CONFERENCE ARTICLE

EFFECT OF LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE IN HEALTH CARE INDUSTRY IN INDIA

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ABSTRACT

Leadership is a vital component in increasing employee performance in business. Under leadership, personnel are led, inspired, assigned, and assisted in carrying out tasks efficiently. The present study aimed at examining the function and influence of leadership style on employee performance in the health care business in India.

The researchers employed a questionnaire to collect primary data using a simple random sampling approach to fulfil the study objectives. The data demonstrated that transactional leadership, transformational leadership, and delegating leadership styles had a substantial influence on the employee performance in the health care business at (β= 0.42 p<0.005, β= 0.36 p<0.005, β= 0.38, p<0.005) accepting the hypothesis H1 (The effect of transformational leadership is positive on employee performance in health care institutions.), H2 (The effect of transactional leadership is positive on employee performance), and H5 (The effect of delegating leadership is positive on employee performance).

KEYWORDS

Transformational, Transactional, Autocratic, Democratic, Performance

INTRODUCTION

The health care industry in India is one of the highest revenue and employment generators, with a CAGR of 22%. According to research by IBEF [1], revenue for FY2022 is predicted to reach $349 billion, up from $110 billion in 2016. According to official estimates for 2021, this industry employs more than 4.7 million people and includes hospitals, medical device and equipment centres, clinics, and telemedicine facilities. The Ministry of Health and Family Welfare (MoHFW), in collaboration with the Government of India, is working to improve the country's healthcare infrastructure. To make the country healthy, Prime Minister Mr. Narendra Modi is personally carrying the

baton and serving the people with a charismatic leadership style [6].

In an organization, the manager plays the role of a leader and holds accountability for achieving goals. Also, a leader faces several problems, ranging from a decreased rate of personnel turnover to ineffective coordination and communication and conflict that jeopardizes organizational objectives. Leaders will undoubtedly play a critical role in managing activities and people to improve performance and productivity. To deal with the circumstances, the leader adopts a new leadership style in accomplishing objectives [1][3].

From a literature review [25]-[28], five major leadership styles were identified that significantly affected employee performance in different sectors and industries. But there hasn't been enough research undertaken in the health sector. Hence, there is a need to understand which leadership style significantly affects employee performance in the health care industry.

OBJECTIVES OF THE STUDY:

The objective of this study is to -

- Analyze the effect of leadership style on employee performance.
- To suggest the optimal leadership style to health care institutions for adopting and formulating strategies in dealing with employees.

LITERATURE REVIEW

The Indian health care industry is in a stage of transition due to several factors such as government policy, consumer preferences, and technological change. Hence, to sustain in the telehealth industry, we need to understand what leadership is. A common definition of leadership is 'the ability to influence people or group's [31p163]. Besides influence, leadership has been defined in terms of group processes, personality, compliance, persuasion, power, goal, particular behaviour, role differentiation, initiation of structure, and a combination of these. There are vastly differing opinions on the nature and scope of this influence, but implicit in the above general definition includes the following assumptions: There must be a group to have leadership, leadership directs the group to some destination or goal, and leadership lends itself to a hierarchy of importance.[32]

To meet the goals of our study, articles and research papers that dealt with leadership style in the context of India were chosen. We needed to be able to comprehend the notion of leadership style and establish the leadership framework.

To comprehend the concepts of leadership and its impact on employee performance articles, journals, reports, and research papers were reviewed to understand the type of leadership style widely practiced in the service industry. Table1 shows a thorough overview of the findings of the selected research publications.

TABLE1: AUTHOR AND RESULT ON EMPLOYEE PERFORMANCE

Authors	Description
[2][3]	Leadership is the method and skill of a leader to influence his followers to achieve a goal. Also, it is the management quality that increases employee performance
[4]	According to the author, leadership has four elements that affect employee performance. The manager and leaders in the organization must focus on idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration.
[5]	The author, in their research, observed that the managers or leaders in the business must allow flexibility to their sub-ordinates to make choices so that they learn and enhance performance
[6]	According to the author, laissez-faire leadership refers to a leader's traits allowing subordinates to assume responsibility for tasks and make necessary decisions.

[7][8]	The author observed that employee performance is directly tied to an individual's competency and potential to achieve autonomous goals. Others feel that the devotion of personnel to the task at hand increases individual performance.
[9]	According to the author, employee performance has two-dimension, task performance, and contextual performance. Task performance is one where the employee must know to execute the task, whereas contextual performance is one where the employee must have interpersonal skills to handle the social environment.
[10][11]	The author sets out transactional leadership uses reward or punishment to enhance the performance of the employee, but others feel that transactional leadership relies on the interchange process of leader and follower.
[12][13]	According to the author of the study, employees in the banking business are more motivated under transactional leadership, and transactional leadership has a beneficial influence on employee performance. Similarly, another study discovered that transaction leadership had a more significant influence on SMEs than transformative leadership.
[14][15][16]	Many scholars on autocratic leadership have discovered that they largely control the manager or leader's decisions in the organization since they like exercising their authority. Few authors feel that these types of leaders are task-oriented and want their followers to obey their orders to attain their objectives. In their research, a few writers found that workers dislike some managers or leaders and are uncomfortable working with them in many sectors and businesses. Employee performance suffers because of this leadership style. According to some authors, leaders set milestones, and the staff is obligated to achieve them without fail.
[17][18][19] [20] [21][22]	According to the authors, democratic leaders solicit feedback from employees, encourage them to engage, and maintain positive relationships with them. Few writers believe that democratic leadership improves employee performance, whereas just a few studies have indicated that it improves staff morale. Some writers also feel that including employees in decision-making would increase their confidence in achieving personal and departmental objectives.

Source: Authors Compilation of literature

From the preceding discussion, it is apparent that workers pay attention to leadership style and are most likely to be impacted by the leadership type. Based on the previous studies and investigation, a conceptual framework is constructed to examine the hypothesis.

Hypothesis: In the light of the literature review, the following Hypotheses are framed for testing:

H1: The effect of transformational leadership is positive on employee performance in health care institutions.

H2. The effect of transactional leadership is positive on employee performance.

H3. The effect of autocratic leadership is positive on employee performance.

H4. The effect of democratic leadership is positive on employee performance.

H5. The effect of delegating leadership is positive on employee performance.

RESEARCH METHODOLOGY

The efficacy of leadership style on employee performance was determined for the current study using a survey approach.

SAMPLING UNIT, SAMPLING PROCEDURE, DATA COLLECTION METHOD, MEASUREMENT SCALE EMPLOYED

The sample is representative of a sizable portion of the population. The majority of survey participants were respondents from Delhi-NCR. The sample unit consisted of respondents who work in the telehealth industry. Senior

administrators helped with the questionnaire preparation, and a pilot study on 30 responses was completed to evaluate the questions' clarity. The questions which were difficult to comprehend were changed later. Also, the questions which were difficult to understand were changed.

Sample selection was made to guarantee the results' validity and universal applicability. A convenient sample strategy was used to gather data because the respondents were primarily from the telehealth industry.

The current study is built on a descriptive research approach. A well-structured questionnaire was prepared to collect data by studying literature and getting feedback from senior managers and administrators. Employees of telehealth services were sent a total of 400 surveys. Fifteen hospitals and eight clinics were chosen for the data collection in the Delhi-NCR region, and the questionnaire was distributed personally as well as online using a Google form, which the respondents were asked to complete. A total of 353 valid responses representing an 88% response rate—were received and reviewed.

To analyze the significant style of leadership on employee performance, our study used a scale using a five-point Likert scale ranging from "Strongly Disagree" valued as "1" to Strongly Agree" value as "5". This enabled the respondents to utilize and express feelings and opinion about leadership style and its effect on the employee performance.

To test the hypotheses and determine which leadership style has a substantial influence on employee performance, we used descriptive analysis, confirmatory factor analysis utilizing a measurement model, and regression analysis with structural equation modelling (SEM). The results of the study will help in understanding the type of leadership style that might have a greater influence on improving employee performance in the healthcare sector.

There are multiple leadership styles that influence employee performance in various sectors and businesses, according to the literature review from [2] to [22]. According to our research, the present study focuses on the impact of several leadership philosophies on worker performance, including transformational, transactional, authoritarian, democratic, and free rein.

The requirements for ethics clearance for this research were waived (CU/USB/COMMERCE/2022/07/06) by the Ethical Committee of Chandigarh University, India.

DATA ANALYSIS

TABLE2: DEMOGRAPHIC CHARACTERISTICS

Demographic Characteristics	Group	Frequency	Percentage
Age	<30	97	27.48
	31-45	123	34.84
	45-60	131	37.11
Gender	Male	223	63.17
	Female	130	36.83
Education	Graduate	187	52.97
	Postgraduate	166	47.03
Years of Work Experience	<3 years	78	22.10
	3-5 years	93	26.35
	5-10 years	91	25.78
	>10years	91	25.78
Position of Employee	Senior Level	81	22.95
	Middle Level	130	36.83
	Low Level	142	40.23

1. DEMOGRAPHIC ANALYSIS:

Table 2: Demographic Characteristics

To understand the characteristics of the population analyzed, demographic analysis was completed. The study determined that 63% of the respondents were male, and 37% were female. The investigation highlighted that most respondents (67%) had minimal graduate degrees, and few (19%) had technical credentials. Forty percent of the respondents were low-level management personnel, and the rest (60%) belonged to middle- and senior-level management. Hence, all these individuals work under a supervisor or a manager in a hierarchical organizational structure. Sixty-three percent of the respondents were less than 40 years of age, and the remainder (37%) were above 40 years of age.

2. RELIABILITY ANALYSIS:

To analyze the data, the first thing that must be reviewed and validated is the data's internal consistency and reliability. For this purpose, Cronbach's alpha and factor loading values for all constructions were calculated. The factor loading values for all items studied were more than 0.7 [23}.

The items considered for the investigation are listed in Table 1, with their factor loading, construct reliability, and average variance extracted. Table 2 shows the correlation cross-loading values for all of the constructs examined.

The correlation values of the current study are shown in Table 2. Each constructs' correlation values were higher than those of other constructs. This means the correlation values between the investigated constructs were positive and strong. R^2 was determined to have a predictive value of 0.714 for the model studies, showing a robust 71.4% predictive power on employee performance.

3. STRUCTURAL MODEL ANALYSIS:

A path analysis was used to test the hypothesis using SEM. It was found that all the established constructs impacted an individual's performance in the health industry. Based on the analysis, it was found that the hypothesis H1 (β=0.46, p=0.003). H2 at (β =0.42, p=0.003), & H5 (β=0.38, P=0.002), were supported and were found to be significant. As a result, the hypotheses H1, H2, and H5 are fully supported, whereas H3 and H4 are partially supported.

TABLE 1: LEADERSHIP STYLE, DESCRIPTION, FACTOR LOADING, CONSTRUCT RELIABILITY, AND AVERAGE VARIANCE EXTRACTED, ASSURING ACCEPTABLE VALUES [RIGHT CLICK > SLIDE OBJECT > OPEN TO EDIT]

Leadership Style	Items	Description	Source	Factor Loading	Cronbach alpha	CR	AVE
Transformational Leadership	TL1	Leaders foster intrinsic motivation to improve employee performance	[24]	0.84	0.81	0.87	0.68
	TL2	Leaders improve awareness about the requirement and support in enhancing performance		0.79			
	TL3	Leaders help sub-ordinate in adapting new systems leading to improvements in performance		0.86			
Transactional Leadership	TS1	Leaders use exchange concept to make people work and increase performance	[25]	0.92	0.79	0.89	0.73
	TS2	Leaders use rewards or punishment to improve employee performance		0.87			
	TS3	A leader uses a clear-cut chain of command to improve the productivity of an employee		0.78			

Autocratic leadership	AL1	Leaders decide the individual level, and it affect employee performance	[26]	0.82	0.73	0.86	0.67
	AL2	Leaders following directing style affect my input to the system		0.88			
	AL3	Leaders use positional power to dominate the situation affects employee performance		0.76			
Democratic Leadership	DL1	Leaders take opinion of other people to take decision	[27]	0.69	0.82	0.84	0.65
	DL2	Managers encourage an employee to participate in decision making		0.87			
	DL3	Managers reach out to employees and ensure that all employees are included in the decision-making process		0.85			
Delegating	DG1	Leaders give freedom to subordinate to complete the task	[28]	0.83	0.82	0.87	0.68
	DG2	Leaders believe in the competency of the employee to execute the task		0.82			
	DG3	Leaders give authority and delegate a task to sub-ordinate to do the task affect employee performance		0.84			
Employee Performance	EP1	Leader assesses planning and organizing of work for measuring employee performance	[29]	0.75	0.85	0.91	0.73
	EP2	Knowledge and problem-solving skills are assessed to evaluate employee performance		0.86			
	EP3	Quality of service rendered to the patients is an indicator of assessing employee performance		0.89			
	EP4	Enthusiasm and commitment level is a crucial indicator for evaluating employee performance		0.91			

Source: Authors compilation of result

TABLE 2: CORRELATION OF THE STUDIED CONSTRUCT AND DIVERGENT VALIDITY

Leadership Style	TL	TS	AL	DL	DG	Emp Perf
Transformational Leadership	**0.824**					
Transactional Leadership	0.23	**0.85**				
Autocratic Leadership	0.34	0.43	**0.818**			
Democratic Leadership	0.31	0.34	0.35	**0.806**		
Delegating Leadership	0.22	0.26	0.12	0.32	**0.824**	
Employee Performance	0.45	0.56	0.46	0.38	0.29	**0.854**

Source: Authors compilation of result.

TABLE3: RESULT OF THE STUDIED MODEL

H	Relationship	Path	p-value	Direction	Decision
H1	Transformational Leadership------>Emp. Performance	0.36	0.003	Positive	Supported
H2	Transactional Leadership ---------->Emp Performance	0.42	0.003	Positive	Supported
H3	Autocratic Leadership ------------>Emp. Performance	0.05	0.001	Positive	Partially Supported
H4	Democratic Leadership ---------->Emp Performance	0.03	0.001	Positive	Partially Supported
H5	Delegating Leadership ------------> Emp performance	0.38	0.002	Positive	Supported

Source: Authors compilation of result

FINDINGS, DISCUSSION, AND CONCLUSION

Table 4 displays the relative relevance of the researched component. The result from the Table 4 suggests that employees working in health care sector have given more priority to transformational, transactional leadership styles and delegating styles; however, the autocratic leadership style is being ranked the least desired style in health care industry

TABLE 4: MEAN AND STANDARD DEVIATION OF LEADERSHIP STYLE

Factors	N	Mean	Std. Deviation	Ranks
Transformational Leadership	252	3.64	0.91	1
Transactional Leadership	252	3.53	0.85	2
Autocratic Leadership	252	2.99	0.78	3
Democratic Leadership	252	3.11	0.76	4
Delegating Leadership Style	252	3.38	0.84	5

Source: Authors compilation of result

This finding implies that when a leader inspires and motivates others, employee performance is extraordinarily high. It also says that in specific circumstances, employee performance is extremely high when given tasks and the freedom to fulfil them.

This study verified the first hypothesis by finding that there is a link between transformational leadership and employee performance ($\beta=0.46$, $p=0.003$). The above finding matches with the findings of Khan et al [29], who found that raising an employee's intrinsic drive enhances performance, supports this conclusion.

Similarly, the researchers investigated the effects of transactional leadership on employee performance and discovered that it had a beneficial impact on an employee's performance at H2 ($\beta=0.42$, $p=0.003$). This is in line with Seibert et al [11] and Gordon [15]. As a result, hypothesis H2 has been accepted. At ($\beta=0.38$, $P=0.002$), a delegating or free-rein leadership style benefits staff performance. The hypothesis H5 is supported and agrees with Chaudhary and Javed [5]. The route coefficient value for hypotheses H3 and H4 is relatively small. Hence, we infer that the hypothesis is partially accepted. This could be because, in today's healthcare environment, employees do not believe in the concepts of autocracy or democracy as much as in other leadership styles. This is because most employees believe that most managers make decisions in the name of democracy, which has no bearing on an individual's performance in the organization.

Correlation analysis revealed a connection between leadership style and employee performance. According to this research, workers in the healthcare industry believe that managers that deploy transformational, transactional, and free-reign leadership styles may see an improvement in their performance. The model's R^2 score was 0.714, which predicted 71.4 percent in employee performance. Because of the findings, it can be inferred that the study can positively impact India's healthcare business. To boost employee performance in the business, it is also advised that senior level managers and executives use transformational, transactional, and free-rein leadership styles.

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