

Impact of Leadership Styles on Psychological Contracts of Employees in a Large Scale Manufacturing Industry

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Abstract

Globalization is highly influence to all over the world. As a result of that competition between the industries are increasing. Leadership needs to accomplish the goals which are matching with the competitive environment and motivating the grass route employees. To achieve the results psychological contract of employee is very important. The main problem is identifying the most suitable leadership style which can influence on psychological contracts of employees. The independent variable was leadership style and dependent was psychological contracts of employees. This was mainly focused about the transformational and transactional leadership styles. And also main psychological contract are relational and transactional. Purpose of this study is to assess the leadership styles of managers, to assess the level of psychological contract of employees, examine the relationship between leadership styles of managers and level of psychological contract of employees, and assess the impact of leadership styles on psychological contract of employees. The target population was operational level employees. The sample size was 100. The primary data gathering was done via two standard questionnaires. Namely, multifactor leadership questionnaire & psychological contract questionnaire. Descriptive analysis and linear multiple regression were used to analyze. This is very important study for the leaders of large scale manufacturing industries to identify the most important leadership styles which match with the employee psychological contract and build the sustainable competitive strategies in their organization to face the drastic changes in business environment.

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