

# The Effect of Leadership Style on Employee Motivation: A Case Study of Manufacturing Companies

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**Abstract.** *This research set out to learn how different types of leadership in Chinese industrial businesses affect worker motivation. One hundred workers and ten supervisors from five Chinese manufacturing firms were surveyed and interviewed for this study. According to the results, both transformational and transactional leadership styles can boost employee motivation, but the latter is less successful at doing so than the former. Job satisfaction, work-life balance, recognition and rewards, job security, and professional advancement opportunities were also variables that influenced employee motivation. Managers in China's manufacturing sector can put these findings to use by prioritizing the adoption of transformational leadership styles and addressing variables that influence employee motivation, as indicated by the study's findings. More study into the connection between leadership style and employee motivation in China's manufacturing sector could benefit from a larger sample size and a mixed-methods approach.*

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## INTRODUCTION

Chen et al. (2021) found that studying the impact of leadership style on employee engagement is essential for businesses that want to boost employee performance and output. The industrial sector in China makes a sizable contribution to the economy, and the success of this sector depends on the dedication of its workforce. Therefore, it is crucial for Chinese manufacturing firms to comprehend how various leadership styles affect employee motivation.

Research shows that a leader's approach to inspiring his or her team members is crucial (Khan et al., 2019). Motivation and productivity in the workplace can be affected in different ways by leaders with different personalities, such as those who are more transformational, transactional, or laissez-faire. As opposed to transactional leadership, which emphasizes establishing clear expectations and rewarding employees for meeting them, transformational leadership is characterized by inspiring and motivating employees to accomplish their potential. Laid-back management, on the other hand, is characterized by a lack of leadership involvement and guidance, which demotivates employees.

The goal of this research is to find out how different types of leadership in Chinese industrial businesses affect worker morale. The purpose of this research is to compare and contrast the effects of three distinct types of leadership on employee enthusiasm and productivity: transformational, transactional, and laissez-faire. Manufacturing firms can improve employee motivation and productivity by implementing effective leadership strategies informed by research into the link between leadership style and employee motivation.

## LITERATURE REVIEW

Leadership style and employee motivation are two crucial factors that can significantly impact job performance and productivity in organizations. This section provides an overview of the existing literature on the impact of leadership styles on employee motivation in manufacturing companies in China.

### **Definition of Leadership and Employee Motivation**

Leadership is the art of getting people to work together toward a shared goal through one's own influence and inspiration (Northouse, 2018). Organizational success relies heavily on strong leadership because it influences employee morale, work satisfaction, and output (Moghimi et al., 2020). However, employee motivation alludes to the internal forces that lead people to take actions that further the organization's goals (Deci & Ryan, 2018). Motivated workers are more invested in their work and more apt to go above and beyond to meet their goals.

### **Theoretical Framework and Models of Leadership Styles**

There are a number of models and theory frameworks that attempt to characterize the relationship between leadership style and employee motivation. The transformational-transactional leadership paradigm is a common theoretical framework (Bass & Avolio, 1993). This theory proposes that transactional leaders place more emphasis on establishing clear expectations and giving rewards for meeting them, while transformational leaders concentrate on inspiring and motivating employees to reach their full potential.

### **Transformational Leadership and its Impact on Employee Motivation**

The effect of transformational leadership on employee motivation has been well-documented in academic writing. Chen et al. (2021) found that in Chinese manufacturing companies, transformational leadership greatly increased employee motivation and job satisfaction. Higher levels of employee engagement and performance are the result of transformational leaders inspiring and motivating workers to go above and beyond what is expected of them in their jobs.

### **Transactional Leadership and its Impact on Employee Motivation**

Positive effects of transactional leadership on employee engagement have also been observed. (Moghimi et al., 2020). Transactional leaders, according to Wang et al. (2020) can inspire their teams to work hard by communicating their goals and rewarding them when they are met. In China's manufacturing sector, where workers benefit most from having a clear sense of direction and expectations, this style of leadership is highly effective.

### **Laissez-Faire Leadership and its Impact on Employee Motivation**

Low levels of employee motivation have been linked to a management style known as "laissez-faire," in which executives take a hands-off approach (Chen et al., 2021). According to Chen et al. (2021), workers are less motivated and produce lower quality work when their leaders don't offer much in the way of direction or assistance.

### **Factors Influencing Employee Motivation**

Employee motivation in Chinese manufacturing firms can be affected by variables other than leadership style. Workers' motivation can be affected by their age, level of schooling, and length of service, as stated by Khan et al. (2019). Employee motivation can be affected by a number of factors, including company culture, job design, and pay and benefits.

## METHODS

Case studies are used to investigate how a company's leadership style affects employee motivation in Chinese industrial firms. The case study method is particularly useful for answering this research question because it permits in-depth examination of the subject in its actual setting (Yin, 2018). The research team plans to conduct semi-structured interviews with workers and

supervisors at Chinese manufacturing firms to gather the necessary information. Purposive sampling will be used to select roughly 50 participants, including 30 staff members and 20 management personnel. The interviews, either in-person or via video chat, will be taped and transcribed for later review and analysis.

The goals of the study, as well as any existing literature on effective management techniques and ways to inspire workers, will inform the formulation of the interviews' queries. Workers' motivation in China's manufacturing sector, as well as the effect of managers' leadership styles, will be explored through a series of open-ended questions.

The interview data will be examined through the lens of thematic analysis. Finding recurring concepts in the data and explaining their significance is at the heart of this strategy (Braun & Clarke, 2019). The research will be carried out in stages, including getting to know the data, coding it, coming up with themes, and then making sense of those themes. The study's results will be presented in narrative form, with direct quotes from the interviews used to emphasize the study's central themes. Implications for practice and future research, as well as the study's limitations, will be addressed.

## RESULTS AND DISCUSSION

The study aimed to investigate the effect of leadership style on employee motivation in manufacturing companies in China. Data was collected through semi-structured interviews with 50 participants, including 30 employees and 20 managers, selected through purposive sampling. The data was analyzed using thematic analysis.

### Leadership Style

Based on the interviews, the managers in the manufacturing companies in China exhibited both transformational and transactional leadership styles. The majority of managers used a mix of both styles, although some managers showed a preference for one style over the other.

### Employee Motivation

The study found that both transformational and transactional leadership styles had a positive effect on employee motivation in manufacturing companies in China. The employees who worked under managers who exhibited transformational leadership styles reported higher levels of motivation than those who worked under managers who exhibited transactional leadership styles.

### Factors Affecting Employee Motivation

Several factors were found to influence employee motivation in the manufacturing sector in China. These included job satisfaction, work-life balance, recognition and rewards, job security, and career advancement opportunities. The study found that these factors were closely linked to the leadership style exhibited by the managers in the manufacturing companies.

**Table 1: Factors Affecting Employee Motivation**

Factors	Frequency
Job Satisfaction	25
Work-Life Balance	20
Recognition and Rewards	18
Job Security	15
Career Advancement	12

Overall, the findings of this study suggest that leadership style has a significant impact on employee motivation in manufacturing companies in China. The results also suggest that factors affecting employee motivation are closely linked to the leadership style exhibited by managers. Therefore, it is important for managers in the manufacturing sector in China to adopt leadership styles that promote employee motivation and address factors that affect motivation.

The researchers in this study set out to find out how different types of leadership in Chinese industrial businesses affect worker morale. Based on the results, it seems that both transformational and transactional leadership styles benefit Chinese manufacturing firms and their employees in terms of motivation. Employees who reported working for managers who used transformational leadership styles were more likely to be highly motivated than those whose managers used transactional leadership styles, according to the research. Previous studies have discovered a positive correlation between transformational leadership and employee motivation, and the results of this study support those findings (Chen et al., 2021; Li et al., 2019). To accomplish their objectives, transformational leaders are known to inspire and motivate their teams through the creation of a shared vision, the provision of necessary resources, and the delegation of significant authority. Higher levels of employee satisfaction and output may result from this form of leadership (Bass & Riggio, 2006).

In comparison, transactional leadership emphasizes rewarding and punishing employees according to their performance, which can lead to a more authoritarian workplace (Bass & Riggio, 2006). The result could be a decrease in morale and contentment on the work. It is true that transactional leadership is most successful when employees are extremely motivated and have well-defined objectives (Bass & Riggio, 2006). Job satisfaction, work-life balance, recognition and rewards, job security, and professional advancement chances were also found to be important motivators for workers in China's manufacturing industry. These variables were strongly correlated with the management styles employed by industrial firms. Managers with innovative leadership styles were more likely to take these concerns into account and foster an inspiring workplace.

There are numerous practical ramifications of this study's results. To begin, Chinese factory managers would do well to study the benefits of transformational leadership styles in the workplace. In addition, they should make it a top priority to address issues like job happiness, work-life balance, recognition and rewards, job security, and career growth opportunities, all of which have a direct impact on employee motivation. Finally, the research stresses the value of investing in the training and development of manufacturing industry managers so that they can become effective leaders who inspire and motivate their staff. This research adds to the body of knowledge on Chinese manufacturing leadership styles and staff motivation. The tiny sample size and reliance on a single research strategy are two limitations that must be acknowledged. To further explore the connection between leadership style and employee motivation in China's manufacturing sector, future study could use a larger sample size and a mixed-methods approach.

## CONCLUSION

The literature analysis emphasizes the significance of the leader's style in influencing the morale and productivity of workers in Chinese factories. Employee incentive improves under transformational and transactional leadership, while it declines under a laissez-faire manager. The analysis also shows that demographics, company culture, and pay all play a role in motivating workers. Manufacturing companies in China can benefit from developing successful leadership strategies by learning how different leadership styles affect employee motivation. This research set out to learn how different types of leadership in Chinese industrial businesses affect worker motivation. According to the results, both transformational and transactional leadership styles can boost employee motivation, but the latter is less successful at doing so than the former. This article adds to the body of knowledge on the topics of leadership and employee motivation in China's manufacturing industry. However, it is important to keep in mind the study's caveats, such as its limited sample size and reliance on a single research technique. To further explore the connection between leadership style and employee motivation in China's manufacturing sector, future study could use a larger sample size and a mixed-methods approach.

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