



Research Paper

IMPACT OF LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE (A CASE STUDY ON A PRIVATE ORGANIZATION IN MALAYSIA)

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ABSTRACT

The purpose of this study is to identify the impact of leadership style on employee performance. A sample size of 100 was used from one private organization in Selangor, Malaysia using convenience sampling technique. The study used quantitative approaches, and a questionnaire was designed. A five-point Likert scale questionnaire was used to determine the impact of leadership style on employee performance. SPSS software was used in analysing the questionnaires. Demographic analysis, normality test, reliability test (Cronbach's Alpha), descriptive analysis and regression analysis were presented. Descriptive statistics show that the most significant value associated with employee performance is democratic leadership style followed by laissez-faire leadership style and autocratic leadership style. Democratic leadership style has the highest mean value corresponding to 3.784 and standard deviation value of 0.8124, laissez-faire leadership style scores the second highest mean value corresponding to 3.416 and standard deviation value of 0.5858, and autocratic leadership style has the lowest mean value corresponding to 3.404 and standard deviation value of 0.7330 indicating that autocratic leadership style is poorly correlated with employee performance. Regression coefficient analysis shows that there is a significant and positive impact of democratic and laissez-faire leadership styles on employee performance. Autocratic leadership style beta coefficient value is -0.168 with a significant value of 0.025 which is higher than 0.01, hence autocratic leadership is found to have a negative significant impact on employee performance.

Key Terms: Leadership; Employee Performance; Democratic Leadership; Autocratic Leadership; Laissez-faire Leadership

1. INTRODUCTION

The purpose of this study is to investigate the impact of leadership style on employee performance in private companies and governmental agencies in Malaysia. Leadership is simply “the art of influencing people so that they will strive willingly towards the achievement of goals” (Igbaekemen, 2014). Leadership plays a crucial role in creating an enthusiastic atmosphere and culture in an organization (Alghazo & Al-Anazi, 2016). Hurdzue (2015) proclaimed that effective leadership style could promote excellence in the development of the members of the organisation. According to Skoogh (2014), it is safe to say that leadership has played an important role since the dawn of history of mankind.

Since corporations strive to search great leaders that can lead them to success, endless efforts have been put out by researchers to identify how best leaders operate. As a result, many leadership theories had been developed over the years. Lewin’s Leadership Style (1939) identified that there are three different leadership styles; democratic, autocratic and laissez-faire (Billig, 2015). In 1964, “Grid” was established by Robert Blake and Jane Mouton (Molloy, 1998). Hersey and Blanchard (1969) developed a leadership theory that is now known as the situational leadership theory (McCleskey, 2014). In 1970’s, transformational theory which focused on motivations and values in measuring how leaders approach power was developed by Burns (1978) and was later expanded by Bass (1985) (Levine, 2000). Bass (1985) transformational leadership theory focused on how a leader influences followers by his/her qualities (Levine, 2000).

The importance of leadership style is not unknown and it is shown by a significant number of studies that have been conducted on leadership style in developed and developing countries (Babatunde, 2015; Iqbal, et al., 2015; Mohammed, et al., 2014; Paracha, et al., 2012; Zumitzavan & Udchachone, 2014). Lewin’s leadership style, however, appears to be a significant subject where leadership style is concerned as various studies have been conducted on Lewin’s leadership style (Bhatti, et al., 2012; Khan, et al., 2015; Leng, et al., 2014; Anbazhagan & Kotur, 2014; Yao, et al., 2017; Ping, 2015; Omolayo, 2007; Benjamin, 2015; Longe, 2014; Kotur & Anbazhagan, 2014). In Malaysia particularly, similar kind of studies have also been conducted (Arham, 2014; Leng, et al., 2014; Nasir, et al., 2014; Lo, et al., 2009; Soha, et al., 2016).

In Malaysia, employees especially in governmental agencies are long criticized for poor performance, lack of flexibility, inefficiency, poor accountability and red tape (Said, et al., 2015). Leadership in Malaysia has long been linked with preference for hierarchy and relationship (Ansari, et al., 2004). According to Hofstede (2001), Malaysia is best known as a place where leaders have the most authority and power, laws and regulations are set by the leaders, and leaders control and they are the decision maker (Jayasingam & Cheng, 2009). As stated by Ansari, et al. (2004), Malaysian employees are obliged to obey, implement and they do not allowed disagreeing with their leaders. “Seniors (superiors or elders) are respected and obeyed. They are the decision-makers and subordinates are obliged to implement. In general, societal norm dictates that juniors do not disagree with seniors. Thus anger and hostility against a superior are suppressed and displaced, and the tendency is to appease the superior” (Ansari, et al., 2004; Jayasingam & Cheng, 2009).

This research sought to investigate and understand the impact of different leadership styles (autocratic, democratic and laissez-faire) and their effects on employee performance in organization. After completion the study on this topic, this research will be beneficial for employees to identify which leadership style is good for them in terms of work satisfaction and the success of their careers. It can be beneficial for leaders to understand which types of leadership impacts on employee performance and how employees can also be motivated

through proper leadership. It is helpful to companies in Malaysia too in identifying great leaders that can improve performance of the company and lead the company to great success.

Research Objectives

- ✓ To examine the impact of Democratic Leadership Style on Employee Performance
- ✓ To examine the impact of Autocratic Leadership Style on Employee Performance
- ✓ To examine the impact of Laissez-Faire Leadership Style on Employee Performance

2.0. LITERATURE REVIEW

Tannenbaum, Weschler and Mussarik (1961) defined leadership as “interpersonal influence exercised in a situation and directed, through the communication process, toward the attainment of the specialized goal or goals” (cited in Ali, 2012). According to Northouse (2004), leadership is directing a group of people to accomplish designated goal (cited in Packard, 2009). Yukl (2008) defined leadership as a process where one person exerted influence intentionally to a group of people in an organization through relationship, structure, and guide. Leadership, as defined by Gharibvand (2012) is how the leader communicates in general and relates to people, the way in which the leader motivates and trains the subordinates and the way leaders provides direction to his/her team to execute their tasks. Sharma & Jain (2013) defined leadership as a process of which a person influences other people to accomplish an objective and directing in a way that makes it more cohesive and coherent.

Dahl (1989) and Fishkin (1991) proclaimed that democratic leadership influences people in a manner consistent with the basics of democratic principles and processes, such as deliberation, equal participation, inclusiveness and self-determination (cited in Gastil, 1994). According to White & Lippitt (1960), democratic leaders actively encourage and stimulate group decisions and group discussions (cited in Choi, 2007). Kuczmarski and Kuczmarski (1995) defined characteristic of democratic leaders as influential, helpful, knowledgeable, a good listener, encouraging, guiding, respecting and situation-centered (cited in Ray & Ray, 2012). Mullins (1999) stated that democratic leadership style centralised more on people and interaction is greater within the group (cited in Puni, et al., 2014).

In accordance to Khan, et al. (2015), autocratic leadership is where manager retains as much power and decision-making authorisation as possible. Melling & Little (2004) stated that autocratic leaders are high-handed leaders and are the centre of every activities that go on in the establishment and all authority emanated from them and ends with them (cited in Akor, 2014). According to Iqbal, et al. (2015), autocratic leaders are characterized by an “I tell” philosophy; autocratic leaders tell other people what to do. Nwankwo (2001) and Enoch (1999) described autocratic style as a leadership style where leaders exclusively make decisions and production is emphasized at the expense of any human consideration (cited in Akor, 2014).

Deluga (1992) proclaimed that laissez-faire leadership style is associated with unproductiveness, ineffectiveness and dissatisfaction (cited in Koech & Namusonge, 2012). According to Bass & Avolio (1997) and Hartog & Van Muijen (1997), laissez faire leaders avoid making decisions, the provision of rewards and the provision of positive/negative feedback to subordinates (cited in Mester, et al., 2003). Jones & Rudd (2007) described laissez-faire leadership as leadership in an inactive form characterized by unwillingness to be actively involved and a view that the best leadership comes from disassociation from activities. Cilliers, Van Eeden & Van Deventer (2008) stated that these leaders avoid active

participation in responsibility of goals setting and avoid being involved when leadership direction is needed (cited in Ejimabo, 2015).

Kurt Lewin and colleagues (White, Lewin & Lippitt, 1939; Lewin, 1948) defined three classical styles of leadership in decision making: autocratic, democratic and laissez-faire (Billig, 2015). Gastil (1994) proclaimed that democratic leaders believe in group participation and majority rule in the decision making, autocratic leadership style imposes tight control and expects obedience and laissez-faire leadership style has low involvement of activities, leaving matters to their followers and very little involvement in decisions making.

“Grid” was first established by Robert Blake and Jane Mouton and was published in 1964 (Molloy, 1998). Blake and Mouton’s (1982) managerial grid reflected two dimensions of leadership; “Concern for People” reflecting to the degree to which leader care for team member’s needs, areas of personal development and interest when deciding how best to achieve goal, whereas “Concern for Production” refers to the degree how leader focuses on company productivity, efficiency and objectives when deciding how best to achieve goals (Bolden, et al., 2003).

Situational leadership originally was developed by Hershey and Blanchard (1969; 1979; 1996) to describe leadership style and stress the need to connect leadership style to the maturity level of the followers (cited in McCleskey, 2014). According to Graeff (1997) and Grint (2011), this theory emphasized that instead of applying just one leadership style, successful leaders should change the leadership style based on the details of tasks and the maturity of their followers as well as having a rational understanding of a situation (cited in McCleskey, 2014).

Empirical Studies

Ojokuku, et al. (2012) conducted a research on the Impact of leadership Style on Organizational Performance: A Case Study of Nigeria Bank in Nigeria. The sample size used by the researchers is 60. The study contained twenty of random picked banks in Ibadan, Nigeria. A structured questionnaire was used to collect data from the heads of accountants, heads of operations, and branch managers on face-to-face basis. Inferential statistical tool was used and one hypothesis was formulated to analyse data. Regression analysis was used to study the dimensions of significant effect of leadership style on followers and performance. The findings showed that there was positive and negative correlation between performance and leadership style. There was 23 percent variance of performance found in leadership style jointly predict organizational performance. This study concluded that transformational and democratic leadership styles have positive effect on both performance and followers, and are highly recommended to banks especially in this global competitive environment.

Dalluay & Jalagat (2016) conducted a research on title Impacts of Leadership Style effectiveness of Managers and Department Heads to Employees’ job Satisfaction and Performance on Selected Small-Scale Businesses in Cavite, Philippines. The sample size used is 150. Survey questionnaires were designed to study the effects of manager leadership styles on employees’ performance and satisfaction. 150 respondents were selected from corporations in Cavite, Philippines through random sampling with Slovin formula $n = \frac{N}{1 + Ne^2}$. Data were analysed by using weighted mean, percentages, multiple regression and correlation coefficient. Percentages specifically were used to analyse demographic variables (gender, age, length of service and leadership styles). Weighted mean were used to survey questionnaires on leadership styles, and correlation coefficient and multiple regression were used to study the relationship between variables on leadership style, job performance and job satisfaction. The finding concluded that corporations should constantly making the most of leadership style which enhances employees performance and employee job satisfactory level even though there is still rooms for improvements.

A researched was conducted by Widayanti & Putranto (2015) on Analysing the Relationship between Transformational Leadership and Transactional Leadership Style on Employee Performance in PT.TX Bandung in Indonesia. The sample size used by the researcher is 92. The objective of this research is to find the relationship between transactional and transformational leadership to employee performance and the significant relationship between these two variables. This research consists of primary and secondary data. Primary data was collected through Multifactor Leadership Questionnaire (MLQ) based on Slovin Theory method. Secondary data was collected from the office assessment of employee performance. Validity and reliability test were used to measure quality of data. Multiple regression analysis is used to find the relationship because it has more than one independent variable. Data was sent for pass the classic assumption tests such as multicollinearity test, normality test, heteroscedasticity test and autocorrelation test before multiple regression analysis. The result proved that transactional and transformational leadership has positive relationship and it effects to employee performance either concurrently or partially.

Akram, et al. (2012) conducted a research title How Leadership Behaviours Affect Organizational Performance in Pakistan. Sample size used by the researchers is 1000, where 500 questionnaires were distributed to managers and another 500 to employees of various private and public sector companies in 66 cities through random selection. Non-probability sampling technique is used in this study. Two questionnaires were designed for managers and employees. Questions were related to leadership behaviours and organizational performance. Five point Likert scale was applied. Correlation analysis and regression analysis were applied to analyse the relationship and the effect of leadership behaviours on performance. SPSS version 16 was used to analyse the reliability of questions, and the reliability was checked in term of Cronbach's Alpha. The findings concluded that leadership behaviours are interrelated and have high positive impact with employee performance.

Nasir, et al. (2014) did a research on The Relationship of Leadership Styles and Organizational Performance among IPTA Academic Leaders in Klang Valley Area in Malaysia. The study used correlation methods to measure the relationship between leadership styles and organizational performance. Five public universities in Selangor were chosen. 201 academic leaders were chosen as the sample size. The questionnaire prepared in a form of closed-ended questions. The survey instruments from Kouzes and Posner Leadership Practices inventory-Individual Contribution Self Survey (1997) and Multifactor Leadership Questionnaire (MQL) had been adapted. Likert-Scale was used. All data were analysed by using SPSS version 20.0. The hypothesis testing from normality test with Normal Probability Plots for variables and other visual presentation measures such as histogram and box plot. Pilot test is used to test the consistency of questionnaire. Cronbach's alpha is used to test reliability. The findings concluded that leadership behaviours are interrelated and have high positive impact with organizational performance.

Leng, et al. (2014) did research on title in The Impact of Leadership Styles on Employee Commitment in Retail Industry in Malaysia. Sample size used by the researchers is 384. The researchers used questionnaires as the research instrument. SAS software version 9.3 was used to run tests of reliability, Pearson correlation and linear regression. The findings concluded that there was a significant impact of leadership styles towards employee commitment.

Sakiru, et al. (2013) conducted a research on title in Relationship between Employee Performance, Leadership Styles and Emotional Intelligence in an Organization in Malaysia. Sample size used by the researchers is 180. Data was collected using three instruments; Multifactor Leadership Questionnaire, ECP and parastatal performance evaluation process.

Work performance was taken and recorded using organization's performance evaluation process. ECP factors are used to measure emotional intelligence. Cronbach's alpha reliability coefficient is used for MQL factors. Linear regression analysis is used. These findings concluded that there is a substantial relationship between worker performance with emotional intelligent and leadership style.

Ismail, et al. (2011) worked on a research titled Interaction between Leaders and Followers as an Antecedent of Job Performance: An Empirical Study in Malaysia. Sample size used by the researchers is 200. This study used a cross-sectional method to integrate the research literature, the in-depth interview, pilot study and the actual survey to collect data. Convenience sampling technique was used. SPSS version 16 is used to analyse validity and reliability of data. Pearson correlation analysis and descriptive statistic is used to access research variables. Standardized coefficient of Stepwise regression analysis was used. The findings confirmed that interaction between leaders and followers does act as full antecedent of job performance.

Based on various studies conducted before, several variables have been adopted in this study to measure employee performance. Democratic leadership has been adopted as an independent variable (Iqbal, Haider and Anwar, 2015). Autocratic leadership was also adopted as an independent variable (Akor, 2014; Iqbal, Anwar and Haider, 2015;). Laissez-faire leadership was also adopted as an independent variable (Wang & Huynh, 2013; Barbu, 2011). Employee performance has been adopted as the dependent variable (House, 1991; Haddad, 2011; Sean & Hong, 2014; Malik, 2014).

Conceptual Framework

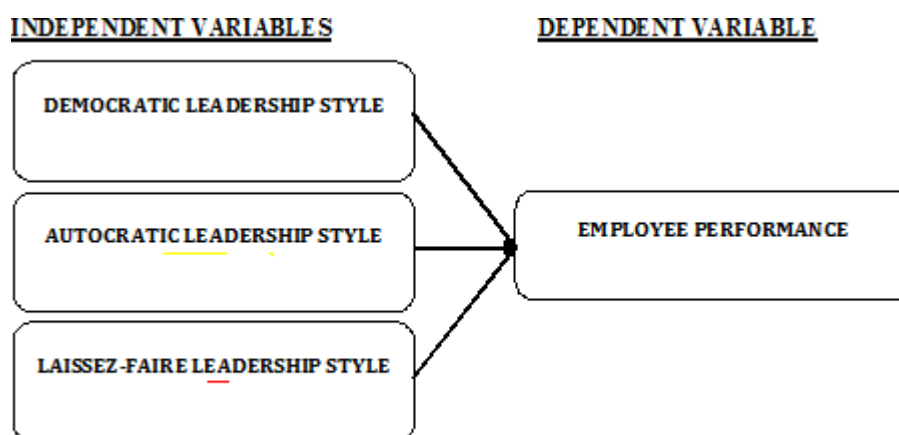


Figure 1 Conceptual Framework

This leadership encourages innovation, team work, creativity and people are often being engaged in projects that lead to increased performance, job satisfaction and increased productivity (Verba, 2015). Iqbal, et al. (2015) stated that democratic leaders makes no suggestions, however they enquire the opinions of others. This leadership promotes all team members to participate to make final decision and develop entire process to reach their goals (Trivisonno & Barling, 2016). One of the major benefit of democratic leadership style is that the process facilitates in development of some additional leaders who can majorly sere the organization and have active involvement on the part of everyone in the team (Armstrong & Taylor, 2014). Democratic leaders encourage and invite team members to play a significant role in the final decision making process but the ultimate power relies in the hands of leaders

and he/she guides the team on what to do, how to do, and employees communicate their suggestions, experience and recommendations (Skogstad, 2015).

H1: *Democratic leadership style has positive significant impact on employee performance.*

Autocratic leadership represents all those leaders who makes decision without the consent of team members and is usually applied when quick decision is taken and team agreement is not important for acquisition of successful results (Boehm, et al., 2015). Little opportunity are given to staff and team members to make suggestions, even if it is in the best interest of the team or organization (Amanchukwu, et al., 2015). An autocratic leader mostly makes selection on the basis of their own judgments and ideas that rarely include follower's advice and these leaders have absolute control over the group (Zareen, et al., 2015). According to Iqbal, et al. (2015), autocratic leaders give orders without explaining the reasons or future intentions.

H2: *Autocratic leadership style has positive significant impact on employee performance.*

In this style the performance of workforce entirely relies on team member's ability, skills and capabilities (Adler & Reid, 2008). Team members are free to take decision in their own way and leaders provide complete freedom to subordinates to work as per their own way and take major decisions (Coyle-Shapiro, 2013). Some renowned researchers have stated that Laissez-Faire style had led to increased job satisfaction and better performance of employees, but could be damaging if team does not manage their time well or if they are not self-motivated to do their work efficiently (Martin, 2013). Laissez-Faire leadership style usually leads to increased chaos in the organization as every individual believe him or her as own leader (Monzani, 2015).

H3: *Laissez-faire leadership style has positive significant impact on employee performance.*

1. RESEARCH DESIGN AND METHODOLOGY

Research Design and Strategy

This study conducted an explanatory research as the study needs to investigate the impact of leadership styles on performance of employees. The explanatory research design involved formulating the hypothesis and collecting the information on this basis that leads to achievement of the objectives of the research. Also, the researcher needs to measure the performance and its variations due to different styles of leaders and thus quantitative method is used as it is the most suitable for the study. This will help in analysing the information statistically and determining the impact as per the objectives defined.

Data Collection

The most suitable method to collect primary data is to distribute questionnaire. A five-point Likert scale questionnaire was developed to provide the respondents ease of answering the questions as per their level of agreement (McLeod, 2008). The Likert scale follows the format of: 1) Strongly Disagree; 2) Disagree; 3) Neither Agree nor Disagree; 4) Agree; 5) Strongly Agree. The development of the questionnaire was based on the following variables; democratic leadership, autocratic leadership, laissez-faire leadership and employee performance.

Table 1 items included in measurement Scale

VARIABLES	FACTORS	SOURCE
Democratic Leadership	1. Advice	(Iqbal, et al., 2015)
	2. Decision making	(Chaudhary, 2014)
	3. Shared	(Men, 2010)
	4. Consultation	(Lumbasi, 2015)
	5. Involvement	(Iqbal, et al., 2015)
Autocratic Leadership	1. Assessed by leader	(Anyango,2015)
	2. Policies	(Lumbasi, 2015)
	3. Orders and procedures	(Chaudhary, 2014)
	4. Rewards or punishments in order to get better performance	(Iqbal, et al., 2015)
	5. Refuses to explain his/her actions	(Anyango,2015)
Laissez-Faire Leadership	1. Freedom	(Chaudhary, 2014)
	2. Leadership barriers	(Iqbal, et al., 2015)
	3. Communicate properly	(Anyango,2015)
	4. Express my views	(Chaudhary, 2014)
	5. Stays out of the way	(Anyango,2015)
Employee Performance	1. Democratic leadership	(Bhatti, et al., 2012)
	2. Autocratic leadership	(Kotur & Anbazhagan, 2014)
	3. Laissez-Faire leadership	(Khan, et al., 2015)
	4. Transformational leadership	(Sougui, et al., 2016)
	5. Transactional leadership	(Sougui, et al., 2016)

A total of 150 questionnaires were distributed using convenience sampling method to employees from different departments such as administration department, marketing department, sales department, production department, human resource department, service department, finance department and management. Convenience sampling method was applied as it is affordable, easy and subjects are readily available (Etikan, et al., 2016). However, only 130 questionnaires were filled. 30 respondents filled the questionnaire yet they did not complete it and other 20 did not cooperate, which gives a total of 100 valid responses hence a total of 67 percent valid response rate.

Accessibility and Ethical Issues

It is important to have the permission of the involving party before carrying out an investigation, hence the researcher came to a consensual agreement with the management and the HR department to ensure no complications arose. Also, the researcher distributed questionnaires only during break time as interrupting the subjects during work hours is inappropriate and may affect responses. Furthermore, the researcher made sure no violation of confidentiality (of personal information and responses) arose. The researcher ensures no revelation of identity or other personal information was enquired when preparing questionnaires. There were also issue of trust from the respondents; however, confidentiality was guaranteed to avoid unnecessary issues.

Data Analysis

Quantitative approach was used in this study and it involved using statistical tools to evaluate the collected facts and data. SPSS is the software used in analysing the collected data to gain meaningful conclusions. Data analysis, normality test, reliability test, descriptive analysis and regression analysis was conducted by using SPSS to determine the impact of leadership styles on employee performance.

2. RESULTS AND DISCUSSION

Demographic Analysis

Demographic analysis is a technique used to measure age, sex, and racial facts and how it changed overtime through basic demographic process of fertility (births), mortality (deaths) and migration (territorial movements) (Lucas, 2002).

Table 2 Demographic analysis

Variables		Frequency	Percent (%)	Cumulative Percent (%)
Gender	Female	69	69	69
	Male	31	31	100
Age	21-30	43	43	43
	31-40	34	34	77
	41-50	20	20	97
	51 and above	3	3	100
Job Position	Junior Management	27	27	27
	Middle Management	39	39	66
	Senior Management	26	26	92
	Top Management	8	8	100
Salary	RM2,500 and below	34	34	34
	RM2,501-RM5,000	34	34	68
	RM5,001 -RM10,0000	25	25	93
	RM10,001 and above	7	7	100

The demographic characteristics of this research were measured by gender, age, job position and salary. Gender was categorized into females and males; 69 females and 31 males. The percentages are 69 percent and 31 percent respectively. Age was grouped into 21-30, 31-40, 41-50 and 51 and above; the frequency of respondents are 43, 34, 20 and 3 respectively. The percentages are 43 percent, 34 percent, 20 percent and 3 percent respectively. Job position was grouped into four categories; junior management, middle management, senior management and top management, with the frequency of 27, 39, 26 and 8 respectively. The percentages are 27 percent, 39 percent, 26 percent and 8 percent respectively. Salary was grouped into four categories; RM2500 and below, RM2501-RM5000, RM5001-RM10000 and RM10001 and above, with the frequency of 34, 34, 25 and 7 respectively. The percentages are 34 percent, 34 percent, 25 percent and 7 percent respectively.

Normality Test

In normality test, the rule is that it must be +1 to -1 so that it can be significant (Adams, 2017). The results of normality test from the table below were obtained from SPSS.

Table 3 Normality test

Descriptive Statistics					
	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
DLS1	100	-1.069	.241	1.298	.478
DLS2	100	-.683	.241	-.121	.478
DLS3	100	-.386	.241	-.761	.478
DLS4	100	-.581	.241	-.377	.478
DLS5	100	-.538	.241	.129	.478
ALS1	100	-.238	.241	-.538	.478
ALS2	100	-.563	.241	.213	.478
ALS3	100	-.891	.241	.482	.478
ALS4	100	-.594	.241	-.008	.478
ALS5	100	-.284	.241	-.596	.478
LFLS1	100	-.776	.241	-.276	.478
LFLS2	100	-.275	.241	-.609	.478
LFLS3	100	-.727	.241	.102	.478
LFLS4	100	-.262	.241	-.905	.478
LFLS5	100	-.289	.241	-.554	.478
EP1	100	-.105	.241	-.398	.478
EP2	100	-.355	.241	-.285	.478
EP3	100	-.587	.241	.336	.478
EP4	100	-.453	.241	-.019	.478
EP5	100	-.478	.241	-.496	.478
EP6	100	-.460	.241	-.170	.478
Valid N (listwise)	100				

According to above table, skewness statistics illustrates an acceptable range except DLS 1 which valued above 1. The kurtosis statistics value is also in acceptable range, however DLS 1 is above the accepted value. Data will be considered normal further reliability test be conducted.

Reliability Test

The criteria of Cronbach's alpha for establishing the internal consistency reliability is: Excellent ($\alpha > 0.9$), Good ($0.7 < \alpha < 0.9$), Acceptable ($0.6 < \alpha < 0.7$), Poor ($0.5 < \alpha < 0.6$), Unacceptable ($\alpha < 0.5$).

Table 4 Cronbach's Alpha

VARIABLES	NO. OF ITEMS	CRONBACH'S ALPHA VALUE
Overall	21	0.829
Democratic	5	0.902
Autocratic	5	0.769
Laissez-Faire	5	0.506
Employee Performance	6	0.874

Based on the above table, the overall Cronbach's alpha value is 0.829. This shows that data have a good reliability in internal consistency. Democratic has the highest Cronbach's alpha value (0.902). This shows the highest reliability in internal consistency of 5 questions. Autocratic has the second highest Cronbach's alpha value (0.769) which means that the data is highly reliable. Laissez-faire has the lowest Cronbach's alpha value (0.506) which shows the data has poor reliability. The employee performance in Cronbach's alpha value is 0.874 which also shows that data is highly reliability in internal consistency.

Descriptive Analysis

In descriptive analysis, the variable is ranked by referring to the values of standard deviation and mean. The highest value of standard deviation from mean indicates the independent variables produce highest impact on the dependent variables.

Table 5 Descriptive statistics

	N	Mean	Std. Deviation
Democratic	100	3.784	.8124
Autocratic	100	3.404	.7330
Laissez-Faire	100	3.416	.5858
Employee Performance	100	3.720	.6724
Valid N (listwise)	100		

Based on the table above, democratic leadership style has the highest mean value corresponding to 3.784 and standard deviation value of 0.8124 indicating that democratic leadership style is highly correlated with employee performance. Laissez-faire leadership style scores the second highest mean value corresponding to 3.416 and standard deviation value of 0.5858 indicating that laissez-faire leadership style is fairly correlated with employee performance. Autocratic leadership style has the lowest mean value corresponding to 3.404 and standard deviation value of 0.7330 indicating that autocratic leadership style is poorly correlated with employee performance.

Regression Analysis

When Durbin-Watson are at value of 2, it means there is no auto correlation, value approaching 0 means there is positive correlation, and value towards 4 means there is negative correlation. The rule of thumb is that a “good fit” model is predicted by a minimum of 60 percent variance in dependent variable making the model for the research a good fit by having a value of Adjusted R Square higher than 60 percent. Durbin-Watson test calculates the auto correlation of the residual from the regression analysis which state that the acceptable range for Durbin-Watson is within the range of 1.5-2.5.

Table 6 Model summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.729 ^a	.531	.517	.467582146982647	1.659
a. Predictors: (Constant), Laissez-Faire, Autocratic, Democratic					
b. Dependent Variable: Employee Performance					

According to the above table, R square value is 0.531 which indicates that 53.1 percent of the dependent variables can be predicted by independent variables. The adjusted R square is 0.517 which shows that model is not a good fit model as the value is less than 0.60. The Durbin-Watson value shows no auto correlation among the selected respondents for this study as the value falls in a range of 1.5-2.5.

Additional analysis will be on coefficients where the range of alpha value of 0.05, 0.001 or 0.01 is used to explain the significant of the variable.

Table 7 Coefficient^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.477	.362		4.081	.000
	Democratic	.481	.064	.581	7.542	.000
	Autocratic	-.154	.068	-.168	-2.274	.025
	Laissez-Faire	.277	.090	.241	3.071	.003
a. Dependent Variable: Employee Performance						

As per shown on the above table, democratic leadership style beta coefficient value is 0.581 with a significant value of 0.000 which is lower than 0.01, hence democratic leadership is found to have a positive significant impact on employee performance. This finding is similar to Ojokuku, et al. (2012) where they found that democratic leadership style, in which employees are allowed to have sense of belonging, believed higher responsibility can be carried out with little supervision, and leaders help followers achieve their visions and needs, enhance organizational efficiency. This had been supported by Iqbal, et al. (2015) and Bhatti, et al. (2012) research.

Autocratic leadership style beta coefficient value is -0.168 with a significant value of 0.025 which is higher than 0.01, hence autocratic leadership is found to have a negative significant impact on employee performance. This finding is similar to Jayasingam & Cheng (2009) where they found autocratic power produces negative influence on employee performance. This has been supported by Puni, et al. (2014) and Akor (2014) research.

Laissez-faire leadership style beta coefficient value is 0.241 with a significant value of 0.003 which is lower than 0.01, hence laissez-faire leadership is found to have a positive significant impact on employee performance. This finding is similar to a study conducted by Chaudhry & Javed (2012) in which the result indicates that there is positive and significant relationship between laissez faire leadership and employee performance. This had been supported by Nuhu (2010) and Sougui, et al. (2016) research.

Discussion

The results indicate that democratic leadership has a positive significant impact on employee performance. This supports Iqbal, et al. (2015) that stated under the influence of democratic leadership employees to some extent has discretionary power to do work that leads to a better performance. Therefore, democratic leadership produces more motivated employees that eventually leads to an increased performance. **H1: Accepted**

The results show that autocratic leadership has a negative significant impact on employee performance. This supports Jayasingam & Cheng (2009) that stated autocratic leaders dominates all actions and decisions all the while restricting the innovativeness and creativity of employees. Therefore, autocratic leaders tend to limit the performance of employees. **H2: Rejected**

The results show that laissez-faire leadership has a positive significant impact on employee performance. This supports Sougui, et al. (2016) that stated laissez-faire leaders allow freedom on how employees do their work and employees perform with no leadership barriers. Therefore, employee's performance is better as employees enjoy working with less authority from leaders. **H3: Accepted**

Table 8 Summary of hypothesis

<i>Hypothesis</i>	<i>Beta value</i>	<i>Sig</i>	<i>Result</i>
H1: Democratic leadership style has a positive significant impact on employee performance	0.581	0.000	Accepted
H2: Autocratic leadership style has a positive significant impact on employee performance	-0.168	0.025	Rejected
H3: Laissez-faire leadership style has a positive significant impact on employee performance	0.241	0.003	Accepted

3. CONCLUSION

Based on the results, democratic leadership style has a significant positive impact on employee performance. This indicates that when democratic approach is applied, performance of employees would increase. Therefore, Malaysian leaders is encouraged to adopt democratic leadership style and involve team members in the decision making process since it is confirmed that performance of employees is the best under this style of leadership. Malaysian leaders should encourage innovation, team work and creativity that leads to job satisfaction, increased productivity and subsequently increased performance. Autocratic leadership style, however, shows a significant negative impact on employee performance. This indicates that performance of employees would not increase when

autocratic approach is applied. Even though Malaysian leaders prefer and are most known to lead through autocratic leadership style, in the view of globalization, autocratic leadership style may no longer be accepted by employees who are now becoming more knowledgeable, independent and competent.

Laissez-faire leadership style has positive impact on employee performance, which indicates that employee performance would increase when laissez-faire leadership style is applied. Laissez-faire leadership style is considered as moderate leadership style. This technique is being suited when employees understand their responsibilities well and possess strong analytical skills. This approach can be used when leaders are very much confident on team members and in any condition should not blame each other for mistakes.

Recommendation

Organizations need to have highly capable leaders to lead their employees in daily operation and accomplish the organizational goals. Based on the findings of this research, democratic leadership style has greater impact than laissez-faire leadership and autocratic styles in terms of employee performance. In order to stay in the competitive business environment, it is recommended that the right leader with high capability be identified at all levels of the organization, especially public sectors in Malaysia. Organizations in Malaysia should make use of the recommendations to adopt democratic leadership instead of autocratic leadership style. It should be known that employees are the most important asset in the organization, and employee performance highly depends on leadership style. Organizations with good leadership capability will further improve performance. Therefore, serious attention should be given to make leadership a higher priority.

Limitations

This section defines the limitations that are possible in accomplishing the research in a successful way. There are various aspects that may lead to limit the accuracy of research outcomes. The first point of concern is regarding sampling. As selecting a sample cannot access the complete population, there can be differences in assumptions made on the part of complete population. Further other limitations involve the interest of respondents in answering the questions. They might be influenced to answer it without concerning over its seriousness and fill it so as to save their time. As the sample selected is from 100 respondents, it cannot justify the impact of leadership style on employee performance issue on the base from the same organization because of large number of population cannot be studied with a sample. Also the respondents might involve in biasness while answering as they might not feel comfortable in agreeing to the problems they face in the organization. The sample of the study might be another limitation. The organization is a private sector company, which governmental agency might have limiting the impact they could have on their surroundings. Thus these limitations explain the hurdles that researcher might face in completing the investigation and fulfilling all the aims and objectives with better accuracy.

Future research Direction

The upcoming research may be conducted with inclusion of more and different variables such as gender of superior and number of years working with superior. As only one organization participated in this study, future researcher could widen the number of organizations. The future researcher can enlarge a bigger sample data size in different industries such as travel, banking, retailing services and hospitality industries for a broader view. Furthermore, researcher can expand this model to include employees work outcomes such as turnover intention, work performance and work commitment. In addition, the future researcher should focus on other organizations – be it government sector or private sectors -

in other states in Malaysia by applying Bass Transformational Leadership (1985) model with Lewin's Leadership Style (1939) model.

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