

ROLE OF MANAGER'S LEADERSHIP STYLE ON SALES EXECUTIVES PERFORMANCE AND SATISFACTION IN PHARMACEUTICAL SECTOR, KERALA

Arun Vijay,

Ph.D. Research Scholar in Management, Karpagam Academy of Higher Education, Coimbatore – 641 021.

Dr.V.Krishnaveni,

Professor, Department of Commerce, Karpagam Academy of Higher Education, Coimbatore – 641 021

ABSTRACT

For the effective functioning of an organization leadership have a huge role to play. For achieving organizational goal, the bottom-line employees and leadership need to work with tandem. So, it is important to keep a positive relationship among the employees in the industry particularly in the sales sector. The current study is discussing about the effectiveness of pharmaceutical managers guidance approach on sales executive's performance outcome and satisfaction in pharmaceutical sector in Kerala. For effective development and achieving organizational milestones requires a suitable leadership style. Different managers are adopting different style of approaches for managing their employees. In the recent years pharmaceuticals industry is witnessing outstanding business performance in India, especially in Kerala. For continuing these results, for any business organization the employee performance and satisfaction is a prime factor.

Keywords: Leadership Style, Employee Performance, Satisfaction, Organizational Performance

INTRODUCTION

Leadership style is observed as leader's practice of providing inputs, executing plans and motivating the team. In the present scenario, highly competitive and volatile market, the leadership is considered as an important role in a business organization which determines the success and failure of a company. The effective accomplishment of a firm is heavily relying upon the directive authority such as leadership team and their role is to handle the team successfully. Leaders who decides the ethical values, work culture and employee motivation programmes in an organization. A successful leader is the one who can influence the subordinates through effective utilization of company resources to achieve the goals of the organization and also, he needs to ensure the improved performance of each individual. Employee performance and organizational performance is proportional in sales sector. It is important for the business organization to ensure the high productivity and employee performance.

Leadership style is the most discussed and researched subject in organizational behaviour. Companies appoint leaders in top position in view of they could be able to perform their duties effectively and efficiently. Each leader has their own unique style of managing team members. In the recent years pharmaceutical and allied sectors had shown a rapid growth in Kerala. Pharmaceutical Sales promotion employees act as a vital link between the customers and the company. They need to perform various tasks in the field. The business outcome mainly depends on the efforts made by the sales executives in the field. Leadership had a huge role to play in motivating and improving the productivity of these professionals. In pharmaceutical sector there exist mainly three types of leadership style that are:

1. Autocratic Leadership

This sort of leadership in which all the decisions and contributions are made from an individual with little or no input from the team members.

2. Democratic Leadership

These are the category of guidance in which leadership takes input from their team members mainly participatory.

3. Laissez-Faire Leadership

In these set of leadership which ensures the superiors to allow their team members for making decisions and perform duties. In these types of leadership style superiors gives full freedom to their team members.

REVIEW OF LITERATURE

Madann (2015) identifies the factors influencing leadership and productivity of workers. The study suggests the ways for improving the productivity of employees with effective leadership. The study reveals that leaders need to encourage their employees for improving their productivity and performance.

Haq and Kuchinke (2016) in their article evaluate the influence of superior's leadership approach strategy on subordinate's work performance results in banking segment. This article indicates that banking sector needs to adopt productive management governance programs for improving the efficiency outputs of bank employees.

Aloderiene and Majauskaite (2016) in their study discusses about the leadership gaps and satisfaction issues in higher education institutes. The study illustrates that the nature of effective leadership is a crucial factor in determining the satisfaction levels in higher education sector, as it directly affects organizational performance.

Basit et al., (2017) in their article investigates the effectiveness of guidance approach of management on the worker’s performance in private and governmental agencies. The results of the study indicate that the democratic leadership which provides qualitative performance outcome of subordinates.

Soodan and Pandey (2017) in their study examined the effect of management’s leadership approach towards employee’s job satisfaction level in Non-Government Organizations. The result of the study reveals that participative leadership had a huge role to play in deciding the good work culture in the NGO system. The study recommends that participative leadership should be an ideal choice of leadership style that the managers need to follow in NGO sector.

STATEMENT OF THE PROBLEM

Several organizations in pharmaceutical sector facing a problem of leadership style strategy. In pharmaceutical sectors sales promotion employees is an integral part of business performance. They are performing various tasks such as customer handling, distributor handling, administration and conducting customer engagement meetings etc. Their business performance and satisfaction level directly affect the organizational performance. Sales executives are a familiar face among customers as he is the representative face of his company. Retaining a sales executive is an important factor for the organization. It has been seen that in the recent years the attrition rate in this sector is high. Hence it is important in identifying the guidance style has any role in determining the satisfaction and performance outcome of sales executives in pharmaceutical segment.

SCOPE OF THE STUDY

The study was performed by understanding the role of manager’s guidance style on sales executive’s performance outcome and satisfaction level in pharmaceutical sector. This was done by collecting the information of sales executive’s socio-economic profile and the type of leadership style of managers in their company they are working in the state of Kerala.

PROFILE OF THE STUDY AREA

The study was conducted in the state of Kerala. Various companies are operating in pharmaceutical sector in Kerala which includes Kerala based companies, Indian multinationals and foreign multinational companies.

RESEARCH METHODOLOGY

This paper is based on a descriptive research method and it is having primary and secondary data. The primary data is gathered from sales executives who are working in pharmaceutical sector in Kerala and the secondary data was collected from various online reports and journals. The data was collected from 80 sales executives. The statistical tools applied for the study includes Chi-Square tests and frequency percentage tests.

DATA ANALYSIS AND INTERPRETATION

*Table 1
Demographic Details*

S.No	Particulars	Classification	Number of Respondents	Percentage
1	Age	21-30	18	22.5
		31 -40	51	63.75
		41-50	9	11.25
		Above 50	2	2.5
2	Gender	Male	71	88.75
		Female	9	11.25
3	Area of Residence	Urban	18	22.5
		Semi Urban	41	51.25
		Rural	21	26.25
4	Educational Qualification	Graduate	61	76.25
		Post Graduate	19	23.75
5	Marital Status	Single	21	26.25
		Married	59	73.75
6	Years of Service	Up to 5	16	20

		6-10	22	27.5
		11-20	35	43.75
		Above 20	7	8.75

Among 80 sales executives in pharmaceutical segment, Majority of the sales executive's age ranges from 31-40 and it is 63.75 percent. Majority of the sales executives are male employees and it is 88.75 percent. Majority of the sales executives are residing in semi-urban regions and it is 51.25 percent. The educational qualifications of the sales executives, majority of them are graduates and it is 76.25 percent. The marital status of the sales executives is, majority of them are married and it is 73.75 percent. Most of the sales executives are having an experience of 43.75 percent.

Role of Nature of Leadership on Sales Executives Performance

To evaluate if pharmaceutical managers leadership style is related with sales executive performance outcome, the following hypothesis is formed and is tested.

Ho: Nature of leadership is not related with sales executive's performance

Table 2
Nature of Leadership and Employee Performance

Nature of Leadership Style	Employee Performance			Total
	Low	Moderate	High	
Autocratic	11	6	4	21
	(52.38)	(28.57)	(19.04)	(100.0)
Democratic	6	8	31	45
	(13.33)	(17.77)	(68.88)	(100.0)
Laissez-faire	2	4	8	14
	(14.28)	(28.57)	(57.14)	(100.0)
Total	19	18	43	80
DF:4	Chi-Square:17.513		P Value: 0.001	Significant

Sales executives who are working under democratic leadership shows high employee performance in pharmaceutical sector, however sales executives working under autocratic leadership shows low employee performance. Since, the calculated P value which is less than 0.01 and there exist a highly significant relationship among the role of manager's leadership style on sales executive's performance outcome. Hence, null hypothesis is rejected.

Role of Nature of leadership on Sales Executives Satisfaction

To evaluate if pharmaceutical managers leadership style is related with sales executive's satisfaction, the following hypothesis is formed and it is tested

Ho: Nature of leadership is not related with sales executive's satisfaction

Table No.3
Nature of Leadership and Employee Satisfaction

Nature of Leadership Style	Employee Satisfaction			Total
	Low	Moderate	High	
Autocratic	17	3	1	21
	(80.95)	(14.28)	(4.76)	(100.0)
Democratic	2	11	32	45
	(4.44)	(24.44)	(71.11)	(100.0)
Laissez-faire	1	2	11	14
	(7.14)	(14.28)	(78.57)	(100.0)

Total	20	16	44	80
DF:4	Chi-Square: 49.869		P Value:0.0001	Significant

Sales executives in pharmaceutical sector who are working under laissez-faire leadership have high level of employee satisfaction; however, sales executives working under autocratic leadership have low level of employee satisfaction. Since the calculated result of P value is less than 0.01 and there exists a highly significant relationship between the pharmaceutical manager’s leadership style and sales executive’s satisfaction. Hence, null hypothesis is rejected.

FINDINGS

- ❖ Majority of the sales executives in the pharmaceutical segment are in the age limit of 31-40 and it is 63.75 percent.
- ❖ Majority of the sales executives are male employees and it is 88.75 percent.
- ❖ Majority of the sales executives are residing in semi-urban regions which accounts for 51.25 percent.
- ❖ Majority of the sales executive’s educational qualification is graduation and it is 76.25 percent.
- ❖ Majority of the sales executives are married persons which accounts for 73.75 percent.
- ❖ Most of the sales executives having an experience of 11-20 years and accounts for 43.75 percent.
- ❖ Sales executives who are working under democratic leadership shows high employee performance
- ❖ Sales executives working under autocratic leadership shows low employee performance.
- ❖ Sales executives working under Laissez-faire leadership shows high employee satisfaction.
- ❖ Sales executives working under autocratic leadership shows low employee satisfaction.

SUGGESTIONS

The study reveals that autocratic leadership strategy is negatively affects the performance outcome and satisfaction level of sales executives who are working in the pharmaceutical segment. At the same time democratic leadership have positive effect on sales executive’s performance. The outcome of the study is an indicator for business organizations in pharmaceutical industry. Pharmaceutical companies need to collect all sorts of market information relevant to their marketing activity with the help of sales executives that will be done under democratic or laissez-faire leadership. Companies need to adopt a change in leadership style for achieving their organizational goal. Since sales executives are considered to be as an important functioning unit of a pharmaceutical sales mechanism, their employee performance and satisfaction have crucial role in organizational performance of a pharmaceutical company.

CONCLUSION

It is concluded from the study that pharmaceutical companies who are running under democratic leadership shows better employee performance and employee satisfaction. In these kinds of leadership style management accepts the input from sales executives, since they are gathering all the marketing information, competitor activity etc. Management is taking decisions on the basis of such kind of information and it is considered as an important activity in marketing. However autocratic leadership fails in such kinds of circumstances. They are not ready to take inputs from the sales executive that merely affects employee performance and satisfaction.

Future Scope of the Paper

This paper could be considered as a reference on the role of manager’s leadership strategy on sales executive’s performance in pharmaceutical sector. Additionally, it gives a reference on the influence of manager’s leadership strategy on sales executive’s satisfaction level in pharmaceutical segment. Moreover, the study can be expanded by researches on the role of manager’s leadership strategy on performance outcome and satisfaction levels in technological segments, challenges and problems faced by sales executives working in the pharmaceutical sector, work life balance of sales executives in pharmaceutical etc.

REFERENCES

1. Paracha, M.U., Qamar, A., Mirza, A., Hassan, I., & Waqas, H., Impact of Leadership Style (Transformational & Transactional Leadership) on Employee Performance and Mediating Role of Job Satisfaction Study of Private School (Educator) in Pakistan, Global Journal of Management and Business Research. 2012, 12(4): 55-64.
2. Uddin, M. J., Luva, R. H., & Hossain, S. M., Impact of Organizational Culture on Employee Performance and Productivity: A Case Study of Telecommunication Sector in Bangladesh, International Journal of Business Management. 2013, 8(2):63-77.
3. Shama, D., Leadership Management: Principles, Models and Theories, Global Journal of Management and Business Studies.2013, 3(3):309-318.

4. Madaan, S., Impact of Leadership on Employees Productivity, *International Journal of Engineering Technology Science and Research*. 2015, 2(11):134-138.
5. Iqbal, N., Anwar, S., & Haider, N., Effect of Leadership Style on Employee Performance, *Arabian Journal of Business and Management Review*. 2015, 5(5): 1-6.
6. Aloderiene, R., & Majauskaite, M., Leadership Style and Job Satisfaction in Higher Education institutes, *International Journal of Educational Management*. 2016, 30(1): 140-164.
7. Haq, M. A., & Kuchinke, K. P., Impact of Leadership Styles on Employees Attitude towards their Leader and Performance: Empirical Evidence from Pakistani Banks, *Future Business Journal*. 2016, 2: 54-64.
8. Basit, A., Sebastian, V., & Hassan, Z., Impact of Leadership Style on Employee Performance (A Case Study on a Private Organization in Malaysia), *International Journal of Accounting and Business Management*. 2017, 5(2):112-130.
9. Soodan, V., & Pandey, A., Impact of Leadership Style on job satisfaction of NGO Employees in Uttarkhand-India, *International Journal of Management & Social Sciences*. 2017, 6(1):6-12.
10. Balakrishnan, L., & Raman, R., Leadership Styles and its Efficacy on Employee Job Satisfaction and Work Effectiveness in Manufacturing Organizations- A Critical Review, *International Journal of Business and management Invention*. 2017, 6(12):43-46.