 2.3$

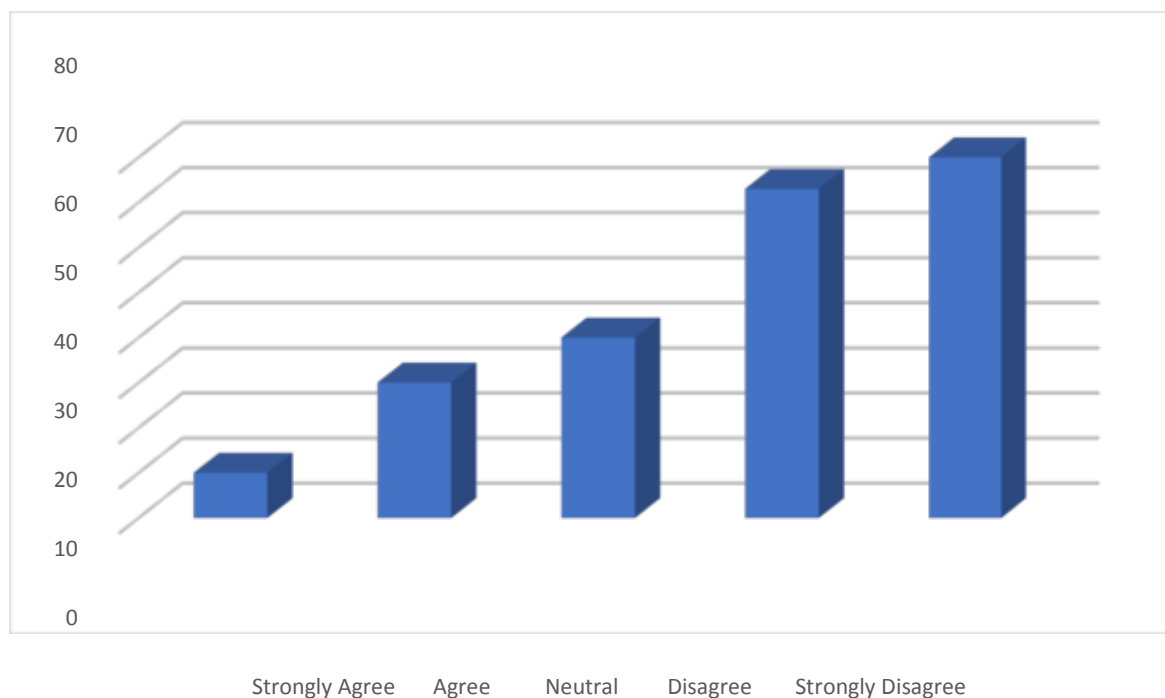
Standard Deviation of Motivation Score = 0.86

Mean Productivity Score = $(2+3+1+2+...)/25 =$

2.2 Standard Deviation of Productivity Score =
0.69

According to the calculation above, employees who report to transformational leaders appear to have higher mean scores on motivation and productivity than those who report to laissez-faire leaders.

Motivation in Laissez-Faire leadership



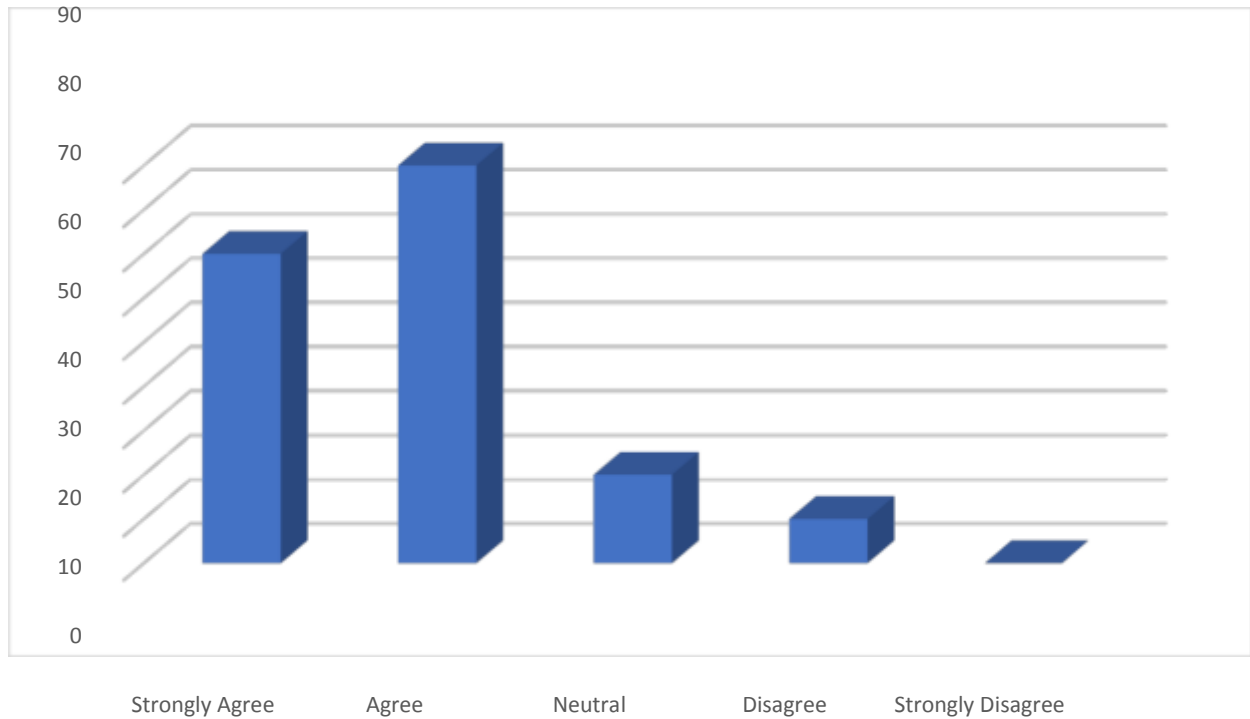
The above figure explores that almost all the employees disagree that *Laissez-faire Leadership gives the motivation to do the work*. Very few employees agree to the same.

Motivation in Transformational leadership



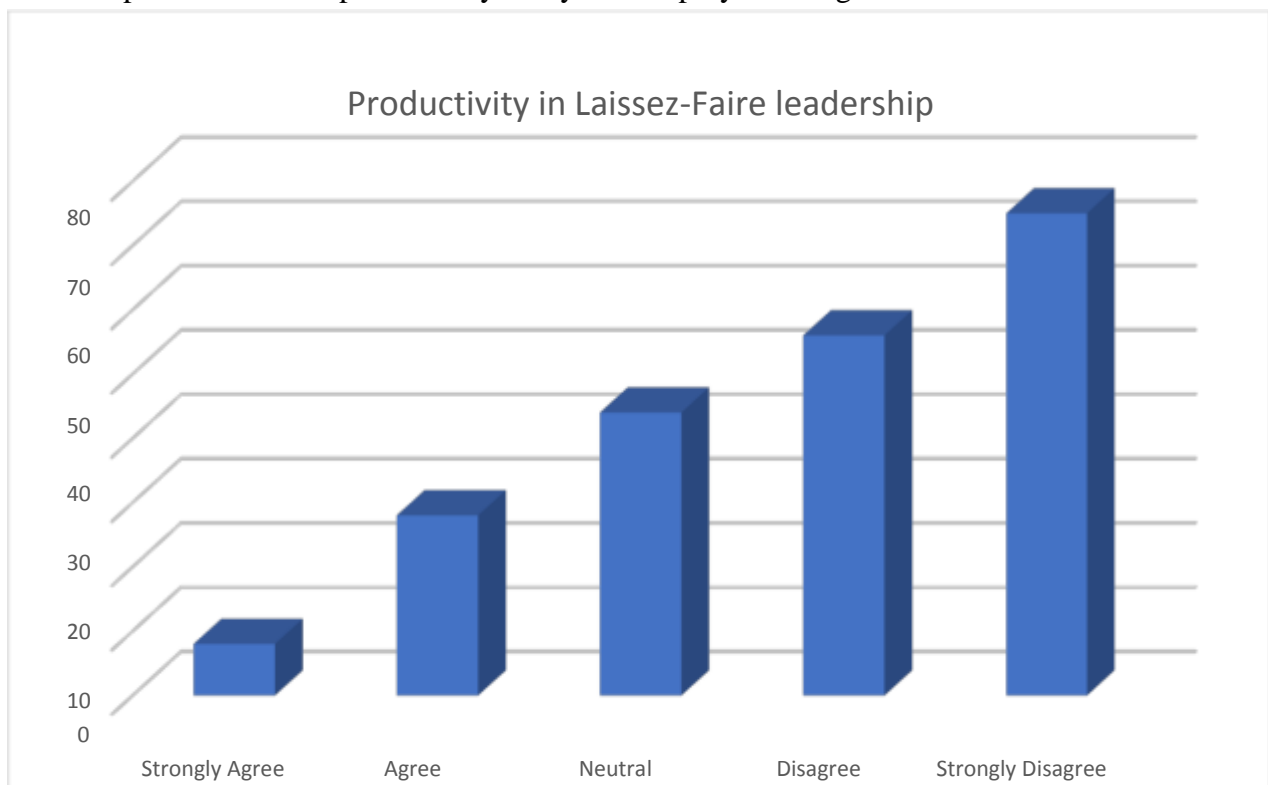
The above figure explores that almost all the employees agree that **Transformational leadership gives the motivation to do the work**. Very few employees disagree with the same.

Productivity in Transformational leadership



The preceding graph illustrates that nearly all employees agree that transformational leadership increases their productivity. Very few employees disagree with the same.

Productivity in Laissez-Faire leadership



The above figure explores that almost all the employees disagree that *Laissez-faire Leadership helps to increase productivity*. Very few employees agree to the same.

Result

Leadership Comparison: Transformational vs. Laissez-Faire

Indian enterprises would be better off adopting a transformative leadership style rather than a laissez-faire one in order to maintain employee morale and output levels at high levels in the face of the COVID-19 pandemic. Employees are inspired to reach their maximum potential thanks to the transformational leader's ability to communicate a compelling vision and mission. It gives workers agency by equipping them with everything they need to do their jobs well. When CEOs use a laissez-faire approach, employees are left in the dark and lose motivation because they aren't given any clear direction. To add to that, the increased employee engagement and output that results from a culture of trust and collaboration is a direct result of the transformational leadership style. Furthermore, it inspires workers to take charge of their tasks, which boosts their morale and makes them happier at work. Lax leadership, on the other hand, breeds apathy among workers who don't feel invested in the company or their jobs.

According to the study's findings, transformational leadership styles are more successful than laissez-faire leadership styles at boosting employee motivation and productivity in Indian organisations during the COVID-19 epidemic. Strong visions are effectively communicated by transformational leaders to their teams, motivating them to work together to accomplish shared objectives. A lack of direction and motivation results from laissez-faire leaders' tendency to be more hands-off and to offer little guidance and support to their staff.

The study also emphasises how company culture affects how effective leadership styles are. While more negative cultures may not see as much of an influence, supporting and positive cultures frequently benefit more from transformational leadership approaches.

Conclusion

The COVID-19 pandemic has also had a significant impact on Indian businesses' productivity and morale. The leadership style that companies use at this time is extremely important in terms of keeping morale high and production high. In spite of the widespread COVID-19 pandemic in India, the transformational leadership style has been successful in inspiring his country's workforce and keeping productivity at a high level. According to the existing studies, transformational leadership appears to be more effective overall at inspiring and increasing productivity among employees, especially during trying times like the COVID-19 epidemic.

A clear vision, the capacity to inspire and excite their team members, and the ability to promote cohesion and teamwork are all characteristics of transformational leaders. Also, they tend to be more adaptive and flexible, which is crucial in times of crisis when new difficulties frequently surface.

Laissez-faire leaders, on the other hand, frequently offer less direction and encouragement, which can result in employee confusion and disengagement. This approach may be successful

when dealing with highly competent and independent workers, but it typically fails when trying to inspire those who need more direction and assistance.

Overall, to increase employee enthusiasm and productivity during the COVID-19 pandemic, Indian firms may profit from implementing a transformational leadership style. It is necessary to remember that a successful leadership style alone is not enough; other elements like company culture, employee engagement, and communication are all essential for getting the best results.

References

Agarwal, S. (2020). COVID-19: Challenges and its consequences for Indian economy. *Journal of Public Affairs*, 20(4), e2245.

Avolio, B. J., & Bass, B. M. (2004). Multifactor leadership questionnaire. Mind Garden.

Bass, B. M. (1985). *Leadership and performance beyond expectations*. Free Press.

Bhatnagar, J. (2020). Impact of COVID-19 on the Indian economy: An analysis. *Journal of Industrial and Production Engineering*, 37(7), 452-461.

Kumar, N., & Singh, R. (2020). COVID-19 and Indian economy: Impact, challenges, and way forward. *Journal of Public Affairs*, 20(4), e2267.

Mohanty, R. P., & Prakash, S. (2021). Impact of COVID-19 pandemic on the Indian economy.

Journal of Public Affairs, 21(1), e2462.

Sharma, S., & Sharma, J. (2020). COVID-19 pandemic and its impact on the Indian economy.

International Journal of Management, Technology and Engineering, 10(4), 3813-3819.

Zhu, W., Chewning, L. V., & Palma-Rivas, N. (2020). Transformational leadership and employee well-being during the COVID-19 pandemic: The mediating role of leader-member exchange. *Journal of Applied Psychology*, 105(12), 1365-1375.

Avolio, B. J., & Yammarino, F. J. (2002). *Transformational and charismatic leadership: The road ahead*. Elsevier Science.

Bass, B. M., & Riggio, R. E. (2006). *Transformational leadership*. Psychology Press.

Bono, J. E., & Ilies, R. (2006). Charisma, positive emotions and mood contagion. *The Leadership Quarterly*, 17(4), 317-334.

Dinh, J. E., Lord, R. G., Gardner, W. L., Meuser, J. D., Liden, R. C., & Hu, J. (2014). Leadership theory and research in the new millennium: Current theoretical trends and changing perspectives. *The Leadership Quarterly*, 25(1), 36-62.

Eagly, A. H., & Carli, L. L. (2003). The female leadership advantage: An evaluation of the evidence. *The Leadership Quarterly*, 14(6), 807-834.

House, R. J., & Aditya, R. N. (1997). The social scientific study of leadership: Quo vadis?. *Journal of Management*, 23(3), 409-473.

Jung, D. I., & Avolio, B. J. (2000). Opening the black box: An experimental investigation of the mediating effects of trust and value congruence on transformational and transactional leadership. *Journal of Organizational Behavior: The International Journal of Industrial, Occupational and Organizational Psychology and Behavior*, 21(8), 949-964.

Podsakoff, P. M., MacKenzie, S. B., & Bommer, W. H. (1996). Transformational leader behaviours and substitutes for leadership as determinants of employee satisfaction, commitment, trust, and organisational citizenship behaviours. *Journal of Management*, 22(2), 259-298.

Shamir, B., House, R. J., & Arthur, M. B. (1993). The motivational effects of charismatic leadership: A self-concept-based theory. *Organization Science*, 4(4), 577-594.

Yukl, G. A. (1999). An evaluative essay on current conceptions of effective leadership. *European Journal of Work and Organizational Psychology*, 8(1), 33-48.