

## A STUDY ON IMPACT OF LEADERSHIP STYLES ON ORGANIZATIONAL PERFORMANCE HCL

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### ABSTRACT

Leadership plays a crucial role in determining the success and sustainability of organizations in today's dynamic business environment. The effectiveness of leadership styles significantly influences employee motivation, job satisfaction, productivity, and overall organizational performance. This study examines the impact of leadership styles on organizational performance in HCL, a leading information technology organization. The research focuses on three major leadership styles, namely autocratic, democratic, and participative leadership, and evaluates their influence on employee performance and organizational outcomes. A quantitative research approach was adopted using a structured questionnaire administered to 200 employees working in different positions within the organization. The collected data were analyzed using percentage analysis, Chi-square test, ANOVA, and t-test to identify significant relationships between leadership practices and organizational performance indicators. The findings reveal that democratic leadership is the most preferred leadership style among employees and contributes positively to employee engagement, communication, motivation, and job satisfaction. Participative leadership also demonstrates a favorable influence by encouraging teamwork, innovation, and employee involvement in decision-making processes. In contrast, autocratic leadership shows mixed responses, with some employees perceiving it as effective during critical situations while others view it as restrictive and demotivating. Statistical analysis confirms that leadership style has a significant relationship with organizational goals, employee motivation, and organizational performance. Effective leaders inspire subordinates, create a positive work environment, and foster a culture of collaboration and continuous improvement. The study concludes that organizations should adopt employee-centered leadership practices to enhance performance and maintain a competitive advantage. Furthermore, leadership development programs should be implemented to strengthen managerial competencies and improve organizational effectiveness. The findings provide valuable insights for managers and policymakers seeking to improve leadership practices and achieve sustainable organizational growth.

**Keywords:** Leadership Style, Organizational Performance, Democratic Leadership, Participative Leadership, Employee Satisfaction, Organizational Effectiveness, HCL, Employee Motivation.

### I. INTRODUCTION

Leadership is one of the most important determinants of organizational success and effectiveness. In modern organizations, leaders are responsible for guiding employees, establishing strategic goals, promoting innovation, and creating an environment that supports productivity and growth. Effective leadership facilitates

communication, enhances employee commitment, and improves organizational outcomes. The concept of leadership has evolved significantly over time, encompassing various styles such as autocratic, democratic, transformational, transactional, participative, and servant leadership. Each leadership style influences employee attitudes and organizational performance differently. Researchers have emphasized that leadership behavior directly affects employee motivation, teamwork, decision-making, organizational culture, and performance outcomes [1]. Leadership contributes to employee engagement and organizational sustainability [2]. Effective leadership enhances communication and collaboration among employees [3]. Democratic leadership promotes employee participation in decision-making [4]. Participative leadership strengthens organizational commitment [5]. Transformational leadership inspires innovation and creativity [6]. Leadership influences employee retention and satisfaction [7]. Strong leadership supports organizational adaptability [8]. Employee trust is enhanced through ethical leadership practices [9]. Leadership plays a critical role in managing organizational change [10]. Strategic leadership improves competitiveness [11]. Leadership quality affects employee productivity [12]. Positive leadership behavior contributes to organizational success [13]. Leadership development is essential for sustainable growth [14]. Organizational effectiveness is influenced by managerial capabilities [15].

The information technology sector operates in a highly competitive and rapidly changing environment where leadership effectiveness becomes increasingly important. Organizations require leaders who can motivate employees, manage diversity, encourage innovation, and maintain operational excellence. HCL, as one of the leading IT organizations, relies heavily on leadership practices to achieve business objectives and maintain workforce engagement. Different leadership styles generate varying levels of employee satisfaction and performance, making it necessary to identify the most effective leadership approaches. Previous studies have demonstrated that democratic and participative leadership styles contribute positively to employee morale and organizational performance [16]. Leadership influences employee empowerment and knowledge sharing [17]. Effective leaders create supportive work environments [18]. Leadership behavior affects job satisfaction levels [19]. Organizational performance is linked to leadership quality [20]. Employee participation enhances organizational commitment [21]. Leadership fosters innovation and continuous improvement [22]. Team effectiveness is strengthened through collaborative leadership [23]. Leadership influences organizational culture and values [24]. Employee motivation is shaped by managerial behavior [25]. Leadership effectiveness contributes to competitive advantage [26]. Strategic decision-making depends on leadership competence [27]. Leadership enhances organizational resilience [28]. Effective leaders encourage employee development [29]. Leadership remains a key factor in achieving organizational excellence and long-term performance [30].

## II. LITERATURE REVIEW

Several researchers have investigated the relationship between leadership styles and organizational performance across different industries and organizational settings. Studies have consistently reported that leadership behavior significantly influences employee attitudes, motivation, productivity, and organizational effectiveness. Chou highlighted the importance of leadership communication in shaping employee perceptions and organizational outcomes [1]. Dalai Lama emphasized ethical leadership and compassion in organizational management [2]. Bourke and Espedido identified inclusive leadership as a driver of team effectiveness [3]. Anthony and Kümmerli

discussed strategic alignment through leadership practices [4]. Porter emphasized the role of feedback in leadership development [5]. Chamorro-Premuzic examined leadership evaluation and gender-related perceptions [6]. Cable argued that people-centered leadership improves employee performance [7]. Ashkenas and Manville highlighted leadership adaptability in modern organizations [8]. Hougaard and Carter emphasized mindful leadership practices [9]. Finkelstein discussed coaching-oriented leadership approaches [10]. Research indicates that transformational leadership improves organizational commitment [11]. Democratic leadership promotes employee participation [12]. Participative leadership enhances innovation and teamwork [13]. Leadership effectiveness contributes to organizational learning [14]. Employee satisfaction is influenced by leadership style [15].

Recent studies have further explored leadership as a strategic tool for enhancing organizational competitiveness and sustainability. Researchers have found that transformational leadership positively influences employee creativity and innovation [16]. Ethical leadership strengthens trust and organizational citizenship behavior [17]. Servant leadership improves employee well-being and engagement [18]. Transactional leadership contributes to goal achievement and operational efficiency [19]. Leadership development programs enhance managerial competencies [20]. Effective leadership promotes organizational agility [21]. Employee empowerment is facilitated through participative leadership [22]. Leadership influences knowledge management practices [23]. Strategic leadership supports business growth and performance [24]. Inclusive leadership enhances workplace diversity outcomes [25]. Leadership behavior affects organizational culture and climate [26]. Innovation performance is strengthened through supportive leadership [27]. Organizational resilience is linked to effective leadership practices [28]. Employee retention improves under positive leadership environments [29]. Overall, leadership remains a critical determinant of organizational performance and sustainable success across industries [30].

### III. RESEARCH METHODOLOGY

The present study adopts a quantitative research design to examine the impact of leadership styles on organizational performance in HCL. Both primary and secondary sources of data were utilized to ensure comprehensive analysis. Primary data were collected through a structured questionnaire distributed among employees working in different departments and hierarchical levels of the organization. Secondary data were obtained from books, journals, research articles, company reports, and online databases related to leadership and organizational performance. The target population comprised employees working in the IT sector, and a sample size of 200 respondents was selected using a simple random sampling technique. The questionnaire was designed to capture employee perceptions regarding leadership styles, job satisfaction, motivation, organizational goals, and overall organizational performance.

The collected data were analyzed using appropriate statistical techniques to achieve the study objectives. Percentage analysis was employed to summarize demographic characteristics and employee responses. Inferential statistical tools such as Chi-square tests were used to examine the association between leadership styles and organizational variables. ANOVA was applied to identify significant differences among respondent groups, while t-tests were conducted to compare selected organizational factors. The study focused on autocratic, democratic,

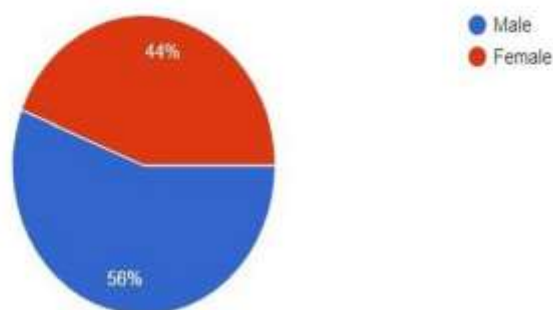
and participative leadership styles and evaluated their impact on employee performance, motivation, and organizational effectiveness. Reliability and validity were maintained through structured data collection procedures and careful questionnaire design. The findings obtained through statistical analysis provide meaningful insights into the role of leadership in improving organizational performance and employee satisfaction.

## IV. RESULTS & DISCUSSION

The analysis of survey responses reveals that leadership style plays a significant role in influencing organizational performance and employee satisfaction. The demographic profile indicates that a majority of respondents belong to the 18–30 age group and represent various organizational positions. Democratic leadership emerged as the most preferred leadership style, with a substantial proportion of employees indicating positive experiences under democratic leaders. Employees reported that democratic leadership promotes communication, participation, trust, and collaboration, resulting in improved motivation and job satisfaction. Participative leadership also received favorable responses due to its emphasis on employee involvement in decision-making and problem-solving processes. The findings suggest that employees value leadership approaches that encourage openness, teamwork, and empowerment.

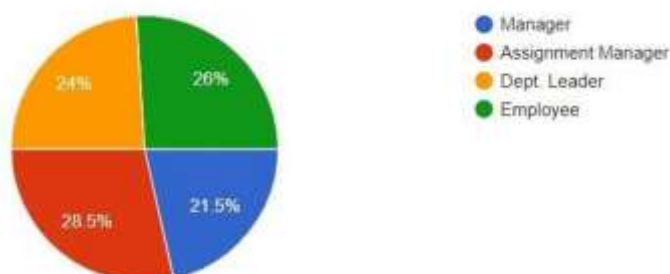
Age	No of Respondents	Percentage
18-30	84	40.5
31-40	20	14
41-50	36	17.5
51-60	30	15
Above 60	30	13
Total	200	100

Source: primary Data



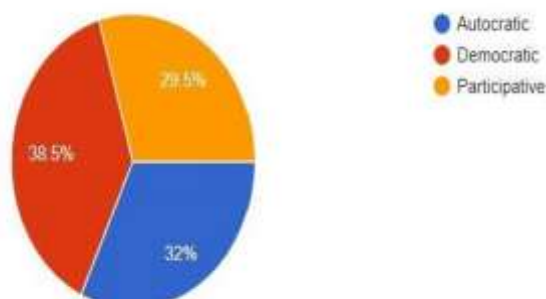
Designation	No of Respondents	Percentage
Manager	35	21.5
Assignment Manager	60	28.5
Dept. Leader	50	24
Employee	55	26
Total	200	100

Source: Primary Data



Leadership style	No of Respondents	Percentage
Autocratic	64	32
Democratic	77	38.5
Participative	59	29.5
Total	200	100

Source: Primary Data

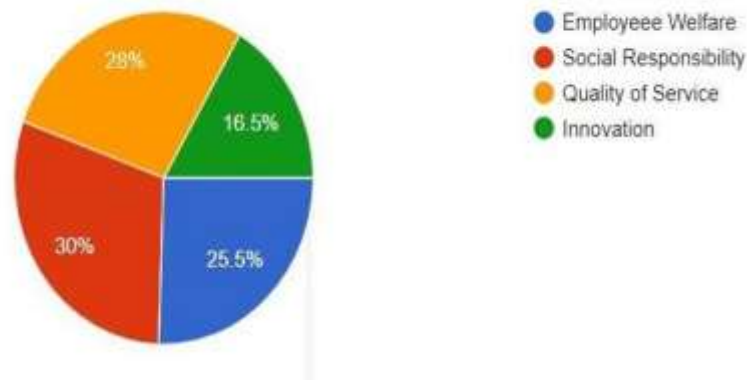


Statistical analysis further confirms the significant relationship between leadership style and organizational performance. Chi-square test results indicate a meaningful association between employee characteristics and organizational goals. ANOVA results reveal significant differences in employee perceptions regarding

motivational factors and leadership practices. Employees identified rewards, recognition, and appreciation as important motivational factors influenced by leadership behavior. Effective leaders were found to inspire subordinates, create supportive work environments, and enhance employee commitment. In contrast, autocratic leadership generated mixed responses, with some employees appreciating its decisiveness while others perceived it as restrictive. Overall, the findings demonstrate that democratic and participative leadership styles contribute more positively to organizational performance compared with autocratic leadership. Organizations that promote employee-centered leadership practices are more likely to achieve higher levels of productivity, innovation, employee satisfaction, and long-term organizational success.

Organizational goal	No of Respondents	Percentage
Employee welfare	52	25.5
Social responsibility	60	30
Quality of service	56	28
Innovation	32	16.5
Total	200	100

Source: Primary Data

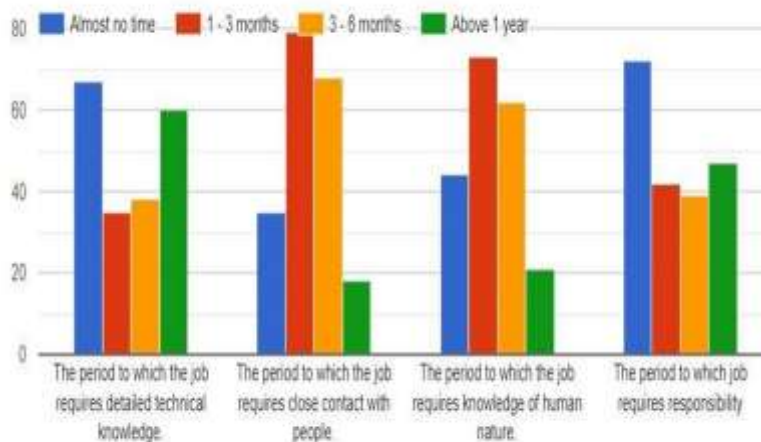


Nature of job	trongly agree	agree	Neutral	disagree	Strongly disagree	total
Does your own job require more or less human skill	63	42	37	31	27	200
Does your own job require more or less initiative	35	80	44	21	20	200
Does your own job require more or less self-confidence	43	59	56	22	20	200
Does your own job require more or less intelligence	52	56	33	36	23	200
Does your own job require more or less responsibility	48	53	37	24	38	200



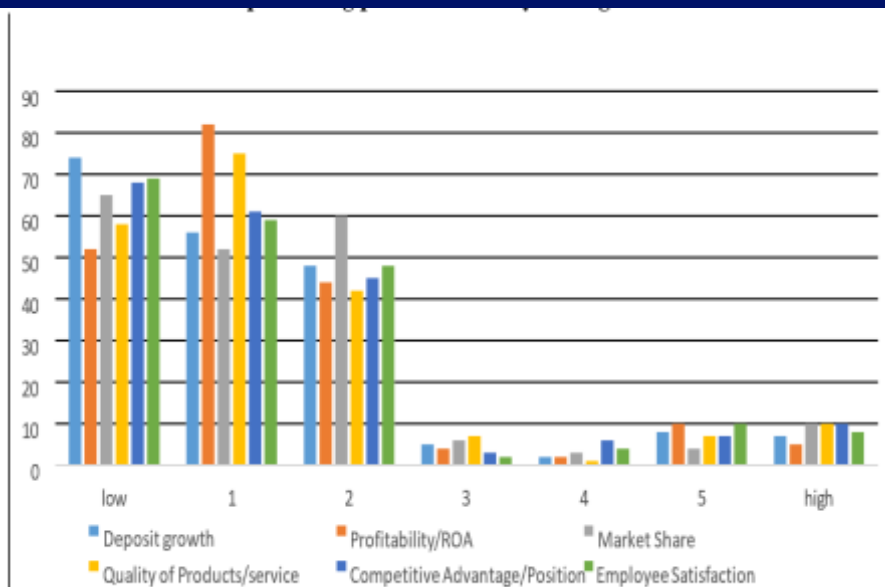
Particulars	almost no time	1-3 months	3-6 months	Above 1 year	total
The period to which the job requires detailed technical knowledge	67	35	38	60	200
The period to which the job requires close contact with people	35	79	68	18	200
The period to which the job requires knowledge of human nature	44	72	62	21	200
The period to which job requires responsibility	72	42	39	47	200

Source: Primary Data



particulars	low	1	2	3	4	5	high	total
Deposit growth	74	56	48	5	2	8	7	200
Profitability/ROA	52	82	44	4	2	10	5	200
Market Share	65	52	60	6	3	4	10	200
Quality of Products/service	58	75	42	7	1	7	10	200
Competitive Advantage/Position	68	61	45	3	6	7	10	200
Employee Satisfactio	69	59	48	2	4	10	8	200

Source: Primary Data



ANOVA				
Gender				
	Sum of Squares	df	Mean Square	Sig.
Between Groups	.9		.441911	.151
Within Groups	48.34	15	.2	
Total	49.24	16		

Gender		
Tukey B <sup>a,b</sup>		
Most important preference of motivational factor	N	Subset for alpha = 0.05
Rewards and Appreciation	5	1
Challenging Work	5	1
Recognition	6	1

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 65.333.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

## V. CONCLUSION

The study concludes that leadership style is a critical factor influencing organizational performance, employee satisfaction, and overall organizational effectiveness. The findings indicate that democratic and participative leadership styles are more effective in promoting employee engagement, motivation, communication, and teamwork than autocratic leadership. Employees working under democratic leaders experience greater involvement in decision-making processes, resulting in improved job satisfaction and commitment toward organizational objectives. Participative leadership further enhances collaboration and innovation by encouraging

employees to contribute ideas and solutions. Although autocratic leadership may be useful in certain situations requiring quick decisions and strict control, it may negatively affect employee morale and creativity when used extensively. The statistical analysis confirms significant relationships between leadership behavior, motivational factors, and organizational performance indicators. Effective leadership contributes to the development of a positive organizational culture, improved employee productivity, and sustainable competitive advantage. Organizations should invest in leadership development programs to strengthen managerial capabilities and foster employee-centered leadership practices. Training initiatives focusing on communication, emotional intelligence, team management, and strategic decision-making can further enhance leadership effectiveness. HCL and similar organizations can benefit from adopting leadership approaches that encourage participation, empowerment, and continuous learning. Future research may examine the influence of emerging leadership styles such as transformational, servant, and digital leadership on organizational performance in technology-driven environments. Overall, the study highlights the importance of effective leadership in achieving organizational excellence, improving employee well-being, and ensuring long-term business success.

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