



A Study on the Impact of Leadership Style, Work Culture and Work Environment on Work Performance

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Abstract

The research primarily focuses on developing an understanding of the factors that would motivate the employee to perform well within the organization. By controlling independent variables such as Work Culture, Work Environment, and Leadership style, the organization could influence the work performance of the employees. This exploratory study was conducted on a sample of 90 men and women. The primary data was collected via a Google Forms questionnaire, and 90 valid responses were compiled for the study. G*Power 3.1.9.2 was used as additional software to calculate the sample size. The software computed 89 as the sample size. The structural equation model was analyzed with SmartPLS 4. This research helped find out that leadership style has the highest influence which is 43% on the work performance of the employee in comparison to other variables (Work Culture – 25.1%, Work Environment – 13%). In addition, it was also found that there are other factors (18.9%) that influence employee work performance. The organization should try to control these independent factors to get maximum productivity from their employees and the employees will be benefited with proper job engagement.

Keywords: work culture, work environment, leadership style, work performance.

1. Introduction

One of the determinants of an organization's success is its leadership style. Leadership evolves over time and is influenced by current social, political, and cultural changes. The situational approach recognizes that there is no universally best leadership style that applies to every situation or environment. While the need for leadership to overcome obstacles and profit is not new, institutional leaders or leadership practices are changing. A leader's multiple responsibilities (including ensuring team success, creating a positive work environment, and solving complex problems) can quickly become unbalanced. For example, sudden changes in the market can draw leaders' attention away from the team and reduce productivity.

A leader's leadership style is expected to create a good work environment and become a system of shared meanings, values, and beliefs within the organization that guides actions to create a work culture. When choosing a job or running an effective business, it is

very important to consider the company's work environment, where the situational factors that make up the company's atmosphere are complex.

A positive office environment can boost morale, but a negative environment can discourage motivation. Knowing this important job function can help define a healthy work environment. Having the facilities and infrastructure to support the work is also critical to getting the job done. Organizational culture values are expected to live up to employee expectations so that employees and organization members are satisfied with their jobs. This satisfaction may be a highly valued innovation in work culture, a recognition of the similarity of ranks used by all members of the organization, or the value of a non-discriminatory relationship between management and subordinates. This research is helpful to control the parameter that would optimize the work performance of any employee.

2. Review of Literature

2.1 Leadership Style – Work Performance

Iqbal, N., Anwar, S., & Haider, N. (2015) This study examined the impact of leadership style on work performance with a focus on employees. This section considers the context of the research (historical, theoretical, conceptual perspective), the definition of the problem, its purpose, the specific task, the research question, the hypothesis, the scope, and the meaning of the research.

In recent years, leadership has emerged as a new and effective way to manage individuals and organizations as a whole. Human resource management has gradually replaced the old paradigm of human resource management. Emphasizes the strategic integration of modern leadership styles to effectively manage the workforce and increase work performance.

2.2 Work culture - Work Performance

Padhi, P. (2017) Workplace culture refers to the beliefs that influence long-held beliefs and values in a company, as well as the attitudes and behaviors of employees and their expected values for work. Workplace culture acts as a regulatory mechanism and directs behavior in the direction of desired behavior, away from unsought behavior. A significant and positive relationship was found between organizational climate and work performance and a strong correlation with transformational leadership style.

Pascal, A.O. and Nizam, I. (2016) Many employees are motivated by their peers in the organization. They often feel challenged by the work of others, which motivates them to improve their own work to become more like a hero, and this study took a long time to prove that heroes have a significant impact on work performance.

2.3 Work Environment – Work Performance

Gunaseelan, R., & Ollukkaran, B. A. (2012) Internal and external policies, regulations, culture, resources, work relations, jobs, and environmental factors all influence how people perform their jobs. The quality of an employee's office environment greatly affects their motivation and subsequent performance. How well people relate to an organization, especially the environment around them, has a significant impact on

error rates, innovation and collaboration with other employees, absenteeism, and work hours.

2.3 Conceptual Framework

This research analyses the relationship between the different factors that affect the employee's will to perform well within the organization. By understanding these factors that affect work performance, any organization can optimize the productivity of its employees. The variables in this research include work environment, work culture, and leadership style as independent variables, and work performance as the dependent variable.

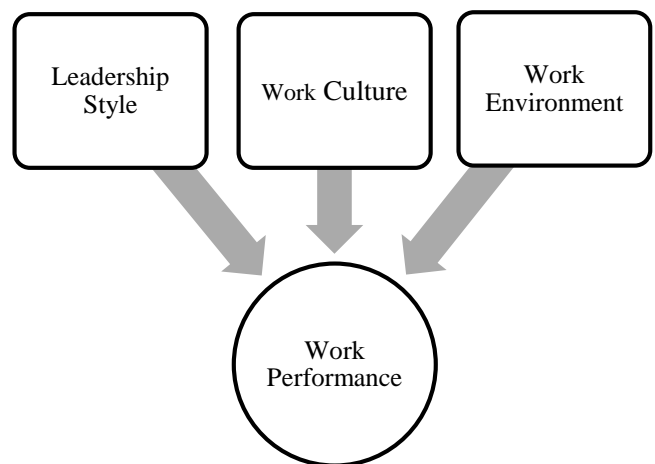


Fig.1

3. Research Objective

The primary objective of the present research study is to examine the influence of work style culture, work environment, and leadership style on work performance.

4. Research Hypotheses

The hypotheses that were framed for this study are: -

H1: There is a significant impact of Leadership Style on work performance.

H2: There is a significant impact of Work Culture on work performance.

H3: There is a significant impact of the Work Environment on work performance.

5. Research Methodology

This research aims to study the influence between work culture, work environment, and leadership style on work performance. Exploratory research has been applied to focus on the characteristics of the population that are being taken into consideration. Primary Data was collected from 90 respondents through a convenient sampling technique and snowball sampling technique by an online questionnaire on Google Forms. All the respondents were working in a fabrication company located in Govindpura Industrial Area, Bhopal. The online questionnaire consisted of 5 sections, and a five-point Likert Scale was used for evaluating the results. The first sections consisted of demographic data and the other 4 sections collected data regarding the independent and dependent variables used in this research. To determine the sample size that is needed for this research study, G*Power (Version 3.1.9.7) was used. To assess the reliability of the responses that have been collected, Cronbach's α Coefficient for all the variables was tested. The Correlation heatmap and Cronbach's α Coefficient were computed using Jamovi (Version 2.3.15.0). As the research study aims to understand the influence of the independent variables (Work Culture, Work Environment, and Leadership style) on the dependent variables (work Performance), PLS-SEM (Partial Least Squares Structural Equation Modelling) was studied using SmartPLS (Version 4) software.

The Results from the G*Power (Version 3.1.9).

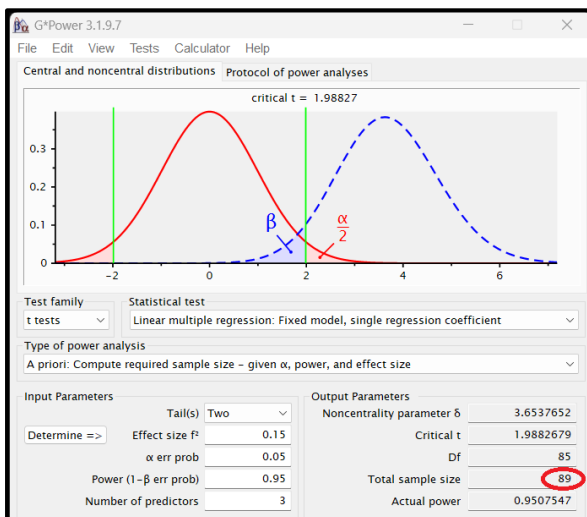


Fig.2 Results from the G*Power (Version 3.1.9)

The above-mentioned figure shows that the sample size which is 89 has been computed by the G*Power (Version 3.1.9.7), which was required for an accuracy of 95% and allowances for an error of 5%.

The Results of Reliability(n=30)

Part	Variables	Items	α -Coefficient	Results
1	Leadership Style	5	0.882	Pass
2	Work Culture	5	0.786	Pass
3	Work Environment	4	0.874	Pass
4	Work Performance	8	0.797	Pass

Table no. 1

All four variables Leadership Style, Work Culture, Work Environment, and work Performance, are greater than 0.6 ($\alpha \geq 0.6$), according to the table above. According to Peterson (1994), testing the question for each variable will be accepted only if the Cronbach's Coefficient test is greater than or equal to 0.6. The test results show that the value is greater than 0.60 in each case, indicating that the questions are reliable and appropriate for the study. Furthermore, Griethuisen et al. (2014) state that the acceptable value is typically 0.70. Given this, the questionnaire is acceptable because all six variables have values greater than 0.70.

6. Results and Discussion

6.1 Demographic Profile

Demographic Factors	Freq.	% Of total	Cum.%
DQ.1 Age			
22 yrs. - 25 yrs.	76	84.4 %	84.4 %
26 yrs. - 30 yrs.	4	4.4 %	88.9 %
31 yrs. - 35 yrs.	2	2.2 %	91.1 %
36 yrs. - 40 yrs.	2	2.2 %	93.3 %
41 yrs. and above	6	6.7 %	100.0 %
DQ.2 Gender			

Female	47	52.2 %	52.2 %
Male	43	47.8 %	100.0 %
DQ.3 Educational Qualification			
Bachelor's Degree	27	30.0 %	30.0 %
Diploma	1	1.1 %	31.1 %
Others	2	2.2 %	33.3 %
Post Graduate Degree	60	66.7 %	100.0 %
DQ.4 Power Hierarchy			
Freshers, Interns / Trainee	43	47.8 %	47.8 %
Low-Level Management	8	8.9 %	56.7 %
Middle-Level Management	31	34.4 %	91.1 %
Top Level Management	8	8.9 %	100.0 %
DQ.5 Tenure			
0-3 yrs.	64	71.1 %	71.1 %
10-20 yrs.	2	2.2 %	73.3 %
20-30 yrs.	2	2.2 %	75.6 %
3-5 yrs.	11	12.2 %	87.8 %
5-10 yrs.	11	12.2 %	100.0 %
DQ.6 Annual Income Slab (in INR)			
0 - 300,000	52	57.8 %	57.8 %
1,200,000 and above	6	6.7 %	64.4 %
400,000 - 600,000	24	26.7 %	91.1 %
700,000 - 1,200,000	8	8.9 %	100.0 %

Table no. 2

This section summarizes the demographic profiles of 90 respondents. The table above confirms that the majority of the 90 respondents were 47 female respondents (52.2%). Out of a total of 90 respondents, 43 (47.8%) were male. The majority of the respondents were 22-25 years old that were 76 people (84.4%) respondents. Only 6 (6.7%) of the respondents were over 41 years old. The majority of respondents, 60 (66.7%), are post-graduate degree holders. There were 27 undergraduate students, representing 30.0% of the total sample. Most of the respondents have advanced educational degrees in their field, they have basic experience in the field in which they work. In the hierarchy of authority within the organization, 43 people (47.8%) had the most freshers, trainees, and interns. This was followed by respondents at the middle manager level, who represented 34.4% of the total sample size with 31 respondents. In terms of

annual income, most respondents are in the range of Rs 0.00 to 300,000 INR (57.8%) and the lowest is 1,200,000 INR or more (6.7%). Income is also between 0 and 300,000 INR as most of the respondents are freshers, trainees, and interns. The majority of respondent time interval worked with their organization between 0 to 3 years, representing 64 (71.1%) of the total sample.

6.2 Confirmatory Factor Analysis

Variables	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Leadership Style	0.878	0.932	0.908	0.666
Work Culture	0.815	0.758	0.802	0.577
Work Environment	0.888	0.921	0.911	0.720
Work Performance	0.815	0.879	0.848	0.537

Table no. 3

The present study highlights the relationship between leadership style, work culture, work environment, and work performance. Confirmatory factor analysis was applied to examine the strength and legitimacy of the measurement model for all the constructs. The results indicated that the base model is acceptable as, in the majority of cases, the results exceeded the minimum required threshold, with results of Composite Reliability (Construct Reliability) being more than the threshold value of 0.70. The Average Variance Extracted (AVE) for each construct also exceeded the required threshold of 0.50. Moreover, the factor loadings of all indicator items are also more than the recommended threshold of 0.70, indicating that the measurement has sufficient convergent validity.

6.3 Discriminant Validity

Constructs	Leadership Style	Work Culture	Work Environment	Work Performance
Leadership Style	0.816			
Work Culture	0.646	0.759		
Work Environment	0.58	0.606	0.849	
Work Performance	0.315	0.365	0.086	0.733

Table no. 4

The above-mentioned table indicates that the discriminant validity has been achieved as all crossed-

construct correlations are lower than the square root of the AVE (Average Variance Extracted).

7. Hypotheses Testing

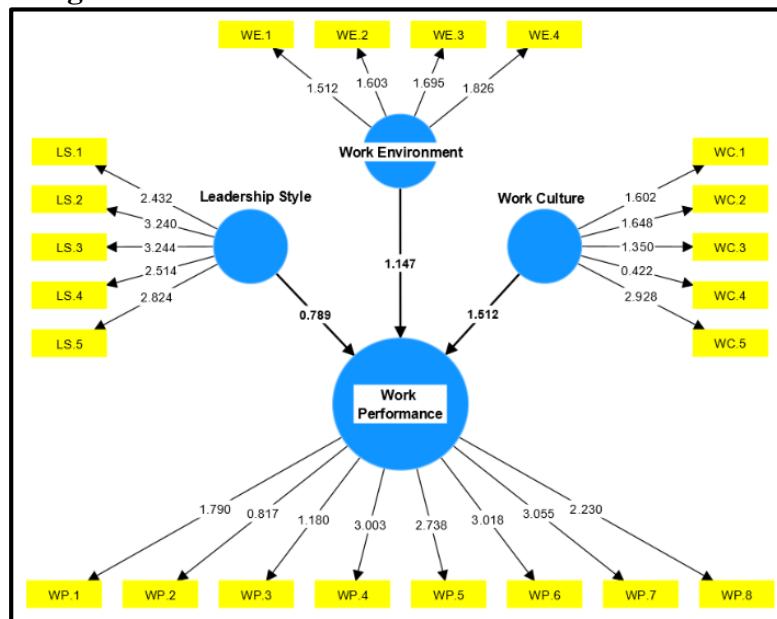


Fig.3

Results of the Structural model

Hypotheses	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Supported
H1: There is a significant impact of Leadership Style on work performance.	0.227	0.232	0.287	0.789	0.43	Yes
H2: There is a significant impact of Work Culture on work performance.	0.388	0.338	0.257	1.512	0.13	Yes
H3: There is a significant impact of the Work Environment on work performance.	-0.28	-0.04	0.244	1.147	0.251	Yes

Table no. 5



8. Conclusion

Table no. 5 mentioned above indicates that all the hypotheses in this research study have P-values higher than the value of 0.001, thus indicating that they have a significant impact on the work performance of an employee. The research helps to understand that the leadership style has a 43% (0.43*100) impact on work performance; the work environment has a 13% (0.13*100) impact on work performance and the work culture has a 25.1% (0.251*100) impact on the work performance. In addition, it was also found that there are other factors too that impact work performance which is 18.9% (100% - {43%+13%+25.1%} = 18.9%).

9. Limitation & Further scope of study.

During the present research study following limitations were found:

1. The research study basically acts on the niche fabrication sector of Govindpura Industrial Area, Bhopal. Which cannot be presumed to represent the entire fabrication sector.
2. The sample size was too small, due to time constraints.

With regards to further scope of the study, extensive research can be conducted, keeping in mind the above-mentioned limitations. Moreover, a cross sectoral comparison can also be done to make the research more meaningful.

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