

THE INFLUENCE OF LEADERSHIP STYLES, WORK MOTIVATION AND WORKING ATMOSPHERE FACTORS TOWARDS ORGANIZATIONAL PERFORMANCE IN THE AUTOMOBILE INDUSTRY IN THAILAND

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Abstract

This research aims to understand the factors influencing organizational performance in the automobile industry in Thailand. The three independent variables of this study to understand the dependent variable of organizational performance are the leadership styles, work motivation, and working atmosphere. Sub-variables to test for included three types of leadership styles (Transformational, Transactional, Delegative). The sub-variables for work motivation consisted of achievement, satisfaction, and rewards. The sub-variables for working atmosphere included communication, psychological safety, and work-life balance. Quantitative research was adopted to collect the data from the 400 respondents which included 181 females and 219 males who have been working for the automobile industry in Thailand. Also, for this study, convenient (online) sampling method was used to collect the survey using Google forms. The questionnaire comprises multiple choices for demographic data and a five-point Likert scale for independent and dependent variables. The statistical software used for analyzing data includes descriptive and inferential analysis. The results of the study showed that all the hypotheses proposed were supported. The results revealed that there is a significant effect between the independent variables (leadership styles, work motivation, and working atmosphere) and the dependent variable (organizational performance).

Keywords: Leadership styles, work motivation, working atmosphere, organizational performance

Introduction

Hiring and retaining employees is becoming increasingly challenging. Many employees feel that management hasn't taken significant steps to reduce turnover, which affects those with 1 to 5 years of experience. Human Resources Management (HRM) plays a crucial role in addressing this issue, especially in a volatile and uncertain world.

The rapid shift to electric vehicles underscores the importance of Knowledge Management (KM) and HRM in the automotive industry. KM involves sharing and visualizing tacit knowledge within the company, contributing to the success of the industry. Rodrigo A. (2011) argues that while skills can be taught and developed, the core of organizational performance lies in its people. By ensuring the right strategy, structure, and individuals are in place, an organization can enhance its performance and achieve its desired future. Effective leadership is essential in navigating these changes. Work motivation is another critical factor,

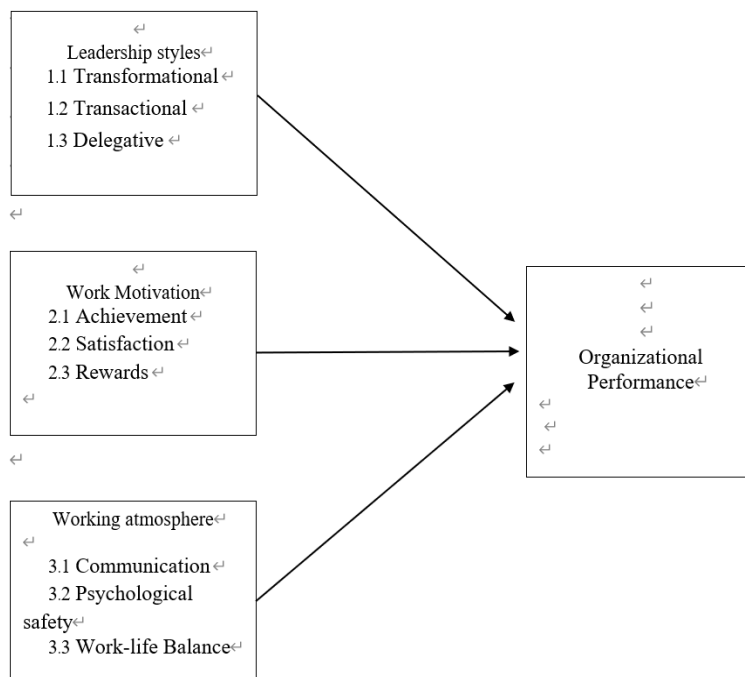
driving enthusiasm and collaboration. American psychologist McClelland (1961) suggested that the achievement motive compels individuals to seek out situations that moderately challenge their abilities, leading them to perform better and feel more confident in their success. Also, Manzoor, Wei, and Asif (2021) discovered that intrinsic rewards greatly enhance both employee motivation and performance (Manzoor, Wei, & Asif, 2021). Fear of missing out (FOMO) also impacts motivation. Working Atmosphere is also important to consider improvement of organizational performance. According to Chandrasekar (2011), the workplace environment plays a crucial role in motivating employees to perform their tasks, and in today's competitive business environment, money alone is not a sufficient motivator for enhancing workplace performance (Chandrasekar, 2011). Teamwork and communication are vital, with younger employees needing psychological safety to express their concerns. The automotive industry is undergoing significant transformation, requiring adaptable human resources. Organizational performance, influenced by leadership styles, work motivation, and workplace atmosphere, is key to success. This study examines these factors in the context of the automotive industry.

Objective of the study

1. To study the impact of leadership styles factors (Transformational, Transactional and Delegative (Laissez-Faire)) on organizational performance.
2. To study the impact of work motivation factors (Achievement, Satisfaction, Rewards) on organizational performance.
3. To study the impact of working atmosphere factors (Communication, Psychological safety, Work-life balance) on organizational performance.

Scope of the study

Conceptual Framework



Hypotheses Test

1. H1 is that Leadership Styles (Transformational, Transactional, and Delegative) have a significant impact on Organizational performance.
2. H2 is that Work Motivation (Achievement, Job Satisfaction, and Rewards) have a significant impact on Organizational performance.
3. H3 is that Working Atmosphere (Communication, Psychological safety, and Work-life balance) have a significant impact on Organizational performance.

Literature Review

Item no.	Authors (Year)	Finding	Variables
1	Zárate (2011)	Organizational performance is heavily reliant on the people within the organization. Therefore, having the right strategy, structure, and individuals in the appropriate positions can enhance the performance level, helping the organization achieve its desired future.	Organizational Performance
2	Chukwusa (2018)	Autocratic leadership can be advantageous in situations requiring quick decisions without consulting a large group	Leadership styles
3	Rahbi, Khalid, & Khan (2017)	Authoritarian leadership can be harmful due to its dictatorial nature. This style of leadership stifles creativity and individuality, as these managers often believe they are always right.	Leadership styles Opposite result
4	McClelland (1961)	Individuals have three primary needs: the need for achievement, the need for affiliation, and the need for power.	Work motivation
5	Delecta (2011)	Work-life balance is an individual's ability to fulfill their work and family commitments, along with other non-work responsibilities and activities.	Working atmosphere

Methodology

Population and Sample

Population of samples is workers in the automotive industry in Thailand. Based on Yamane's table for sample size, selecting over 100,000 populations with 400 sample sizes is required to be collected with a precision level of +5% for reliability.

Type of Research and Tool

Quantitative research was adopted to collect the data from the 400 respondents, and the convenience sampling technique, which is a non-probability sampling method, was used to collect the data by using the Google forms. The questionnaire included 6 parts-Part 1: Screening question, yes/no question about whether respondents those who are working for the automobile

industry in Thailand or not, Part 2: Demographic data (9 questions for gender, age, marital status, education level, the number of companies they have been experienced, working position level, working seniority, the category of company they work for, and type of employment.), Part 3: Leadership styles factor (9 questions for Transformational leadership style, Transactional leadership style, and Delegative leadership), Part 4: Work motivation factor (9 questions for Achievement, Job satisfaction, and Rewards), Part 5: Working atmosphere factor (9 questions for Communication, Psychological safety, and Work-life balance), and Part 6: Organizational performance (10 questions) by using nominal, and ordinal scale for Part 2, and interval scale (The least 1 to the most 5) for Part 3-6.

Validity Test

The online questionnaire was checked for validity and approved by the advisor.

Reliability Test

30 samples, The data from the questionnaires were analyzed by using Cronbach's Alpha in the statistical software, with total reliability of 0.976. The required value to be accepted is 0.7-1.00.

Statistics

1. Descriptive statistics consisted of frequency, mean, and standard deviation.
2. Inferential statistics consisted of multiple regression analysis tests.

Result

Demographic Data

The most significant number of Gender is Male (54.75%), Age range is 36-45 years (45.25%), marital status is married (54.25%), the background of Education is Bachelors' Degree (66.5%), the number of companies where experienced is 3 -4. (32.75%). Most participants are staff (52.25%), working years of experience is more than 10 years (42.5%). Most participants are working for Auto-parts company (64.5%) as Full-time employees (93.0%).

Mean and Standard Deviation

- Leadership style Factors: (\bar{x} = 4.12, SD = 1.01), SATISFIED
- Work motivation Factors: (\bar{x} = 4.06, SD = 1.00), SATISFIED
- Working atmosphere Factors: (\bar{x} = 4.12, SD = 1.00), SATISFIED
- Organizational performance: (\bar{x} = 4.22, SD = 0.91), SATISFIED

Multiple linear regression

1. Leadership style vs Organizational performance: Supported with Adjusted R-square = .584, F = 187.336, *P \leq 0.05 (Transformational = .07, insignificance, Transactional = .001, significance, and Delegative = .001, significance)

2. Work motivation vs Organizational performance: Supported with Adjusted R-square = .685, F = 289.815, *P \leq 0.05 (Achievement = .001, significance, Satisfaction = .001, significance, and Rewards = .003, significance)

3. Working atmosphere vs Organizational performance: Supported with Adjusted R-square = .596, $F = 197.467$, $*P \leq 0.05$ (Communication = .001, significance, psychological safety = .001, significance, and Work-life balance = .002, significance)

Conclusion

Demographic Data

Most of the respondents were male and whose marital status is married in age range 36 – 45 years old who had the background in Bachelors' Degree. Most participants have been working in a company for more than 10 years as staff. Most of them work for auto-parts companies as Full-time employees.

Attitudes towards variables

● **Independent Variable 1: Leadership style Factors,** The most respondents satisfied with Transactional, followed by Delegation, and neutral with Transformational. Overall, participants were satisfied with Leadership styles' factors.

● **Independent Variable 2: Work motivation Factors,** The most of the respondents satisfied with Achievement, satisfaction, and Rewards. Overall, Participants were satisfied with the Work motivation Factors.

● **Independent Variable 3: Working atmosphere Factors,** The most respondents satisfied with the Communication, the psychological safety, and the work-life balance. Overall, participants were satisfied with the Working atmosphere Factors.

Hypotheses

● H1: Leadership Styles (Transactional, and Delegation) have a significant impact on Organizational performance, while Leadership style (Transformational) does not have a significant impact on organizational performance.

● H2: Work Motivation (Achievement, Job Satisfaction, and Rewards) have a significant impact on Organizational performance.

● H3: Working Atmosphere (Communication, Psychological safety, and Work-life balance) have a significant impact on Organizational performance.

Recommendation

The study looked for important variables and markers that affect an organizational performance at work. According to this study result, work motivation and working atmosphere have a greater influence on an organizational performance than leadership style factor.

Musheke and Phiri (2021) identified management styles and workplace conflicts as the main barriers to effective communication. They demonstrated that effective communication positively influences organizational performance. This finding supports my study result that to ensure employees are properly engaged and perform well, it is essential to focus on both work motivation such as setting achievement targets, job satisfaction, and rewards and the working atmosphere, including communication and psychological safety. American psychologist McClelland (1961) suggested that the achievement motive compels individuals to seek out situations that moderately challenge their abilities, leading them to perform better and feel more

confident in their success. This supports my recommendation. This result shows that our businesses must foster an environment where workers feel appreciated and recognized for their efforts. Employers or management people should offer sufficient communication and satisfaction toward achievement to guarantee employees are motivated because it is also recognized as a working atmosphere factor.

Lastly, the findings indicate that, based on a 5-point Likert scale, the total mean value and standard deviation of organizational performance are 4.22 and 0.910, respectively.

The result of the study demonstrated that each of the three independent variables are supported. In other words, organizational performance is influenced by factors such as leadership styles, work motivation, and working atmosphere. Bass & Riggio (2018) stated that transformational leadership has a favorable impact on organizational performance. Idris et al. (2022) also found that transformational leadership significantly enhances employee motivation and performance. Their study showed that companies in Makassar adopting this leadership style saw notable improvements in both areas. In contrast to the findings of Idris et al. (2022), my study indicates that transformational leadership does not have a significant relationship with organizational performance. Instead, it was found that transactional and delegative leadership styles exhibit a much stronger relationship and greater influence on organizational performance.

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