

Leadership styles and Organizational Effectiveness in
Multinational firms - A study of
selected Organizations

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The study tries to find the Leadership styles and Organizational Effectiveness in Multinational firms in selected Organizations. The study aims at investigating the relationship between various dimensions of behavioral styles to the phenomenon of Organizational Effectiveness. Literature on one aspect of behavior i.e. leadership suggests that Organizational Effectiveness is not a direct function of the Leadership style only, rather it is moderated by the factors of task characteristics, such as need satisfaction and specific background variables, including age, education and length of experience. Therefore the study design included examining the contribution of these factors to Organizational Effectiveness. The proposed study has the following objectives: To judge the influence of Leadership styles of higher and middle level managers on Organizational Effectiveness, to study the Organizational Effectiveness in some manufacturing Enterprises, to examine the influence of individual – centered variables on Organizational effectiveness, to find out the differences in a manager’s leadership style as perceived by himself and as by his immediate subordinates and to study the relationship between the need satisfaction of higher level and middle level managers on Organizational effectiveness. This study tries to find out that leads to build trust among individuals and groups throughout the Organization, up- and- down hierarchy, to create an open, open problem solving climate throughout the Organization – where problems are confronted and differences clarified, both within groups and between groups. And to locate decision – making and problem solving responsibilities as close to the information sources and the relevant resources as possible, rather than in a particular role or level of the hierarchy. Attempt is also made to build model to increase “ownership” of organizational goals and objectives throughout the membership of the Organization, to move towards more collaboration between interdependent persons and interdependent groups within the Organization. Where relationships are clearly competitive, e.g. limited resources, then it is important that competition be open and be managed so the Organization might benefit from the advantages of the open competition and avoid sufferings from the destructive consequences of subversive rivalry. And to increase awareness of “group process” and its consequences for performance – that is to help persons become aware of what is happening between and two group members while the group is working on the task, e.g. communication, influence, feelings, leadership styles and struggles, relationships between

groups, how conflict is managed, etc. The present analysis is an attempt to decompose the concept of Organizational Effectiveness and to expose and examine contradictions inherent in the concepts and its applications. The purpose is to provide a sound basis for research, theory and practice. The analysis was more than administrative – technical and be informative for individuals concerned with altering the directions that Organizations take. On the basis of the results, it is evident that higher-level managers are more effective than middle-level managers. Higher-level managers are authoritarian and task-oriented as compared to middle-level managers, who are democratic, i.e., they have participative, task-oriented and nurturant contingent and task-performance, and, whereas the sequence in Sinha's studies is participative, nurturant and task-oriented. It was found that only the age has a highly significant inter-correlation with the efficiency of the subordinates. As the age increase, the middle-level leaders become more mature and assume a father like approach. They become more patient as compared to younger managers. In statistical terms, the education and the experience have no significant correlation with the measures of organizational effectiveness. On an analysis of the views of the lower and middle level managers, it was found that 'lack of recognition', 'nature of the job' and 'lack of adequate rewards' were the major causes for the dissatisfaction. In respect of the intrinsic factors, the satisfied and the dissatisfied managers observed a similar trend in terms of the nature of their jobs, the freedom to do things in their own ways, the feeling of having accomplished something worthwhile in their jobs, etc. But there seems to be some variation in respect of the perceptions of the satisfied managers and the dissatisfied managers on the freedom in choosing the mode of carrying out their jobs. Managers at the middle-level are found to be of the nurturant type, i.e., they feel more concerned about their subordinates and treat them like their younger brother but the task gets the top priority. Moreover, they are nurturant provided the subordinates work hard. Therefore, nurturant contingent on task-performance style of leadership is dominant at this level. The job provides them satisfaction in esteem and autonomy needs. Nurturant contingent on task-performance style and esteem need satisfaction are found to be the significant predictor of organizational effectiveness. The individual-centered variables, including the age, education and the length of experience, did not correlate with one's leadership style and with organizational effectiveness.