

A Perception analysis study on the leadership fairness and Organizational Effectiveness

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Abstract

Leadership in organizations has evolved to a greater extent over the period of time. It becomes mandatory to assess the employee perception towards their leader in order to achieve the organizational goals. The emotional gap between the leader and the employees have a negative influence on the organizational effectiveness. This study deals with the employee perception on the policy and compensation by the leader in the organization.

Introduction

An important factor contributing to the employee turnover is the leadership in an organization. Employees predict the future of their career based on the leadership effectiveness. Organizational Justice has a great influence on the culture of the organization. As business environments are becoming competitive, the leadership becomes the cornerstone to achieve the organizational goals. Employees have a close observation towards the capacity and decision making skills of the leader , which helps in withholding the morale and trust among the employees.

Literature Review

Leadership has a great influence on creativity and serves as a better motivator at various circumstances(Zhang & Bartol, 2010). Studies show that Employee trust is dependent on authentic leadership traits and helps in engaging the employee to their potential(Ang & Sieh, 2013). Emotional attachment of the employee towards the company and the organizational citizenship behavior depends on the Leadership of an organization(Kompaso & Sridevi, 2010). Leadership mediates the relationship of role clarity and employee engagement (Ghadi, M. Y., Fernando & Caputi, 2013). Psychological ownership by the employees is greatly influenced by the ethical leadership in an organization(Avey, Wernsing, & Palanski, 2012). Transformational leadership highly depends on the inspirational motivation, idealized influence, individual consideration and intellectual stimulation(Raja, 2012). Leadership traits have a strong influence on bonding social capital among the employees (Carmeli, Ben-Hador, Waldman, & Rupp, 2009). Leadership traits

have a strong influence on bonding social capital among the employees(Carmeli, Ben-Hador, Waldman, & Rupp, 2009). Employee empowerment by the leader has a strong influence on job satisfaction and innovativeness by the employee(Fernandez & Moldogaziev, 2013). Leadership becomes the prime factor in dictating the group ethics of employees(Zhu, Avolio, Riggio, & Sosik, 2011).

Research Methodology

Research Design

The research is planned to conduct as a descriptive correlational study to integrate the research literature to explore and statistically validate the derived research model through pilot study and actual survey with specific subjects. A study was done with a 485 respondents from IT companies and feedback was taken to verify the content and format of survey questionnaire for the actual study.

Measures

Niehoff and Moorman's (1993) 5 item scale for distributive justice and 6 item scale for procedural justice. Work Design Questionnaire (WDQ ; Morgeson and Humphrey 2006) 5 facets : 2 items for each facet : totally 10 items PsyCap questionnaire (PCQ) . 6 items for 4 characteristics – 24 items . The PCQ can be found in Luthans, Youssef, and Avolio. 9 item version of Utrecht Work Engagement Scale (UWES – 9, Schaufeli, Salanova, Gonzalez- Roma and Bakker 2002). 3 items for each facet. 16 items Achievement Goal Questionnaire (AGQ). Elliot and McGregor's (2001).

Data Analysis and Interpretation

Particulars	No. of Respondents	Percentage
Strongly disagree	46	10.90047
Disagree	77	18.24645
Neutral	55	13.03318
Agree	183	43.36493

Strongly Agree	124	29.38389
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Table 1.1: Respondent's opinion towards leader subordinate fair treatment

From the table 1.1, we can infer that, 43 percentage of the respondents Agree that their leader treat them fairly and only 10 percentage of the respondents strongly disagree to the opinion.

Particulars	No. of Respondents	Percentage
Strongly disagree	93	22.03791
Disagree	168	39.81043
Neutral	52	12.32227
Agree	73	17.29858
Strongly Agree	99	23.45972

Table 1.2: Respondent's opinion towards participation in decision making

From the table 1.2, we can infer that, 39 percentage of the respondents Disagree to the participation of them in decision making under the leadership and only 17 percentage agree to the opinion.

Particulars	No. of Respondents	Percentage
Strongly disagree	77	18.24645
Disagree	55	13.03318
Neutral	74	17.53555
Agree	184	43.6019
Strongly Agree	95	22.51185

Table 1.3: Respondent's opinion towards procedure based pay and benefits

From the above table 1.3, 43 percentage of the respondents Agree towards the fact that their pay and benefits is given as per the procedure, while only 13 percentage disagree to the opinion.

Particulars	No. of Respondents	Percentage
Strongly disagree	95	22.51185
Disagree	154	36.49289
Neutral	95	22.51185
Agree	95	22.51185
Strongly Agree	45	10.66351

Table 1.4: Respondent's opinion towards fairness of pay and benefits

From the above table 1.4, 36 percentage of the respondents Disagree with the fairness of pay and benefits by the leader, while 10 percentage of the respondents Strongly Agree with the opinion.

Particulars	No. of Respondents	Percentage
Strongly disagree	112	23.09278
Disagree	165	39.09953
Neutral	45	10.66351
Agree	68	16.11374
Strongly Agree	95	26.54028

Table 1.5: Respondent's opinion towards rewards promised by leader

From the above table 1.5, 39 percentage of the respondents Disagree that their leader provide rewards as promised by the leader while only 10 percentage of the respondents neither agree nor disagree to the opinion.

Particulars	No. of Respondents	Percentage
Strongly disagree	55	13.03318
Disagree	76	18.00948

Neutral	57	13.50711
Agree	165	39.09953
Strongly Agree	132	31.27962

Table 1.7: Respondent's opinion towards fairness of punishment

From the above table 1.6, we can infer that 39 percentage of the respondents strongly agree to the leadership fairness of punishment while only 13 percentage of the respondents strongly disagree to the opinion.

Conclusion

From the above study we understand that the employees' perception on the fairness of pay and involvement in decision making are to the satisfaction levels of the employees. The influence of the leadership fairness in the pay and benefits highly resonates on the organizational effectiveness. It is very crucial to hold the trust of the employees and make them perceive positively on the leadership which will improve the employee engagement and goal achievement behavior of the employees.

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