

A STUDY OF TRANSACTIONAL LEADERSHIP AND ITS IMPACT ON EMPLOYEE PERFORMANCE WITH REFERENCE TO NURSES IN MUMBAI

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Abstract:

Transactional leadership is a leadership style that relies on a system of rewards and punishments to motivate and direct followers. It's like a business transaction: the leader offers something in return for the follower's effort and performance. Transformational leadership is good for clear tasks with defined rewards, but it doesn't build strong relationships or encourage creativity. It is a "do that, get that" type of leadership. The leadership styles changes depending upon the sector. The Transactional leadership is a leadership style which utilizes rewards and punishments to motivate and direct followers. This study focuses on the impact of transactional leadership on the employee performance and the extent to which it affects employee performance. Also to analyze how nurses respond to motivational aspect of transactional leadership and to suggest measures to improve the performance of employees. Data is collected through primary method. The sample size is 100 and the data is collected from nurses.

Keywords: *Transactional Leadership, Employee Performance, Leadership, Rewards and Punishments.*

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Introduction:

Leadership involves guiding and influencing others towards a shared goal or vision. This can be done through a variety of means, such as providing direction, motivating, inspiring, and empowering others. Leadership is a vital component in increasing employee performance in business. Leadership isn't about a specific title or position, but rather a set of behaviors, skills, and qualities that anyone can develop and display. There are many different leadership styles, and the most effective approach will vary depending on the situation and context.

Transactional leadership is a style of leadership that focuses on exchanges between leaders and followers. It's all about performance and achieving specific goals, often through a system of rewards and punishments. Transactional leadership, sometimes called managerial leadership, revolves around a clear exchange between leaders and followers focused on achieving specific goals. Leaders offer rewards (e.g., bonuses, promotions) when followers meet or exceed expectations, and deliver corrective actions (e.g., warnings, demotions) for underperformance. This creates a clear understanding of what's expected and the consequences of meeting or missing those expectations. Transactional leadership can be effective in stable environments requiring well-defined tasks, clear goals, and predictable outcomes. However, its limitations in fostering long-term engagement, innovation, and strategic vision call for careful consideration when choosing this style. Remember, effective leadership often involves combining elements of different styles to tailor the approach to the specific context and desired outcomes.

Key Characteristics:

- **Structure and organization:** Transactional leaders emphasize clear roles, defined procedures, and established rules. Consistency and adherence to structure are vital.
- **Short-term focus:** Attention is on achieving immediate, well-defined goals. Long-term vision and development might take a backseat.
- **Motivation through extrinsic factors:** Rewards and punishments become the primary motivators, appealing to followers' individual needs and desires.
- **Supervision and monitoring:** Leaders closely monitor performance and hold individuals accountable for achieving objectives.
- **Limited innovation:** Maintaining the status quo and established methods often take precedence over encouraging new ideas and creativity.

Review of Literature:

¹Muhammad Adnan, Muhammad Ahsan Ali, this study aimed to investigate the effect of transformational a transactional leadership on employee performance. The responses were collected from 176 employees working in the top leadership role in the FMCG sector in Pakistan. The study concluded that there is a positive relationship between transactional leadership and employee performance.

²Fahad Alharbi, Abdourahman Aljounaidi. This study aims at finding the relationship between transactional leadership, transformational leadership and employee performance. It was found that transformational leadership has weak impact on employee performance, while transactional leadership has positive impact on employee performance. The researcher relied on previous studies for conducting the research. This study suggested that by strategically using rewards and consequences, they can build stronger relationships with their employees and ultimately boost performance.

³Ni Putu Diah Wahyuni, Dian Alfia Purwandari, study analyzed the influence of transactional leadership on employee performance through motivation as an intervening variable. The responses was collected from 140 respondents. This study was conducted over manufacturing company. It was concluded that a positive relation is seen between transactional leadership and employee performance with motivation as an intervening variable. By nurturing these factors, companies can unlock significant performance gains.

⁴Arunima Sengupta, Ajeya Jha, Mariamma Philip, Senugupta A K. The aim of this study is to investigate the relationships between emotional intelligence (EI) and leadership styles (transformational and transactional) of

¹ Muhammad Adnan, Muhammad Ahsan Ali, “Transformational and Transactional Leadership as a function of Employee Performance”, (2022)

² Fahad Alharbi, Abdourahman Aljounaidi), “Transformational Leadership, Transactional Leadership, and Employee Performance”, (2021)

³ Ni Putu Diah Wahyuni, Dian Alfia Purwandari, “Transactional Leadership, Motivation and Employee Performance” (2019)

⁴ Arunima Sengupta, Ajeya Jha, Mariamma Philip, Senugupta A K,” (2014) “Comparison of Transformational Leadership and its different attributes of leadership with Emotional Intelligence in Indian Healthcare: An empirical aspect”

healthcare professionals. The sample size of 330 respondents. Descriptive statistics, correlation and regression was used for data analysis. By investing in training programs that address both Emotional Intelligence (EI) and leadership skills, organizations can unlock the leadership potential within their professionals. It was also found that there is a weak relation between EI and transactional leadership.

Research Methodology:

Objectives of the study:

1. To study the impact of transactional leadership on the employee performance.
2. To investigate the extent to which transactional leadership affects the overall performance.
3. Analyze how nurses respond to motivational aspect of transactional leadership.
4. To suggest the methods to improve the performance of employee.

Data Collection Method: Primary and Secondary data.

Sources of data:

1. Primary Data: Close ended questionnaire based on 5 point likert scale
2. Secondary Data: Research papers, Peer reviewed articles

Research Design:

Sampling Method: Simple Random Sample

Tools of data collection: Questionnaire

Limitations of the study:

1. To study is limited to only 13 responses.
2. The data is only limited to nurses.
3. The respondents hesitate to share correct information.

Hypothesis:

H0: There is no significant relationship between rewards and motivation.

H1: There is significant relationship between rewards and motivation.

Data Collection : Data Interpretation

1. The percent of male respondents is 84.6% and of female respondents is 15.4%.
2. Majority of the respondents are in the age group of above 35 (38.5%).
3. 69.2% respondents agree to it that they work more when they are supervised and also when the leader has all the authority.
4. 53.8% very much agree to it that their leader inspires them to put in the best efforts.
5. 69.2% respondents agree to it that transactional leadership style leads to more productivity.
6. 53.8% strongly agree that they feel motivated when rewarded and also believe that receiving rewards motivates them to work.
7. 61.5% respondents feel that salary is the most important factor in raising employee satisfaction and also believe that providing rewards and recognition leads to timely completion of work.

Source : Based on primary data.

Correlations:

		Do you feel motivated when you are rewarded	To what extent do you believe that receiving rewards motivates you to perform better at work
Do you feel motivated when you are rewarded	Pearson Correlation	1	0.15
	Sig. (2-tailed)		0.624
	N	13	13
To what extent do you believe that receiving rewards motivates you to perform better at work	Pearson Correlation	0.15	1
	Sig. (2-tailed)	0.624	
	N	13	13

Interpretation :

The given data is a table presenting the results of a survey on various aspects of leadership and motivation in the workplace, with descriptive statistics such as mean, standard deviation, variance, skewness, and standard error of skewness. The survey was conducted on 13 participants, with the majority of the questions having a mean score between 2.00 and 2.69, indicating a neutral to slightly positive response. The standard deviation values range from 0.60 to 1.61, indicating moderate variability in the responses. The skewness values range from -0.07 to 1.83, with most questions having a positive skew, indicating a slight tendency for responses to lean towards the positive end of the scale. The standard error of skewness values range from 0.62, indicating that the skewness values are relatively stable. Overall, the data suggests that the participants have slightly positive views on leadership and motivation in the workplace, with some variability in their responses.

Conclusion:

It is seen that there is a positive relationship between rewards and motivation. It states that employees work more when they are rewarded and which gives a positive outcome and also leads to timely completion of work. In this study majority of the respondents agree to it that they prefer transactional leadership when it comes to work it is seen in this study that employees work more when they are supervised.

Based on the result it is concluded that:

H1: There is significant relationship between rewards and motivation.

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Cite This Article:

Arakal A. (2024). A Study of Transactional Leadership and Its Impact on Employee Performance with Reference to Nurses in Mumbai. In Educreator Research Journal: Vol. XI (Issue II (Special Issue-I), pp.9–13). DOI: <https://doi.org/10.5281/zenodo.11114620>