

**LEADERSHIP STYLE AND ITS IMPACT ON ORGANIZATIONAL
PERFORMANCE OF CHAUDHARY GROUP
(A case Study in Nepalese Business Retail Sector)**

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Submitted to:

Office of the Dean

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*In partial fulfillment of the requirement for the Degree of
Master of Business Studies (M.B.S)*

Kathmandu, Nepal

April, 2014

RECOMMENDATION

This is to certify that the thesis

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**LEADERSHIP STYLE AND ITS IMPACT ON ORGANIZATIONAL
PERFORMANCE OF CHAUDHARY GROUP
(A case Study in Nepalese Business Retail Sector)**

has been prepared as approved by this Department in the prescribed format of the
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And found the thesis to be original work of the student and written in according to the prescribed format. We recommend the thesis to be accepted as partial fulfillment of the requirement for the degree of Master in Business Studies (M.B.S.).

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DECLARATION

I hereby declare that the work reported in this thesis entitled **LEADERSHIP STYLE AND ITS IMPACT ON ORGANIZATIONAL PERFORMANCE OF CHAUDHARY GROUP (A case Study in Nepalese Business Retail Sector)** submitted to the Office of Dean, Faculty of Management, Tribhuvan University, is my Degree of Master of Business Study (MBS) under the supervision of **Associate Professor Ramesh Raj Gauttam** Shanker Dev Campus, Faculty of Management, Tribhuvan University.

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ACKNOWLEDGEMENT

I wish to express my deep gratitude to **Associate Professor Ramesh Raj Gauttam** Shanker Dev Campus, faculty of management T.U. for his constant encouragement, guidance, valuable supervision and meticulous care from time to time. This thesis work would never have been completed without his inclusive observation that helped me a lot to get to wards the proper prospective and a clear insight. I express my deep sincere and special thanks towards him.

I would like to express sincere thanks to **Associate Professor Prakash Singh Pradhan**, Campus Chief of Shanker Dev Campus and **Professor Dr. Kamal Deep Dhakal**, Head of Research Department Shanker Dev Campus the library staff of Shanker Dev campus who helped me to prepare this Project Work and for his valuable suggestion.

I must thank senior staff of Chaudharya Group Pvt Ltd for their support and their valuable information /co-operation for providing me the data for the completion of this study.

Lastly, I am very much thankful to my friends almost everyone as well as my family for the encouragement and the support they have shown and given for the completion of this study.

.....

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ABBREVIATIONS

CG	Chaudhary Group
CGN	Chaudhary Group Nepal
SEEAI	Sound Equipments & Electrical Appliances Industries
C.O.	Company
Ltd	Limited
PVT	Private
USA	United State of America
CEO	Chief Executive Officer
MLQ	Multifactor Leadership Questionnaire
WWW	World Wide Web

CHAPTER- I

INTRODUCTION

1.1 Background of the study

This research study is very much important to identify the contribution of leadership towards the organizational performance increment of Chaudhary Group Nepal (CGN) which is one of the leading retail companies in the Nepalese and Indian marketplaces mostly in sub-continent. Organizational leadership condition is at significant levels in this company. This research study helps to identify its leadership style, evaluation of the leadership position of Chaudhary group Nepal, CG leadership styles in Chaudhary Group Nepal, benefits gained from the leadership aspect towards the performance of Chaudhary group Nepal and requirement changes about leadership consideration of Chaudhary Group Nepal. Therefore, this research study will be very important to improve the leadership style of Chaudhary Group Nepal to enhance better organizational performance in the Nepalese and the Indian retail marketplaces including south Asian as CGI.

1.1.1 Profile of Chaudhary group / Industrial background

Under the Rana Regime, the first row of shops along the popular Juddha Sadak (the present New Road) took shape. It was here that the founder Mr. Bhuramull Chaudhary was given a shop on a yearly rental fee of Rs. 200, which eventually increased to Rs 500. It was situated opposite the present Bishal Bazaar and dealt in textiles imported from various parts of India. The late Bhuramull Chaudhary having started his business in a humble manner by importing fabrics from India was also one of the few privileged businessmen permitted to enter the then Rana palace of Shri Shri Shri Judha Shumsher Jung Bahadur Rana. Mr. Bhuramull Chaudhary along with his son carried items from his shop to the palace with the help of several porters and arranged an open shop in the courtyard for the Queen, courtiers and the King's people. This operation functioned under the informal name of Bhuramull Lunkaran Das (those CGre the days when no registration of private business firms was required). After the demise of the founder, Mr. Bhuramull Chaudhary, young Lunkaran Das Chaudhary took over the reigns of the business at the age of 23 and took it to a whole new dimension. He embarked on a

lucrative business of exporting jute from Biratnagar to USA & Europe. He imported fabrics from Japan & Korea under the name of Bhuramull Lunkaran and Arun Impex (www.chaudarygroup.com).

Modern Hosiery Industries Pvt.Ltd.-1965 A modern hosiery industry producing high quality hosiery goods under the brand name of 'RHINO'. Although a pioneer in this field, the industry maintains its leadership by marketing its products competitively with imported substitute. Nepal Spinning, CGaving & knitting Pvt. Ltd: 1965 A modern textile unit manufacturing synthetic fabrics from imported yarn. This industry has been licensed to manufacture 6.3 million meters, process/finish 8.0 million meters of fabric and produce 1,166 meters of partially oriented yarn. Ratna Stainless Steel Pvt. Ltd. 1967 It was established in 1967 in Birgunj. It is a leading manufacturing unit of stainless steel utensils and tableware, which is also a semiautomatic plant.

This was the first ever-furnishing outlet in Nepal under the banner of Flooring and Furnishing Center. In a short time the center had setup several major branches all over the country and had also established linkages with leading manufacturers of flooring and furnishing materials from India as CGII as abroad. By this time, Mr. Lunkaran Das Chaudhary had carved for himself a niche in the fabric trade and this encouraged him to start Arun Emporium in 1968. This was the first and largest modern departmental arcade in Nepal with individual departments for ladies, gents, electronic and household goods. It was situated in Khichapokhari, the heart of the capital. The departmental arcade was marketing worldwide renowned products such as: Wain Shiel and Dormeuil Suiting's, Hilltop Blankets, Worldwide Electronic and Home appliances and also Christian Dior Cosmetics.

Arun Impex: 1970 One of the most active import/export firms of the 1970s, its import lines include among others, textile, construction materials, hardware, food stuff and spices. The Sole distributorship of a number of world known European manufacturers, include: Moulinex, S.A. France (manufactures of electrical household appliances); Max Factor, London (manufacturers of the world famous cosmetic products). Soon he diversified and established a construction company under the name of United Builders. It was arguably the foremost construction company of Nepal at that time. Some of the prestigious projects undertaken CGre Jor Ganesh

Press at Balaju, the first phase of the Soaltee Hotel, Janakpur Cigarette Factory and the road leading from Kathmandu to Trishuli. He envisioned the spurt of the Industrial Revolution in a country that the CGst hadn't even reached and knew little of. HoCGver, he saw the nation empocGred. Although Nepal was neither infra-structurally prepared nor geographically positioned to keep pace with the CGstern world, he persevered.

Today Chaudhary Group has over 40 Companies under its umbrella and an investment outlay of over \$1Billion. Being the first Nepalese organization to have a distribution network spanning the subcontinent, it has made substantial presence in South Asia's fiercely competitive Food and Beverages market. CG Food & Beverages products have been a common household name in Nepal for decades. With ISO 9002 certification, providing the lead, CG F&B products have crossed the borders to become a favourite in South Asian cities. The Group's progress over the last sixty-seven years has been a trial-blazer on the Nepalese horizon. In a land-locked, developing third world nation, this spells nothing short of very hard-earned success. Apart from also being a responsible citizen, Chaudhary Group forms an intrinsic part of every realm of life from Biotech, Cement, Education, and Electronics & White goods, Energy and Infrastructure, Financial Services, FMCG, Hotels & Resorts, Realty to Retail. Since its inception, Chaudhary Group has contributed to the upliftment of the nation's economy, equalizing the infrastructure and entrepreneurial capability of Nepal with other developing nations. As Nepal's investment potential progressively draws the attention of leading multinationals, Chaudhary Group continues to lead, harnessing global partnerships in core sectors and offering cost-effective procurement affiliation to corporate worldwide. The company offers its products and services through dealers, distributors, retailers, and suppliers. Chaudhary Group is based in Kathmandu, Nepal (www.chaudharygroup.com).

Achievement of chaudhary group

Chaudhary Group has achieved various distinctions of being the first in Nepal.

1. No. 1 corporate house in Nepal
2. 40 plus operating businesses with 6000 employees
3. Annual turnover of more than \$270 million
4. 1st multinational company in Nepal
5. 12 Global partners and associates

6. Presence in more than 20 countries
7. Wide network with 2000 distributors all over Nepal
8. Recognition from Forbes Asia
9. Reputation of having the largest or second largest yet fastest growing in all sectors of business it is present in.

Exports to India: The Group was the first to start processed food, i.e. Biscuits in North Eastern part of India competing against established names like Britannia and Parle.

Electronic: The Group's as CGII as Nepal's first electronic company in Sound Equipments & Electrical Appliances Industries (SEEAI) pioneered a range of fine audio products & home appliances.

Noodles: The Group is the first to set up a sophisticated and state of the art technology noodle plant with the technical collaboration with a Thai company in Nepal, which is amongst the biggest in South Asia.

Assembly Plant: The first television and radio assembly plant in Nepal.

Real Estate: The first real estate company to introduce modern concept of housing in Nepal.

Snacks: The first company to manufacture snacks.

Hospitality Sector: The first Global company in the hospitality sector.

ISO 9002: The first food production company to be awarded ISO 9002.

International Asia Award: The first company to be awarded the International Asia Award.

CG Mansion

With prospect to the nature, the economical and social structure of the country, CG, Chaudhary Mansion has facilitated the ways of life and has been thriving to introduce new products and services consistently according to the requirement and demand of the society. CG precepts the need of the people according to the time and so, has it fabricated novel and workable ideas for different sector. Apart from the business activities, CG has been deeply involved in serving the society largely under the community development sector of CG. CG investment in different sectors as follows:

Health Care (Norvic International Hospital, Norvic Centre for Holistic Treatment Pvt. Ltd, Midas Day Spa Pvt. Ltd.)

Investment & Speciality Sector (CG Entertainment Pvt. Ltd, CG SatCom Pvt. Ltd, Flexible Packaging Pvt. Ltd, CG World Remits Pvt. Ltd, Impact International)

Processed Food (Instant Meal Pvt. Ltd, Mahalaxmi Maida Mills Pvt. Ltd, Pashupati Biscuits Industries Pvt. Ltd. Pashupati Diet & Foods Pvt. Ltd.)

Agriculture (CG Seeds and Fertilizers Pvt. Ltd, Chaudhary Biosys (Nepal) Pvt. Ltd, Hetauda Dairy Industries Pvt. Ltd, CG Dairy & Livestock Pvt. Ltd).

Educations (Norvic International Hospital & Medical College Pvt. Ltd, Norvic College of Medical Sciences Pvt. Ltd, Norvic Institute of Technology Pvt. Ltd, Norvic Institute of Nursing Education Pvt. Ltd).

Community Development (Asian Initiative for Nutrition Development, Shree Lunkaran Das - Ganga Devi Chaudhary Charity Hospital, Shree Lunkaran Das - Ganga Devi Chaudhary Academy for Art & Literature, CG Foundation).

1.1.2 Core Values of Chaudhary Group

- **Integrity** - CG employ the highest ethical standards, demonstrating honesty and fairness in every action that CG take.
- **Accountability** - CG accept our individual and team responsibilities and CG meet our commitments. CG takes responsibility for all company performance in all their decisions and actions. CG celebrates success and sees failures as opportunities for growth.
- **Teamwork** - CG as part of a global team are committed to working together throughout the world by bringing together the best thinking from company professionals.
- **Innovation** - CG thrive on creativity and innovation. CG anticipates market trends and moves quickly to embrace them.
- **Excellence** - CG delivers what CG promise and adds value that goes beyond what is expected.
- **Quality** - Quality is integral to CG practices. Processes, documentation and audit systems are in place to ensure quality standards are maintained and practiced.

Vision & Mission

Vision

CG strives to be a global leader in customer value. CG recognizes and seizes opportunities for growth that builds upon our strengths and competencies.

Mission

- Understand consumer insights and meet their needs with safe, effective and world class products.
- Enhancing the value CG deliver to their customers.
- Develop a lasting relationship with CG customers.
- Recruit, develop, motivate and retain the best talents within the country; recruit if need be from abroad and provide them a challenging and demanding environment.
- Become globally competitive.
- Become the most admired company in Nepal.

Global Partners & Associates

Chaudhary Group has over the last 65 years forged nurtured and maintained global alliances and this growth has taken place through a deep understanding of local markets, people and customs.

Toshiba Corporation	Japan
LG Electronics Inc	South Korea
Thai Preserved Food Factory Co.	Thailand
Zinc Hospitality	Thailand
CrimsonLogic Pte. Ltd.	Singapore
AES Corporation	USA
Sab Miller	South Africa
CGstern Union Financial Services	USA
Manipal K-12 Education Pvt. Ltd.	India
Videocon Industries Ltd.	India
Onida	India
Kelvinator	India
Cinnovation Group	Singapore



(www.chaudharygroup.com)

1.1.3 Organizational performance and leadership style

Leadership is commonly defined as establishing a clear vision, communicating the vision with others and resolving the conflicts between various individuals who are responsible for completing the company's requisite vision. Management is the organization and coordination of various economic resources in a business. Leadership can have a significant impact on an organization & its performance. Leaders and followers share objectives. Leadership means that leaders work with their followers to achieve objectives that they all share. Establishing shared objectives that leaders and followers can coalesce around is difficult but worth the effort. Leaders who are willing to expend time and effort in determining appropriate goals will find these goals achieved more effectively and easily if followers and leaders work together. Leader imposed goals are generally harder and less effectively achieved than goals developed together. Managers and leaders are very distinct, and being one precludes being the other. Managers are reactive, and while they are willing to work with people to solve problems, they do so with minimal emotional involvement. On the other hand, leaders are emotionally involved and seek to shape ideas instead of reacting to others' ideas. Managers limit choice, while leaders work to expand the number of alternatives to problems that have plagued an organization for a long period of time. Leaders change people's attitudes, while managers only change their behavior (Zaleznik; 1997).

Poor directions means, poor leadership style would tend to reduce the organizational performance and vice versa. Therefore, leadership style gets company employees to achieve company objectives and goals which mean that company would be able to enhance better performance while meeting of vision and mission. Leadership encourages employees to

perform CG in the comfortable business environment. Employees are motivated to achieve particular group objectives under limited resources in a given time frame. Employee business functions will improve with better leadership style because leadership ensures the correction of employee poor business practice in an organization. Good leaders just don't do this. They recognize that inexperienced high-potentials will tend toward establishing unrealistic targets and may lose perspective as they strive to achieve them. Therefore, leadership style would be one main reason to enhance organizational performance said by Mills et al (2009: p. 121).

In order to increase the organizational productivity (performance) organizational adopted the different types of leadership style i.e. charismatic leadership, transactional leadership, transformational leadership, autocratic leadership, bureaucratic leadership and democratic leadership etc. However, organization followed the suitable leadership styles i.e. depend upon the nature and types of organization. for e.g. in a military organization there is need to autocratic leadership, public service organization adopted bureaucratic leadership and private service organization adopted transformational or democratic leadership etc. effective leadership style is the key indicator of organizational outcome. It is widely described in second chapter literature review.

1.1.4 Leadership style in Chaudhary Group Nepal

The management philosophy of chaudhary group is to creating value for the customer and provides the best services to CG customer, creating value for the nation's economy and management based on esteem for the human/ dignity. This is what CG considers as a major building block of CG organization and business. According to the information on company CG website (www.chaudharygroup.com, 2013) Chaudhary Group Nepal is an umbrella organization of more than 77 companies operating in Nepal with an investment outlay of over \$1 billion. Presently, it is being chaired by its president Mr. Binod chaudhary who is an influential entrepreneur as CGI as a highly renowned business leader in the Nepalese business. Its major productions are based on diverse sectors including biotech, cement, education, electronics and white goods, energy and infrastructures, financial services and FMCG, hotel and resort and realty to retail. It is helping in harnessing global partnership with multinational companies to develop Nepalese business. Team working environment ensures the proper leadership practice within the company. CEO, senior management, lower level management,

team leaders and employees share their experiences. Organizational leaders stimulate the employee roles and capabilities through better leadership abilities. From the top to the bottom of the leadership spread out the trustworthiness within an organizational employee environment. It is likely to apply the democratic leadership style in the CG organization. However, the Chaudhary group invested multi sector business. Hence, there is lack of one leadership style. According to chairman of CG, Binod Chaudhary shares his leadership styles, there is no consider informal relationship with employee and employee be fair with the leader i.e. transformational leadership style. Likewise, he also clarify that leadership is adopted business idea something special something creative in his recently published his own biography (Chaudhary; 2013: 322p).

1.2 Research questions

- What is the relationship between leadership and organizational performance of CGN?
- What are the suggestions given to improve leadership style of CGN?

1.3 Research Aim /Objectives

The aim of the research study is to analyze the impacts of leadership style on organizational performance of Chaudhary Group Nepal: evidence from a case study in the Nepalese retail sector. However other objectives are as follows:

- To define leadership styles those are in practice of CGN.
- To understand how organizational performance is measured, monitored and managed in CGN.
- To assess the strength of association between CGN's leadership styles and its organizational performance.
- To provide suggestions to improve leadership style of CGN.

1.4 Significance of the study

This study helps to explore the the impacts of leadership style has on organizational performance of Chaudhary Group Nepal: evidence from a case study in the Nepalese retail sector. Regarding the organizational competence, high performance leadership teams understand that their collective and individual behaviour casts a positive or negative shadow across the entire organization. And since employees tend to take their cues on what is

important and how to behave from their leaders, negative behaviour at the top creates negative behaviours far down into the organization, adversely impacting performance and productivity. Whether the leadership team is aware of it or not, their leadership styles cast a powerful shadow far into their organization. And actions speak louder than words! People watch the behaviour or styles of their leaders for clues as to what is accepted and what is not. If you want teamwork as a core value across the organization, it is better happen at the top or you won't achieve it anywhere in the company, even with the best teambuilding workshops. If two senior executives don't support each other, you can forget about cross departmental support and cooperation. It was this type of poor leadership shadow that led to the nuclear accident. Most of the organization performance is weak due to the lack of proper leadership styles. This study will be beneficial for the entire person who directly/indirectly related to national and multinational business. Likewise, it will give the information about the leadership styles and organizational performance of Chaudhary Group. Hence, it will definitely help to different organizational leaders, academicians, government, small and large businessmen (stakeholders). This study mainly focused how the organizational performance's effective or increased the productivity through an effective leadership style.

1.5 Limitation or validity of the study

As every research has its own limitation, this study is not biased. The research is done for the academic purpose. Therefore, this study has some limitations, which are listed below:

- Major portion of analysis and interpretation have been based on primary analysis through the questionnaire and information. Therefore, the consistency of findings & conclusion is strictly dependent upon the reliability of primary data & information.
- Chaudhary Group is multinational organization also. Hence the CG of Nepalese retail sector may not give exact result of overall organizational performance and leadership styles. Likewise, due to the investment of different sectors of CG, there may not be exact leadership style one in all.
- There is also time limit in research.
- Employees may provide incorrect responses due to several reasons such as to keep organizational security issues, fear of the company, misunderstanding of this research questionnaire, and lack of focus upon this study. Hence inaccurate responses will reduce the validity of research findings.

- **Secondary information** represents different market conditions, political conditions, organizational regulations, economic conditions etc. Therefore, secondary data will be different from a real organizational leadership scenario of CGN.

1.6 organization of the study

This research has been organized in five chapters as below.

Chapter – I Introduction:

The first chapter deals with introduction. This includes background, research question, objective of the study, significance of the study, limitation of the study and organization on the study.

Chapter - II Literature Review

This chapter has included conceptual framework i.e. theoretical review and empirical review. This chapter has been also considered that how this present studies are different from previous i.e. gap in literature.

Chapter - III Research Methodology:

This is the third chapter of the study in which research philosophy identifies the limitations of particular research methods and suitability of selected research methods to solve the research problem in a methodical manner. Hence research philosophy determines the most suitable research approach. It is the process of arriving at the solution of the problem through planned and systematic dealing with collection, analysis and interpretation of facts and figures. Various tools and techniques are used to analyze the data. Both quantitative and qualitative data will be used to investigate a research problem. The primary data collection method will be used to collect both quantitative and qualitative data while using survey strategy. The graphs, charts, data plots and other graphical methods will be used to present quantitative data of the research study.

Chapter – IV Data Presentation and analysis

In this chapter the data generated should be reported as completely and neutrally as is possible such that the reader can assess it easily. This chapter includes such tables and graphs that will

illustrate as findings. This chapter will also contain verbatim quotes from interviewees, or sections of narrative account that illustrate periods of unstructured observation i.e. primary survey known as field research. The purpose of this chapter is to present the facts. Thus, this is the body of research. This chapter presents the analysis clearly and logically. Likewise, it should be relevant to the research aim, research question(s) and objectives. Under this, the analyses are discussed with findings of primary research as meeting research obligation.

Chapter – V Summary, Conclusions and Recommendations:

This is the last chapter of the study in which summary of the whole text and main conclusions are drawn on the basis of findings and whether the objectives are fulfilled or not. Similarly, recommendation is made on the basis of findings as appropriate. It also offers several avenues for future research.

The exhibits bibliography and appendixes are incorporated at the end of the study.

CHAPTER- II

REVIEW OF LITERATURE

Literature on leadership and organizational performance can be broadly categorized into a number of important phases. First; study links between impacts of leadership style and organizational performance are discussed. Second, research into the organizational performance link is examined. Finally, combining the analysis of both organizational performance and impacts of leadership style are presented. Early studies on leadership (frequently classified as ‘trait’ studies on leadership) focused on identifying the personality traits which classified successful leaders. Trait theories have an assumption that successful leaders are ‘born’ and that they have certain innate qualities which distinguish them from non-leaders. However, the difficulty in categorizing and validating these characteristics led to widespread criticism of this trait approach, signaling the emergence of ‘style’ and ‘behavioral’ approaches to leadership. Style and behavioral theorists shifted the emphasis away from the characteristics of the leader to the behavior and style the leader adopted. The principal conclusion of these studies appears to be that leaders who adopt democratic or participative styles are more successful. In this sense, these early studies are focused on identifying the ‘one best way of leading’. Similarly to trait theories, the major weakness of style and behavioral theories is that they ignore the important role which situational factors play in determining the effectiveness of individual leaders (Misumi, 1985).

It is this limitation that gives rise to the ‘situational’ and ‘contingency’ theories of leadership. Although each study focuses the importance of different factors, the general tenet of the situational contingency perspectives is that leadership effectiveness is dependent on the leader’s diagnosis and understanding of situational factors, followed by the adoption of the appropriate style to deal with each circumstance. Exploration of the impact of Leadership styles and the relationship between these practices and organizational performance, were examined in a Chaudhary group in Nepalese context. The relationship between different leadership styles/ practices and organizational performance are suitable or not. Each leadership practice was found to have a different relative influence on organizational performance.

Practical implications of findings for leaders and organizations are discussed, and areas for further research are suggested by the help of literature review.

2.1 Conceptual Framework

Leadership is a critical management skill, involving the ability to encourage a group of people towards common goal. Leadership focuses on the development of followers and their needs. Managers exercising transformational leadership style focus on the development of value system of employees, their motivational level and moralities with the development of their skills. It basically helps followers achieve their goals as they work in the organizational setting; it encourages followers to be expressive and adaptive to new and improved practices and changes in the environment (Mill et.al. 2009).

Leadership has a direct cause and effect relationship upon organizations and their success. Leaders determine values, culture, change tolerance and employee motivation. They shape institutional strategies including their execution and effectiveness. Leaders can appear at any level of an institution and are not 203 *R. M. Ojokuku et al.* Assuming the essence of leadership is influence. leadership could broadly be defined as "the art of mobilizing others to want to struggle for shared aspirations" (Kouzes & Posner,1995:30). However, it could be argued this "influence, mobilization and struggle" is of little value in an organizational context unless it ultimately yields an outcome in line with the "shared aspiration" for leadership to be deemed successful. Creating results in today's ever changing and increasingly competitive world requires a very different kind of leadership from what was studied in the past. While leaders in the past managed perhaps complex organizations, this was in a world of relative stability and predictability. In today's globalized world, with organizations coping with rapidly changing environments, leaders face a new reality. Working in flexible contexts and connected by real-time electronic communication, increasingly mobile employees have themselves become the critical resource of their organizations. What is now needed are leaders who simultaneously can be agents of change and centers of gravity, keep internal focus and enable people and organization to adapt and be successful, while at the same time never letting go of the customer focus and external perspective (Furnham, 2002). Hence, the purpose of this study was to investigate the relationship between leadership styles practices on one side - and

organizational performance on the other side - in a contemporary Chaudhary group in Nepalese context.

Long before scientific management, and subsequently management science, evolved with Fredric Taylor around the turn of the 20th century, leadership has been eminent in written sources. In spite of a long written tradition, and thousands of studies, we still do not have a clear understanding of what leadership is and how it can be achieved. Leadership research in the 20th century has moved through different phases with many theories, addressing different aspects of leadership. The development of leadership theory has not kept pace with the changes in the nature of work and the implications of these changes for leadership. Leadership thus has become a growing theoretical smorgasbord where anyone can help themselves to whichever view one likes the best. A dominant approach in leadership research during recent years falls within the “New Leadership” domain, which is largely based on initial work by Burns (1978).

Bass (1985) developed the theory of transactional and transformational leadership. Along with a visionary approach and an analysis of the charisma phenomenon, transactional and transformational theory serves as the basis for a substantial portion of “New Leadership” research. Literature provides widespread support for transformational leadership, encompassing visionary and charismatic elements, being associated with higher performance, both for individuals, groups and organizations and across samples and cultures (Whittington, Goodwin & Murray, 2004). In the initial model of transactional/transformational leadership, leadership styles fell at either end of a single continuum. A transactional leader would be engaged in an exchange or a transaction where pay, status or other rewards are exchanged for work effort. While the transactional leader motivates subordinates to perform as expected, the transformational leader develops a closer relationship between him/her and followers based more on trust and commitment than contractual agreements. A transformational leader further builds self-confidence, self efficiency and self esteem in their followers, positively influence followers’ identification with group/organization and vision, and boost motivation and goal achievement. While some scholars view transformational leadership as a more of a “universal” theory (Kouzes & Posner, 2002a).

In the recent years organizations have gone through dramatic changes, including flatter and looser structures, downsizing, and horizontal approaches to information flow. These changes are due to rapid technological developments, global competition, and the changing nature of the workforce. Likewise, these organizational transformations and innovations are triggered by interventions such as total quality management and business process reengineering. Leadership is regarded as a critical factor in the initiation and implementation of the transformations in the organizations. If the leadership wants to engender a positive impact on individuals, teams, and organizations, both practitioners and researchers have suggested that earlier leadership paradigms such as directive versus participative leadership, consideration versus initiating structure, autocratic versus democratic leadership, and task versus relations-oriented leadership should be broadened.

Bass (1985) transformational and transactional leadership styles were built on prior classifications, such as relations-oriented versus task-oriented leadership and directive versus participative leadership. Transactional leadership motivates individuals primarily through contingent reward exchanges and active management by exception. Transactional leaders set goals, articulate explicit agreements regarding what the leader expects from organizational members and how they will be rewarded for their efforts and commitment, and provide constructive feedback to keep every person on task (Bass & Avolio, 1993). Accordingly, this study aims at providing an insight into various types of leadership styles which type of leadership results for better organizational performance and identifying as to out of transformational and transactional styles; and whether the level of performance varies in accordance with the position and the salary of the executives.

Burns (1978) first introduced the concepts of transformational and transactional leadership in his treatment of political leadership. Transformational leaders offer a purpose that transcends to reach short-term goals and focuses on higher order intrinsic needs. Transactional leaders, in contrast, focus on the proper exchange of resources. If transformational leadership results in followers identifying with the needs of the leader, the transactional leader gives followers something they want in exchange for something the leader.

Hetland and Sandal (2003) argued that transformational leadership complements transactional leadership and that effective leaders often supplement transactional leadership with transformational leadership. Implicit in this argument is the view that transformational leadership must be built on the foundation of transactional leadership. Indeed, Bass (1998) argued “transformational leadership does not substitute for transactional leadership” (p. 21). Avolio (1999) commented “transactions are at the base of transformations” (p. 37). Conceptualization, transactional leadership results in followers meeting expectations, upon which their end of the bargain is fulfilled and they are rewarded accordingly. To motivate followers to move beyond expectations, according to Bass (1998), transformational leadership is required.

2.1.1 Trait leadership theory

In the view of Gill (2011: p. 84) leadership trait theory identifies group influence, coolness, judgment, command, and responsibility functions which are used to exhibit certain leadership characteristics of the leader. These traits come in sight of the leader without the impact of a particular situation. Group influence is that the leaders’ ability to influence to the employees to achieve certain objectives or goals of the company. Coolness indicates the leaders testing ability to change his traits based on the employee's condition. Judgment is the ability of the leader to plan and get the available information and resources to produce certain organisational business results. Command is the trait that leader has ability to take quick decisions based on the situation to solve the particular business purpose. Responsibility indicates the leaders’ ability to complete tasks on time under particular organizational objectives said by Manning and Curtis (2003: p. 17).

West and West (2006: p. 128) explains that personal trait of the leader covers above discussed personal traits. Trait theory brings the company into upper ladder where most of the sole proprietorship companies have succeeded due to the personal traits of the owner. However, in the time being the next leader could not have such traits which will be led to downturn the business. That means trait leadership style has specific ability to stimulate organizational employees.

2.1.2 Transformational leadership theory

According to Yukl (2007: p. 281) transformational leadership style is that the leader has the specific ability to change the working environment while staying at the top of the company where Tesco's former CEO Terry Leahy can be identified as a transformational leader who had made major changes in business operations of Tesco PLC. Transformational leader contributes to develop high performance workforce while inspiring company employees through different tasks and procedures. Further, transformational leaders are better thinkers, inspirers, and visionary. Combination of charisma of the leader, inspirational motivation, intellectual stimulation, idealized influence and individualized consideration.

Source: <http://www.managementstudyguide.com/transformational-leadership.htm>

As described by Gill (2011: p. 84) due to inspirational motivational leader could be able to optimize the teamwork activities of the company to promote the mission, vision and organizational values. Intellectual stimulation encourages the leader to be more creative and innovative when leading people to avoid mistakes. Idealized influence is that leader act as a role model to inspire followers while being ethically, keeping particular standards, and sacrificing personal gains. Individualized consideration is that leader reward for the innovative and creative abilities of followers in order to empower them to improve their business decision making. Transformational leadership is along with the leadership style of Tesco PLC (Tesco PLC Website, 2013).

Any leader can easily adapt to the transformational leadership style. However, leaders could not be adapted to the trait theory. On the other hand the transformational leadership style may contribute to achieve greater motivation within a company business environment when compared to the trait leadership styles.

2.1.3 Leadership model- Based on power

As identified by Bass and Bass (2009: p. 271) there are two power groups identified as personal power and position power. Expert power and referent power are considered under personal power group. Legitimate power, coercive power and reward power are considered under position power. Coercive power builds up some fear to the followers that coercive power is not very much acceptable to get the work done in the organization. Reward power is

the power which is possible to control the people through rewards. Companies provide rewards to the employees but the exceptional rewarding capacity would not be practical a larger company like Tesco PLC. Expert power means the leader's special expertise capacity or knowledge. The leader should have special knowledge to lead the people with possible experience. Otherwise, knowledge could not be successfully possess in the company. Legitimate power provides right to leader to follow given power in the company. When considering about the CEO of Tesco, legitimate power is possible to describe the power model. Tesco's CEO tends to use legitimate power to lead people in the company using his power of the position. The CEO uses his communication skills, knowledge, expertise; ability to lead the employees in Tesco PLC. Referent power indicates the leader's ability towards the delivery of psychological reward for the employees through respect, and liking (Tesco PLC Website, 2013).

2.1.4 Organizational performance and leadership

Leadership is a key aspect which has direct influence towards the achievement of organisational performance. That means leader is the main person in the company who takes business decision making and who has high power. All other employees should follow his directions to achieve organizational goals and objectives. Further, the leader is the person who stimulates employees to perform towards a particular direction. Poor directions means, poor leadership style would tend to reduce the organizational performance and vice versa. Therefore, leadership style gets company employees to achieve company objectives and goals which mean that company would be able to enhance better performance while meeting of vision and mission. Leadership encourages employees to perform well in the comfortable business environment. Employees are motivated to achieve particular group objectives under limited resources in a given time frame. Employee business functions will improve with better leadership style because leadership ensures the correction of employee poor business practice in an organization. Therefore, leadership style would be one main reason to enhance organizational performance said by Mills et al (2009: p. 121).

2.1.5 Leadership in Chaudhary Group Nepal

According to the information on company website (www.chaudharygroup.com, 2013) Chaudhary Group Nepal is an umbrella organization of more than 77 companies operating in

Nepal with an investment outlay of over \$1 billion. Presently, it is being chaired by its president Mr. Binod Chaudhary who is an influential entrepreneur as well as a highly renowned business leader in the Nepalese business scenario. Recently, he is enlisted in the world's billionaire's list named Forbes' billionaire's list published by an American popular magazine called Forbes in 2013 that he is the first and foremost to be enlisted in the list from Nepal. Chaudhary Group Nepal is the first business organization of Nepal with a distribution network spanning the sub -continental cities and has the substantial presence in the food and beverage market in south Asia which is fiercely competitive due to the presence of an industrial giant country India (India has open border with Nepal).its food and beverage products are common household products in Nepal for decades. After having obtained ISO 9002 certification its products have crossed the borders to become the most popular ones in south Asian cities. As the company has 60-70 years struggling history on the Nepalese business scenario, being a landlocked, developing country. It's a hard earned success. Its major productions are based on diverse sectors including biotech, cement, education, electronics and white goods, energy and infrastructures, financial services and FMCG, hotel and resort and realty to retail. It is having a significant contribution in developing Nepal economically and socially. It is helping in harnessing global partnership with multinational companies to develop Nepalese business. It offers and supplies products to the consumers through its distributors, retailers, suppliers and dealers.

2.1.6 The Core Competencies of Leadership

Leadership, as defined by most dictionaries, means "to go before, or with, to show the way; to induce." Every organization needs a leader (and preferably several leaders) to "show the way" to others as the organization strives to define and achieve its goals. Identifying, developing and sustaining leadership in an organization must be one of the strategic objectives. Without leaders at every level of organization, organization may well under-perform. It may miss strategic opportunities, stifle innovation, underutilize employees, and fall short of its goals in customer service, quality, productivity, and profitability. Invest in leadership today to sustain your success for tomorrow and beyond. Developing leaders in the organizations have designed and developed leadership programs that help define an ambitious role for leaders at every level and then build the competencies to fulfill this role. Some of the competencies that defined as core to the role of leaders include:

Figure 2.2 Leadership competencies

<ul style="list-style-type: none">• Strategic Thinking• Coaching• Problem Solving• Decision Making• Systems Thinking• Delegation• Performance Management and Accountability• Inspiring a Shared Vision• Managing Conflict• Building and Sustaining Teamwork	<ul style="list-style-type: none">• Leading Change• Quality and Productivity Improvement• Servant Leadership• Emotional Intelligence• Innovation and Creativity• Customer Service• Employee Development• Develop Trust• Dealing with Ambiguity
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(<http://b.scorecardresearch.com>)

Many people consider leadership to be an art, and many consider management to be a science. Organizational leadership is a blending of the art and the science in order to give a company direction. There is no single doctrine outlining the rules and beliefs of this business tool, but there are several similarities no matter what the company or goal. Learning organizational leadership doesn't require a college degree and can be applied in a variety of diverse careers. Organizational leadership does not mean having a boss think of a command and then watch as it is filtered throughout the ranks. Organizational leadership, instead, is the ability of management to understand its employees and company goals enough to bring everyone together. Every company is different, and positive leadership recognizes that and turns it into an advantage. Utilizing team-building exercises, instilling **leadership development** on all levels of organization and fostering positive communication are some techniques used to promote positive leadership. Many times, these exercises are used to fix organizations in trouble. An example would be an insurance company that is losing money, so it gives bottom-line financial responsibilities to individual employees instead of departments, in order to foster ownership of the company's mission many colleges offer degrees in organizational leadership and focus on a curriculum of business management, **psychology** and communications. Many professionals also develop their **corporate leadership** abilities by attending seminars and presentations aimed to teach certain principles and techniques. One of the easiest ways to learn

is by asking a leader to become a mentor. Learning on the job is a great way to prepare for a leadership role ([www.wisegeek .com](http://www.wisegeek.com)).

2.1.7 Effective Organizational Leadership

Effective organizational leadership is not some mystical phenomenon; organizations run effectively based on the individuals working in them. The best tips for engaging in effective organizational leadership include a proper self-image, the creation of organizational goals, and a review of employee behavior and motivation. These can lead to other attributes for organizational leadership, such as productivity maximization, low organizational stress, and proper decision making within the company. These steps and more are necessary for creating leadership in an organization. Leaders must have a positive self-image if they desire success in an organization. Education and experience are two characteristics that can help drive an individual's self-image. Additionally, leaders must know what they know and, more importantly, know what they do not know. This allows the leader to hire others for accomplishing the tasks that go into effective organizational leadership. Others in the company may also look for inspiration from a leader who has a positive self-image (<http://b.scorecardresearch.com>).

Goals are a must in any organization, with leaders often responsible for creating them and seeing them through to the end. Leaders must create all types of goals under the auspices of effective organizational leadership. For example, profit and product quality should only be a few goals among many. Other goals for creating effective organizational leadership include developing skilled workers, creating a competitive marketplace advantage, and finding new ideas for product pipelines. Leaders should find people who can help create and accomplish goals in the organization. Employees are often the lifeblood of a company. They are both the biggest expense and largest asset group in a business. Effective organizational leadership helps improve employee behavior and guides worker motivation. Leaders can accomplish these in many different ways; the purpose must be how to best accomplish the task under current conditions in the business. In short, organizational leadership must be more than just running business operations through employees but with them as well.

Organizational design can also have an influence in effective organizational leadership. Leaders must be willing to make drastic changes if necessary to improve employee productivity and lower employee stress. Small changes can sometimes have the biggest impact. Leaders must drive changes in order to create a business environment that is both efficient and effective. Failure to exhibit the proper leadership skills necessary can result in a difficult work environment and lower competitiveness by the organization.

2.1.8 Leadership style and organizational performance

Literature provides widespread support for transformational leadership, encompassing visionary leadership. These leadership styles, which centre around Mc Gregor's Theory 'X and Y' assumptions, are democratic, autocratic, dictatorial, and laissez faire leadership styles. Below is a brief examination of some common leadership style dimensions listed above and their potential impact on a group as well as their relative usefulness.

Charismatic leadership

By far the most successful trait-driven leadership style is charismatic. Charismatic leaders have a vision, as well as a personality that motivates followers to execute that vision. As a result, this leadership type has traditionally been one of the most valued. Charismatic leadership provides fertile ground for creativity and innovation, and is often highly motivational. With charismatic leaders at the helm, the organization's members simply want to follow. It sounds like a best case scenario. There is however, one significant problem that potentially undercuts the value of charismatic leaders: they can leave. Once gone, an organization can appear rudderless and without direction. The floundering can last for years, because charismatic leaders rarely develop replacements. Their leadership is based upon strength of personality. As a result, charismatic leadership usually eliminates other competing, strong personalities. The result of weeding out the competition is a legion of happy followers, but few future leaders (Michael, 2010).

Transactional leadership

The wheeler-dealers of leadership styles, transactional leaders are always willing to give you something in return for following them. It can be any number of things including a good performance review, a raise, a promotion, new responsibilities or a desired change in duties.

The problem with transactional leaders is expectations. Transactional leadership style is defined as the exchange of rewards and targets between employees and management (Howell & Avolio, 1993). Transactional leaders fulfill employee needs of rewards when targets are met defines this style as the transaction of needs fulfillment from both sides of the organization and employees.

Transformational leadership (Democratic leadership)

As per Binod Chaudhary the CGN president in his biography (an autobiography by Binod Chaudhary 2013 p. 191) A clever business leader is like a main political player who does not have any prejudices against any petty matters if he has a big aim to achieve.

Transformational leadership style focuses on the development of followers and their needs. Managers exercising transformational leadership style focus on the development of value system of employees, their motivational level and moralities with the development of their skills (Ismail et al., 2009). Transformational leadership acts as a bridge between leaders and followers to develop clear understanding of follower's interests, values and motivational level. It basically helps follower's achieve their goals working in the organizational setting; it encourages followers to be expressive and adaptive to new and improved practices and changes in the environment (Bass, 1994).

Tannenbaum and Schmidt, (1958) describe democratic leadership as one where decision-making is decentralized and shared by subordinates. The potential for poor decision-making and weak execution is, however, significant here. The biggest problem with democratic leadership is its underlying assumption that everyone has an equal stake in an outcome as well as shared levels of expertise with regard to decisions. That is rarely the case. While democratic leadership sounds good in theory, it often is bogged down in its own slow process, and workable results usually require an enormous amount of effort.

Autocratic leadership

Autocratic leaders are classic "do as I say" types. Typically, these leaders are inexperienced with leadership thrust upon them in the form of a new position or assignment that involves people management. Autocratic leaders retain for themselves the decision-making rights. They can damage an organization irreparably as they force their 'followers' to execute

strategies and services in a very narrow way, based upon a subjective idea of what success looks like. There is no shared vision and little motivation beyond coercion. Commitment, creativity and innovation are typically eliminated by autocratic leadership. In fact, most followers of autocratic leaders can be described as biding their time, waiting for the inevitable failure this leadership produces and the removal of the leader that follows (Michael, 2010).

Bureaucratic leadership

Bureaucratic leaders create, and rely on, policy to meet organizational goals. Policies drive execution, strategy, objectives and outcomes. Bureaucratic leaders are most comfortable relying on a stated policy in order to convince followers to get on board. In doing so they send a very direct message that policy dictates direction. Bureaucratic leaders are usually strongly committed to procedures and processes instead of people, and as a result they may appear aloof and highly change adverse. The specific problem or problems associated with using policies to lead are not always obvious until the damage is done. The danger here is that leadership's greatest benefits, motivating and developing people, are ignored by bureaucratic leaders (Michael, 2010).

Relationship between leadership style and organizational performance has been discussed often. Most research showed that leadership style has a significant relation with organizational performance, and different leadership styles may have a positive correlation or negative correlation with the organizational performance, depending on the variables used by researchers report that there is significant relationship between leadership styles and organizational performance. Effective leadership style is seen as a potent source of management development and sustained competitive advantage, leadership style helps organization to achieve their current objectives more efficiently by linking job performance to valued rewards and by ensuring that employees have the resources needed to get the job done. Leadership style with the leadership performance in schools and enterprises, and found that leadership style had a significantly positive correlation with the organizational performance in both schools and enterprises. Broadly speaking, leadership performance is identical with organizational performance. Business management attributes their successes to leadership efficiency, that is, the leadership style of administrative supervisors has a considerable effect on the organizational performance opine that when executives use their leadership style to

demonstrate concern, care and respect for employees, it would increase interest of employees in their work and enable them to put up better performance, thereby affecting their job satisfaction positively.

Chaudhary Group Leadership

Chaudhary group leadership is team work and commitment i.e. democratic leadership style to service excellence has fostered impressive growth in our money remittance business. Their Electronics division has also grown by 34% and our focus would be now on building CG as a domestic brand, ensuring quality electronics at an affordable price. Over all the manufacturing units have gone through a major overhaul in order to innovate and streamline various processes to establish commitment on quality. It is found that they have also formally structured their commitment towards research and development which facilitates new product development, value engineering and standardization of various factors such as microbiological standards, preservation standard, additives, etc. It's been a year since, they have taken the responsibility as the Executive Director of their group and they focused on people management. They as a group believe that their human resource will be the edge that they will have to build in order to sustain their growth and attain new heights as a global conglomerate. They have now set their goals to give priority to training and development as a part of becoming employer of choice thereby creating opportunities for employees to grow within organization to become leaders, representing their business in global arena. Recently, they are concerned to identify young and passionate people to be a part of their existing team of professionals who will lead the business ventures. Their group is rich in talent and getting richer every day. CG firm has tremendous momentum that is derived largely from their steadily growing roster of highly motivated, talented professionals who consistently have broadened the group's considerable resources and expertise (www.chaudharygoup.com).

2.2 Empirical Review

Obiwuru T. C., Okwu, A. T. et.al. (2011) *entitled with "Effects of leadership style on organizational performance: A Survey of selected small scale enterprises in Ikoshi-Ketu council development area of Lagos state, Nigeria"* helps to investigate the effects of leadership style on organizational performance in small scale enterprises. The major objective of this study is to determine the effect of leadership styles on performance in small scale

enterprises. For this Transformational and transactional leadership styles were considered in this study. Transformational leadership behaviours and performance/outcome considered relevant in the study were charisma, inspirational motivation and intellectual stimulation/individual consideration; and effectiveness, extra effort and satisfaction, respectively. Transactional leadership behaviours and performance/outcome variables were constructive/contingent reward and corrective/management by exception; and effort, productivity and loyalty/commitment, respectively. Analysis is based on primary data generated through a structured Multifactor Leadership Questionnaire (MLQ) administered on respondents. Responses to research statements were scaled and converted to quantitative data via code manual developed for the study to enable segmentation of the data responses into dependent and independent variables based on leadership behaviours and associated performance variables. The result showed transformational leadership style had positive and effect on performance. This study concluded that transformational leadership style is more appropriate in inducing performance in small scale enterprises than transactional leadership style and, therefore, recommended transactional leadership style for the small enterprises with built strategies as the enterprises developed, grew and matured (*Australian Journal of Business and Management Research Vol.1 No.7 October-2011, p. 100-111*).

Zahid, Ayesha (2012) entitled with “*The effect of leadership styles on job outcomes: mediation role of organizational commitment (an empirical evidence from banking sector of Pakistan)*” Nevertheless, role of leadership is an important determinant of subordinate’s performance and commitment. According to the researcher, leadership styles as one of the antecedent of employee’s job performance and satisfaction with organizational commitment playing the mediating role in this relationship. For this purpose, a data of 207 respondents was collected, working in banking sector of Pakistan, by using convenient sampling technique. The data was, then analyzed by using correlation, regression and mediated regression analyses. The results revealed that organizational commitment do have the mediating effect on the relationship between transformational leadership style and job outcomes. However, mediation did not prove in case of transactional leadership style which showed that employees were not found to be committed by transactional leadership style resultantly affecting their job outcomes. The current study will help the organizations to better understand the importance of leadership style in improving the performance of the employees as well as their level of satisfaction with

the organization (*International Conference on Competitiveness & Innovativeness in Engineering, Management and Information Technology (ICCIEMI-2012), January 29, 2012 p.3*).

Ojokuku R. M, Odetayo T. A and Sajuyigbe A. S (2012) entitled *Impact of leadership style on organizational performance: A Case Study of Nigerian Banks* has investigated the effect of leadership style on organizational performance in Nigerian banks. The results of this study revealed that there is strong relationship between leadership style and organizational performance. The study found that transformational and democratic leadership style, in which employees are allowed to have sense of belonging, carry out higher responsibility with little supervision, and followers are helped to achieve their visions and needs enhance organizational efficiency. Surprisingly autocratic leadership style also has positive effect on banks' performance although is insignificant. It is concluded that transformational and domestic leadership styles are the best for the management of Nigerian banks to be adopted in order for them to wax stronger in a global financial competitive environment (*American Journal of Business and Management Vol. 1, No. 4, 2012, 202-207*).

Shikha (2013) entitled with "Leadership styles and emotional intelligence and its impact on organizational performance" helps to know how leadership style, skills and perspectives are related to emotional intelligence and its impact on organizational performance. Leadership style and Emotional intelligence has become a popular topic in the business in recent years. One way that successfully helped managers move beyond intellectual know-how and expand their emotional intelligence is through Benchmarks, a multi-rater feedback tool. The present paper is an assessment of how leadership style and emotional intelligence affects a manager's ability to make effective decisions so as to be regarded as an effective leader. It generalized about the importance of specific emotional attributes needed by a leader to make qualitative and effective decisions in the direction of organizational performance. (*International Conference on Competitiveness & Innovativeness in Engineering, Management and Information Technology (ICCIEMI-2013), January 29, 2013 p.20.*).

2.3 Research Gap

Literature is available regarding leadership facts about CGN. Further, there are larger numbers of theories about leadership. All theories cannot be applicable to discuss leadership style of

CGN. However, there cannot be found out the depth of the information about impact of the leadership aspect towards business operations of CGN regarding each employee level in the company. There is a lack of evidences about leadership facts on CGN. Likewise, it is differed from the product and services view. Both production and different services and manufacturing of electrical goods are made i.e.TV, car etc. Thus, there may be lack or different leadership styles had done to growth the organizational performance. Hence there is a gap in the literature review.

CHAPTER- III

RESEARCH METHODOLOGY

The research methodology incorporate the research design, source of data, procedure of data collection, processing and tabulation of data, and the use of appropriate tools for analysis. The empirical investigation explores on the impact of leadership styles on the organizational performance of Chaudhary group from Nepalese retail sectors. The study aims to assess the strength of association between CGN's leadership styles and its organizational performance. With the emergence of the new loktantra government in 2063 B.S., the call for effective service delivery had become more pronounced. Viewed against this background, an empirical study was undertaken in conjunction with the literature review, in order to determine the knowledge and attitudes of senior managers in the CGN's with regard to leadership and their impact on organizational efficiency and mostly formation of different political and employee trade unions also pressure the employee rights and security. Hence, the CGN's leadership styles are also changed and mostly transformational (democratic) style due to cope with change i.e. adjust the environmental change. This chapter presents the details of the methodology applied in research.

3.1 Research Design

The research design of this study is mainly descriptive in nature. To facilitate research, the researcher has collected the data of concerned Chaudhary Group Company and they have been tabulated and analyzed by using statistical tools to find out real condition resource utilization with sample limit and as provided information by interviewees/ CG staffs. This research has designed in following manner:

3.1.1 Research Philosophy

Research philosophy identifies the limitations of particular research methods and suitability of selected research methods to solve the research problem in a methodical manner. Hence research philosophy determines the most suitable research approach. Epistemology research study will be possible to address this research problem which applies field of study through the

constitution of acceptable research knowledge. Because there are evidences available about the leadership styles of CGN.

According to Saunders (2009: p. 160-161) research philosophy provides the directions to select positivism research philosophical approach in this research study. Positivism research philosophical approach enables to discuss particular knowledge confirmation through genuine knowledge about leadership style evidences of CGN. Hence the positivism research philosophical approach will be possible to investigate the particular research problem. And interpretive research philosophy is going to be far more useful in generating the evidence needed to answer research questions

3.1.2 Research Approach

Further, as revealed by Saunders (2009: p. 160-161) deductive research approach will be possible to solve the research problem which flows from the theory; data collection; findings; hypothesis testing and revision of theories. When considering about this research study, leadership theory is available regarding research problem. Hence inductive research approach has been used to investigate the impact of leadership towards organizational performance of CGN.

3.1.3 Research Strategy

As said by Traver (2001) survey research strategy will be used to collect data from large samples. Survey strategy includes survey research questionnaire distribution, data collection and data analysis. Therefore, survey strategy emphasis the whole data collection procedure from the particular research sample.

3.2 Sampling Technique and Description of the Sample

According to Sekaran (1992 p.226), "a sample is a subset of the population. However, not all the elements of the population would draw form in the sample". By studying the sample, the researcher would draw conclusions or make inferences that would allow generalizations about the target population. The reason for selecting a sample can be attributed to various factors, the most important being that, it is simply not possible to study every element in the population or to engage in a laborious exercise to collect data from the entire population. Therefore, studying

a small sample is likely to yield reliable results and facilitate the data collection whilst lessening the error impact.

The population parameters have been determined precisely in a sample survey since not every element in the target population is included in the research design. However, the fundamental premise for choosing a good sample is that it should be representative of the target population (Pillay 2000:331).

Chaudhary Group is the multinational company. Total population for this study is the 12 Global partners and associates and presence in more than 20 countries. CG Company is run. Because of the time and resource constraints, convenience sampling technique is designed to follow. Among them, the sample of CG Nepalese retail sector is chosen as judgmental sampling method.

In this study, responses have been taken from the employees of CGN about CGN leadership aspect and leadership implementation benefits towards the customers. Further, employees have clear idea about a leadership aspect of CGN and the depth of the information about the leadership styles of their superior and the performance of the CGN. A sample size of CGN employees have been taken 40 including different level i.e. lower level, middle level and top level managers. CGN employees have been selected from the CGN office in Kathmandu Nepal which is the primary site of its operation for all round Nepal. Though the sample is relatively small, efforts are made to make the more accurate and precise.

3.3 Nature and Sources of Data

The data upon which this study is made are basically primary in nature. The primary data have been collected from different questionnaire of CG employees. Likewise, secondary information has been collected from official records and Website of CG Company say www.chaudharygroup.com. All the collected data and information have been properly arranged, synthesized, tabulated and calculated to arrive at the realistic analytical steps. It can be also highlighted as under:

3.4 Data Collection Methods

The primary data collection method will be used to collect both quantitative and qualitative data while using survey strategy. Secondary data collection method will be used to get the qualitative data about the research problem.

3.4.1 Primary Data Collection Tools

One set of semi-structured questionnaire has been prepared to collect information from individual employee one by one of different level of managers conducted with (i) lower level managers, (ii) middle level managers and (iii) top level managers of CG Company through Nepalese retail sectors in three branch of Kathmandu valley. This survey questionnaire has been handed over to the responsible of different level employee with equal time to answer the questionnaire to ensure a similar data collection environment. This research has been carried out a certain similar timeframe and environment. In this manner primary data collection will be planned to solve research problems. Mainly questionnaire is based on the leadership styles and organizational performance of the CG Company with coding different sub instrument of it.

3.4.2 Interviewing the Head of Management

In this instance, the Head of Management who is responsible for the general administrative functioning of the CG Company was interviewed. After having made prior arrangements about the date and time of the interview, the teleconferencing facilities were set up between the researcher and the leadership concerned. The Heads of Management, who generally enjoyed the attention and stimulation of being interviewed, were questioned on a broad range of managerial issues related to the leadership. This exercise also gave the researcher an opportunity to assess firsthand the general administrative environment of the Mission as perceived by the head, together with the subordinates' perception of his/her leadership.

3.5 Data Analysis Methods

According to Pallant (2007: p. 124) both quantitative data analysis method and qualitative data analysis method will be used to analyze both quantitative and qualitative data respectively.

For this study, the responses from concerned respondents have been presented in tabular form. The opinions have been converted in numerical form and also shown in percentage. Hence,

simple statistical tools i.e. percentage have been used for this study. Likewise, graphs, charts, have been presented for analyzing the data.

3.6 Validity and reliability of research methods

The primary data collection method includes its limitations due to misleading and inaccurate answers. Because employees and customers may provide incorrect responses due to several reasons such as to keep organizational security issues, fear of the company, misunderstanding of this research questionnaire, and lack of focus upon this study. Hence inaccurate responses will reduce the validity of research findings. Further, secondary data will be used to investigate a research problem. Secondary information represents different market conditions, political conditions, organizational regulations, economic conditions etc. Therefore, secondary data will be different from a real organizational leadership scenario of CGN. Further, the available leadership theories would not be properly addressed present leadership scenario of the company. Hence the secondary data usage on the data analysis procedure would reduce the reliability of the research study.

CGN is large company operates with large number of employees over 8000 in numbers all around the world. However, the company provides retail products for larger sums of customers in the marketplace. Hence research sample sizes may be in considerable regarding the real research problem about CGN. Sampling error will arise with validity issues in research investigation procedure. Further, there are some issues relating to certain research methods. All these research methods indicate several limitations in its assumptions. Limitations of research methods will reduce the validity of research findings. As a result of that validity and reliability issues will improve limitations of research findings.

3.7 Response Rate

There was a hundred percent response rate of all questionnaires administered to the all level of staffs' i.e. lower level, middle level and top level managers of Chaudhary group of company Nepalese retail sectors.

3.8 Limitations

The researcher encountered some limitations, which were carefully assessed in order that reliability and validity were not compromised. Furthermore, the possibility does exist for the Head of Management to be at his or her very best management behaviour just for the duration of the interview. However, the survey researcher can never be certain that his/her findings are the result of some unknown influence. Although the head of Management had granted permission, prior arrangements had to be made with officers to participate on a voluntary basis. All information gleaned, had to be treated confidentially and used for academic purposes only. Employees may provide incorrect responses due to several reasons such as to keep organizational security issues, fear of the company, misunderstanding of this research questionnaire, and lack of focus upon this study. Hence inaccurate responses will reduce the validity of research findings. Similarly, due to the fact that a small sample size i.e. 40 respondents was used, findings could not be generalized.

CHAPTER - IV

DATA ANALYSIS AND PRESENTATION

The purpose of this chapter is to present the facts. It is not appropriate in this chapter to begin to offer opinions on the facts. The facts and figures is the process of organizing the data by tabulating and then placing that data in presentable form by using various tables, figures and sources. Present chapter has discussed the various aspects of exploration on the impact of leadership styles in the organizational performance of Chaudhary Group with reference to Nepalese retail sector. In the process of fulfilling objectives of this research, data reveled are tabulated and presented followed by findings or results in this chapter. The findings are mainly based on the primary analysis through the sixteen (16) questionnaire and 40 respondents of CG company employees drawn as a sample deal with as follows:

4.1 Leadership styles preferred by leader of CG Company

Table 4.1

Leadership styles preferred by leader of CG Company

Description	No. of response	In percent (%)
Autocratic	4	10%
Transformational	25	62.5%
Charismatic	1	2.5%
Transactional	5	12.5%
Bureaucratic	5	12.5%
Total	40	100.00%

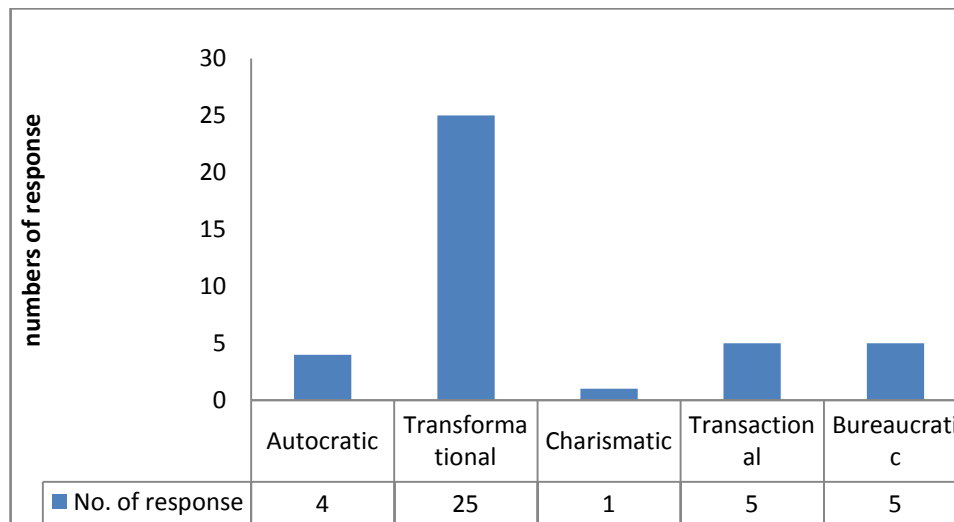
Source: Field Survey February 2014

Table 4.1 depicts the leadership styles preferred by leader of CG Company. In the total 40 No. of CG employees (respondents) most of them 25 (62.5%) response the transactional leadership style. Likewise, equal respondents response the transactional and bureaucratic leadership styles which is 5 (12.5%). In contrasts to this, only nominal i.e. 1 (2.5%) respondents opined the charismatic leadership and 4 respondents (10%) response to autocratic leadership applied

in CG company. By this leadership analysis, mostly transformational leadership is mostly applied due to the cope with change i.e. environmental adaptation. Chaudhary Group has not not followed the motivational inspiration to the employees i.e. charismatic leadership styles. There may be impossible due to huge numbers of employees. The researcher found that a significant number of top level management were also not willing to be part of the survey to assess leadership at their missions. Transformational leadership style generating a greater awareness of the importance/ purpose of the organization and the task outcomes; inducing followers to transcend their own self-interests for the sake of the organization or team and activating their higher-level needs. Hence, majority of the respondents preferred the transformational leadership style. It is also presented in following figures.

Figure 4.1

Leadership styles preferred by leader of CG Company



(Source: Table No. 4.1)

4.2 Best tip for effective organizational leadership

The second question is related to the opinion of the best tip for effective organizational leadership. The choice of respondents is as follows:

Table 4.2

Bet tips for organizational leadership

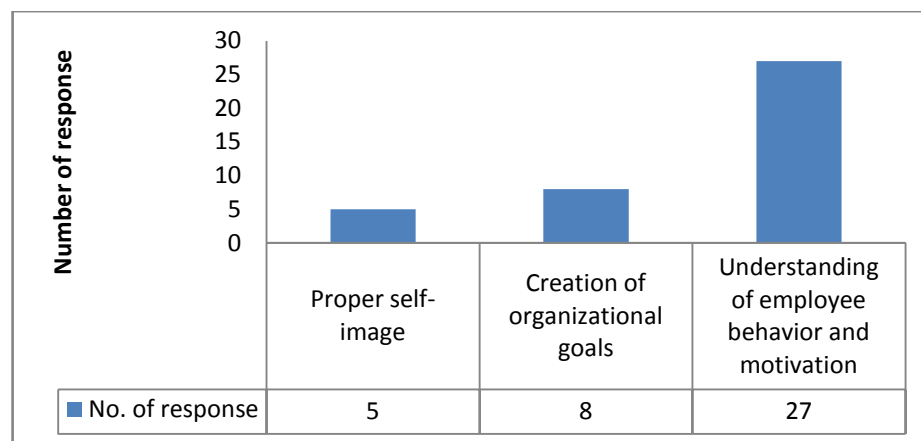
Description	No. of response	In percent (%)
Proper self- image	5	12.5%
Creation of organizational goals	8	20%
Understanding of employee behavior and motivation	27	67.5%
Total	40	100.00%

Source: Field Survey February 2014

Table 4.2 depicts the best tip for organizational leadership. In the total 40 No. of CG employees (respondents) most of them 27 (67.5%) response the understanding of employee behavior and motivation is the best tip for organizational leadership. Likewise, 8(20%) respondents response the creation of organizational goals is the best tip for organizational leadership. In contrasts to this, only few i.e. 1 (12.5%) respondents the proper self-image is the best tip for the organizational leadership. By this organizational leadership analysis, mostly understanding of employee behavior and motivation is the current era of leadership to improve the organizational output. Their understanding was that the leader of a business unit is expected to communicate strategic development and ensure the effective implementation of the performance management system. It is also presented in following figure.

Figure 4.2

Bet tips for organizational leadership



(Source: Table No. 4.2)

4.3 Any leadership styles ability to change the working environment in CG

By asking third question about any leadership styles ability to change the working environment in CG the following results occurred.

Table 4.3

Any leadership styles ability to change the working environment in CG

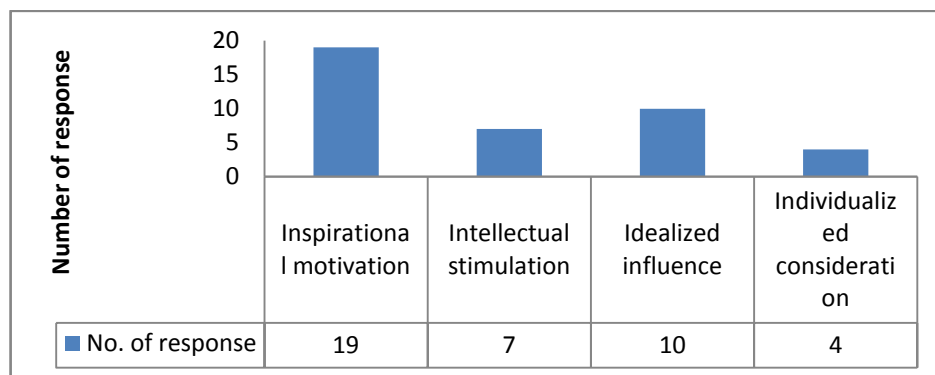
Description	No. of response	In percent (%)
Inspirational motivation	19	47.5%
Intellectual stimulation	7	17.5%
Idealized influence	10	25%
Individualized consideration	4	10%
Total	40	100.00%

Source: Field Survey February 2014

Table 4.3 depicts the any leadership styles ability to change the working environment in CG. In the total 40 No. of CG employees (respondents) most of them 19 (47.5%) response the inspirational motivation leadership styles able to change the working environment. Likewise, 10(25%) respondents response the idealized influence for the same. In contrasts to this, only few i.e. 4 (10%) respondents the individualized consideration of leadership styles and 7 (17.5%) respondents leadership styles able to cope with working environment in CG. By this leadership style analysis, inspirational motivation is the current era of leadership style to improve the working environment and employees are also performed their duties in efficient manner. It is also presented in following figure.

Figure 4.3

Any leadership styles ability to change the working environment in CG



(Source: Table No. 4.3)

4.4 leadership styles chosen in all level of management in CG. i.e. with respect to CEO, team leaders and employee.

By asking fourth question about leadership styles in all level of management in CG the following results occurred.

Table 4.4
Leadership styles chosen in all level of management

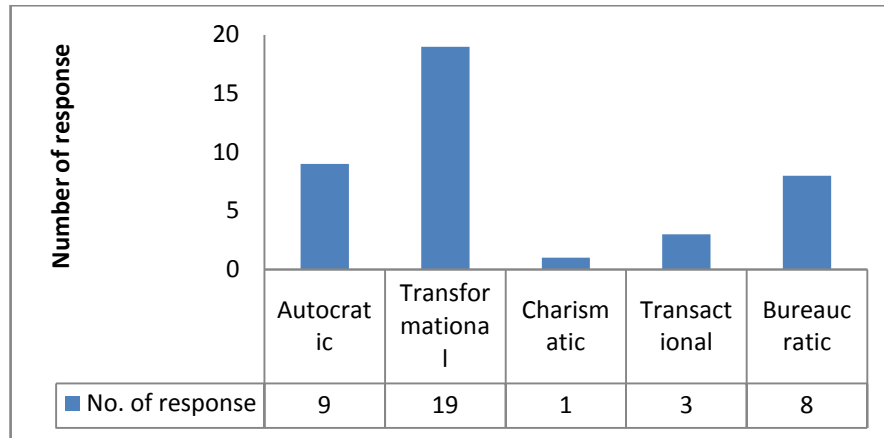
Description	No. of response	In percent (%)
Autocratic	9	22.5%
Transformational	19	47.5%
Charismatic	1	2.5%
Transactional	3	7.5%
Bureaucratic	8	20%
Total	40	100.00%

Source: Field Survey February 2014

Table 4.4 depicts the leadership styles chosen in all level management CG. In the total 40 No. of CG employees (respondents) most of them 19 (47.5%) response the transformational leadership styles. Likewise, 9(22.5%) respondents' response the autocratic leadership styles for the same. In contrasts to this, only nominal i.e. 1 (2.5%) respondents the charismatic leadership styles and 3 (7.5%) respondents leadership chose the transactional leadership styles while 8 (20%) chosen the bureaucratic leadership style in CG. By this leadership style analysis as chosen by all level management, mostly transformational leadership is best for the employees to cope with change. Likewise, while most of the top level managers chosen the autocratic leadership styles to regulate and monitor the employee in efficient manner. It is also presented in following figure.

Figure 4.4

Leadership styles chosen in all level of management



(Source: Table No. 4.4)

4. 5 Best define organizational performance.

By asking fifth question about best define organizational performance in CG the following results is occurred.

Table 4.5

Best define organizational performance

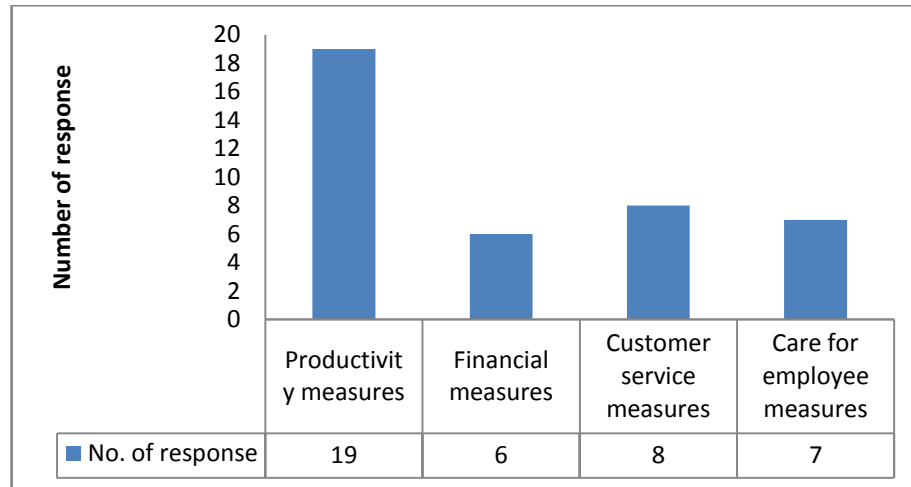
Description	No. of response	In percent (%)
Productivity measures	19	47.5%
Financial measures	6	15%
Customer service measures	8	20%
Care for employee measures	7	35%
Total	40	100.00%

Source: Field Survey February 2014

Table 4.5 depicts the best define organizational performance. In the total 40 No. of CG employees (respondents) most of them 19 (47.5%) response the productivity measures is the key of organizational performance. Likewise, 7(35%) respondents' response the care for employees leads to organizational performance. In contrasts to this, only few i.e. 6 (15%) and 8(20%) respondents the financial measures and customer service measures for organizational performance. Thus, the best define organizational performance is measured by productivity. It is also presented in following figure.

Figure 4.5

Best define organizational performance



(Source: Table No. 4.5)

4. 6 Factors to improve productivity in CG Company.

By asking sixth question about factors to improve productivity in CG Company following results is occurred.

Table 4.6

Factors to improve productivity in CG Company

Description	No. of response	In percent (%)
High pay	20	50%
Conductive and better work environment	12	30%
Training development	8	20%
Total	40	100.00%

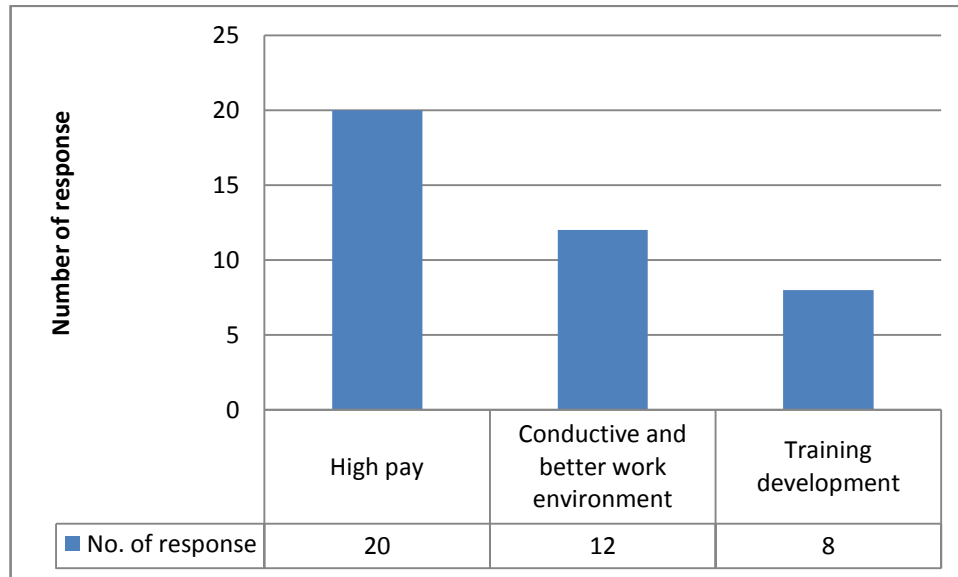
Source: Field Survey February 2014

Table 4.6 depicts the factor to improve in CG Company. In the total 40 No. of CG employees (respondents) most of them 20(50%) response the high may is the factor to improve the productivity in CG Company. Likewise, remaining 12 (30%) and 8(20%) respondents' response the conductive and better work environment and training & development respectively factors to improve productivity in CG. Thus, the high pay through different schemes such as

allowances, bonus etc. improve the productivity in CG Company. It is also presented in following figure.

Figure 4.6

Factors to improve productivity in CG Company



(Source: Table No. 4.6)

4.7 The best leader to increase the organizational performance.

By asking seventh question about who is the best leader to increase the organizational performance in CG the following results is occurred.

Table 4.7

The best leader to increase the organizational performance.

Description	No. of response	In percent (%)
One who orders and classifies procedures	9	22.5%
One who is the chief judge of the group members	15	37.5%
One who allows sub-ordinate to appraise their own work	9	22.5%
One who provides guidance without pressure	7	17.5%

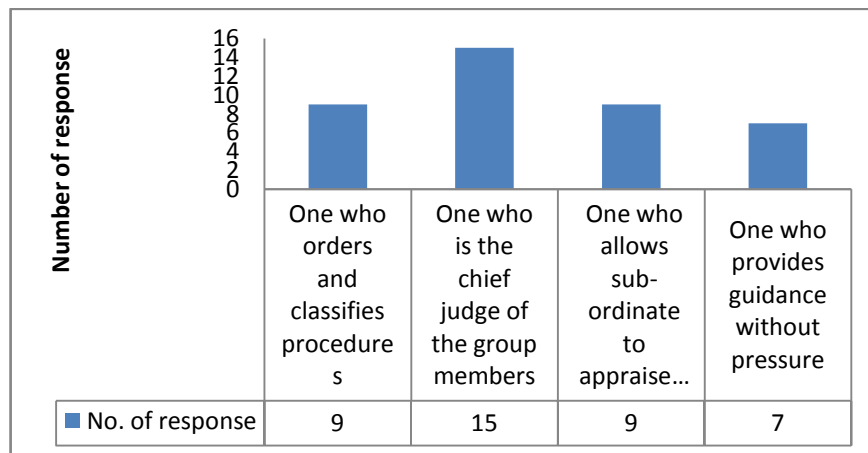
Total	40	100.00%
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Source: Field Survey February 2014

Table 4.7 depicts the best leader to increase the organizational performance in CG Company. In the total 40 No. of CG employees (respondents) most of them 15(37.5%) response the chief of the group members is the best leader to increase the organizational performance. Likewise, equal 9(22.5%) respondents' response the best leader as the one who orders and classifies procedures and allows sub-ordinate to appraise their own work. Similarly, 7(17.5%) respondents response provide guidance without pressure for the same. Thus, the chief judge of the group members is the best leader to increase the organizational performance. It is also presented in following figure.

Figure 4.7

The best leader to increase the organizational performance.



(Source: Table No. 4.7)

4. 8 CG Company involves the sub-ordinate or line managers in decision making

By asking eighth question about CG Company involves the sub-ordinate or line managers in decision making the following results is occurred.

Table 4.8

CG Company involves the sub-ordinate or line managers in decision making

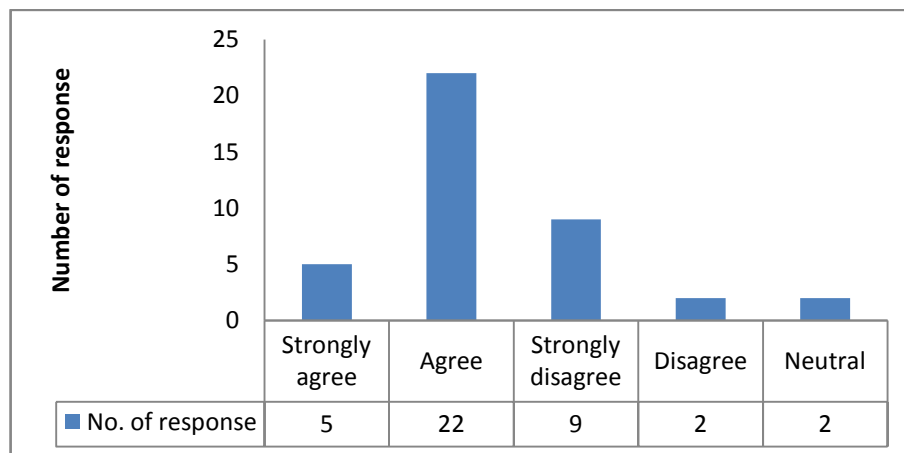
Description	No. of response	In percent (%)
Strongly agree	5	12.5%
Agree	22	55%
Strongly disagree	9	22.5%
Disagree	2	5%
Neutral	2	5%
Total	40	100.00%

Source: Field Survey February 2014

Table 4.8 depicts the Company involves the sub-ordinate or line managers in decision making. In the total 40 No. of CG employees (respondents) most of them 22(55%) response agree to involve the sub-ordinate in decision making. Likewise, 5(12.5%) respondents' response the strongly agree with this view and while 9 (22.5%) strongly disagree. Similarly, 2(5%) respondents response disagree and neutral for the same. Thus, the Company involves the sub-ordinate or line managers in decision making mostly agree. Moreover, company involves the subordinate or line managers in decision making help to develop human capital, develop effective organizational culture and ethical practices and to manage strategic change. It is also presented in following figure.

Figure 4.8

CG Company involves the sub-ordinate or line managers in decision making



(Source: Table No. 4.8)

4. 9 Employee satisfaction with the existing leadership styles of CG Company

By asking ninth question about CG Company involves the sub-ordinate or line managers in decision making the following results is occurred.

Table 4.9

Employee satisfaction with the existing leadership styles of CG Company

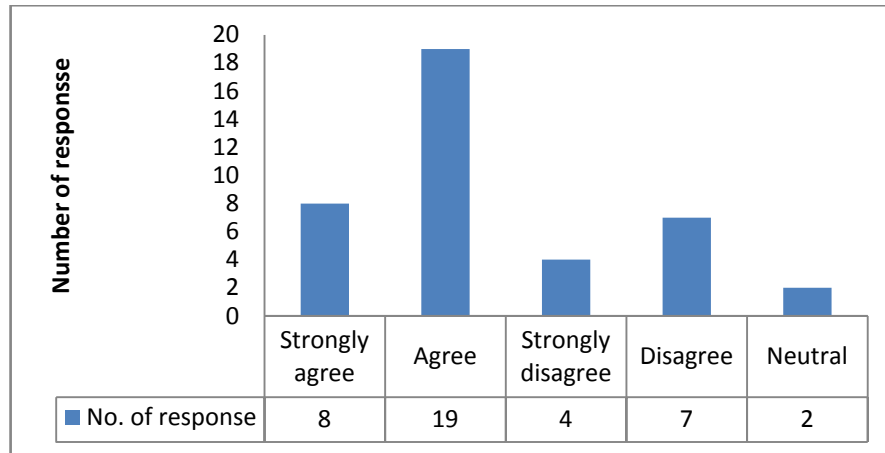
Description	No. of response	In percent (%)
Strongly agree	8	20%
Agree	19	47.5%
Strongly disagree	4	10%
Disagree	7	17.5%
Neutral	2	5%
Total	40	100.00%

Source: Field Survey February 2014

Table 4.9 depicts the employee satisfaction with the existing leadership styles of CG Company. In the total 40 No. of CG employees (respondents) most of them 19(47.5%) response agree to employee satisfaction with the existing leadership styles of CG Company. Likewise, 8(20%) respondents' response the strongly agree with this view and while 4 (10%) strongly disagree. Similarly, 7(17.5%) respondents response disagree and 2(5%) neutral for the same. Thus, the CG existing leadership styles give the employee satisfaction. It is also presented in following figure.

Figure 4.9

Employee satisfaction with the existing leadership styles of CG Company



(Source: Table No. 4.9)

4. 10 Close relationship between leadership and the organizational performance in CG Company

By asking tenth question about Close relationship between leadership and the organizational performance in CG Company the following results is occurred.

Table 4.10

Relationship between leadership and the organizational performance in CG Company

Description	No. of response	In percent (%)
Strongly agree	25	62.5%
Agree	10	25%
Strongly disagree	1	2.5%
Disagree	2	5%
Neutral	2	5%
Total	40	100.00%

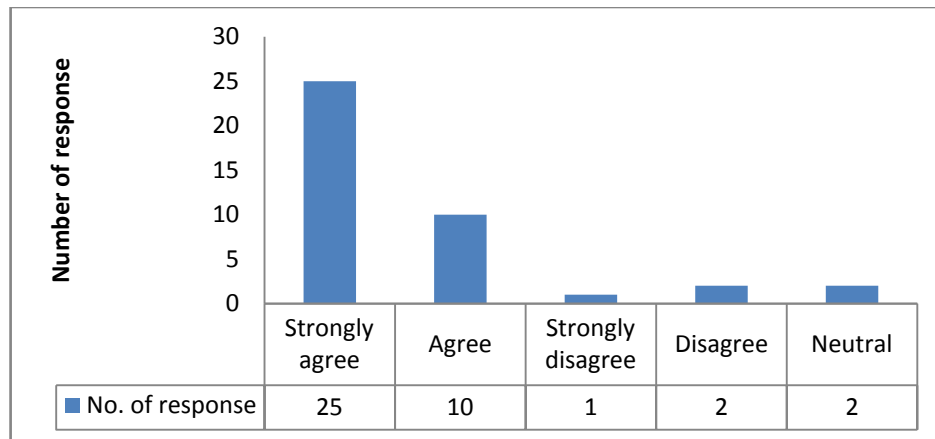
Source: Field Survey February 2014

Table 4.10 depicts the close relationship between leadership and the organizational performance in CG Company. In the total 40 No. of CG employees (respondents) most of them 25(62.5%) response strongly agree that there is close relationship between leadership and the organizational performance in CG company. Likewise, 10(25%) respondents' response

agree with this view and while 1 (2.5%) strongly disagree. Similarly, same 2(5%) respondents response disagree and neutral for the same purpose. Thus, there is strongly close relationship between leadership styles and organizational performance. It is also presented in following figure.

Figure 4.10

Relationship between leadership and the organizational performance in CG Company



(Source: Table No. 4.10)

4. 11 CG Company involve to employee in leadership training

By asking eleventh question about CG Company involve to employee in leadership training the following results is occurred.

Table 4.11

CG Company involve to employee in leadership training

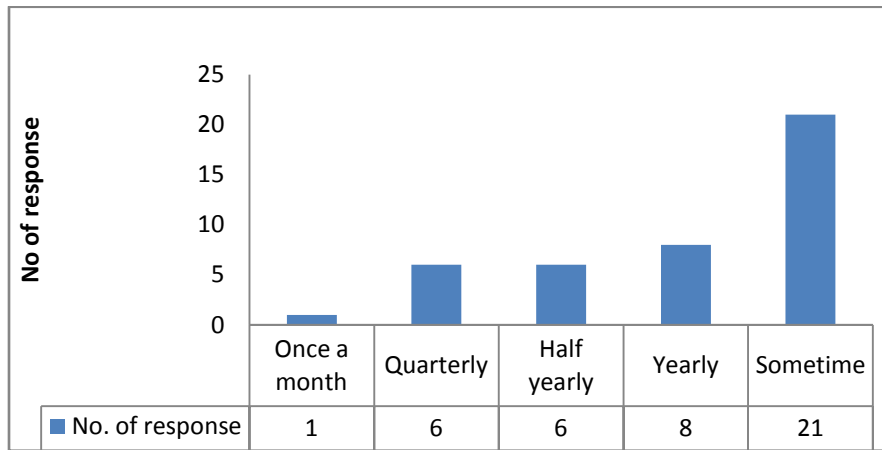
Description	No. of response	In percent (%)
Once a month	1	2.5%
Quarterly	6	15%
Half yearly	6	15%
Yearly	8	20%
Sometime	21	52.5%
Total	40	100.00%

Source: Field Survey February 2014

Table 4.11 depicts the CG Company involve to employee in leadership training. In the total 40 No. of CG employees (respondents) most of them 21(52.5%) response CG company involve to employee in leadership training sometime. Likewise, equal 6(15%) respondents' response quarterly and half yearly company with this view and while 1 (2.5%) once a month involve to employee in leadership training. Similarly, 8(20%) respondents' response yearly leadership training in the same response. Thus, CG Company involve to employee in leadership training sometime only due to training cost and other reason. It is also presented in following figure.

Figure 4.11

CG Company involve to employee in leadership training



(Source: Table No. 4.11)

4. 12 CG Company employee teamwork in work site/ operation

By asking twelfth question about CG Company employee teamwork in work site/ operation the following results is occurred.

Table 4.12

Company employee teamwork in work site/ operation

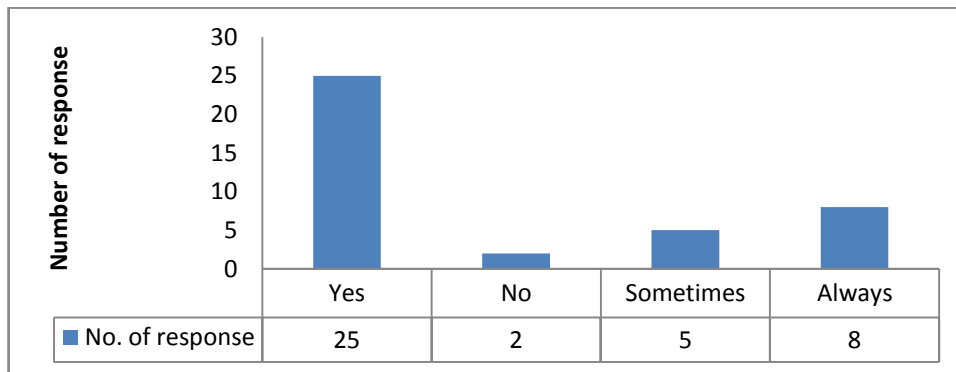
Description	No. of response	In percent (%)
Yes	25	62.5%
No	2	5%
Sometimes	5	12.5%
Always	8	20%
Total	40	100.00%

Source: Field Survey February 2014

Table 4.12 depicts the company employee teamwork in work site. In the total 40 No. of CG employees (respondents) most of them 25(62.5%) response CG company employee teamwork in work site say yes and only nominal 2(5%) response as no. Similarly, 8(20%) respondents' response there is always teamwork in work site. Company employee teamwork in sometime as respond by 12.5%. Thus, CG Company believes to employee in teamwork so that output can be maximized. It is also presented in following figure.

Figure 4.12

Company employee teamwork in work site/ operation



(Source: Table No. 4.12)

4. 13 C Teamwork work is effective tool to obtain an expected output of Company

By asking thirteenth question about teamwork work is effective tool to obtain an expected output of Company the following results is occurred.

Table 4.13

Teamwork is effective tool to obtain an expected output of company

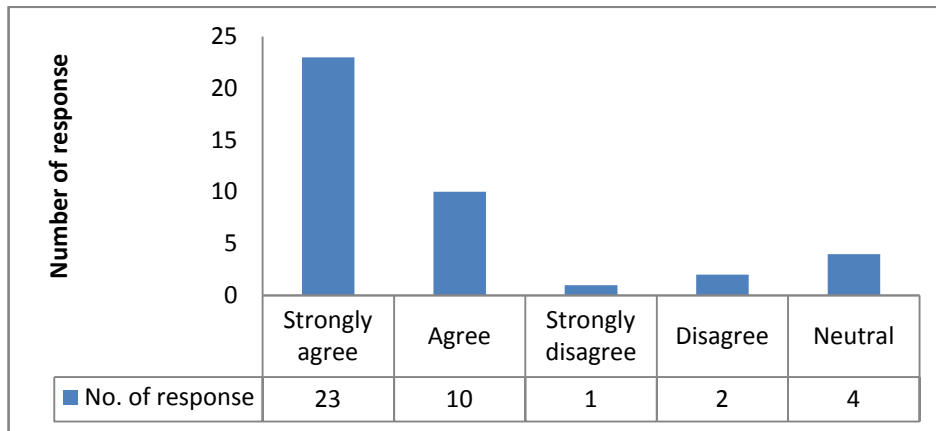
Description	No. of response	In percent (%)
Strongly agree	23	57.5%
Agree	10	25%
Strongly disagree	1	2.5%
Disagree	2	5%
Neutral	4	10%
Total	40	100.00%

Source: Field Survey February 2014

Table 4.13 depicts the teamwork is effective tool to obtain an expected output of company. In the total 40 No. of CG employees (respondents) most of them 23(57.5%) strongly agree with team work is effective tool to obtain an expected output of the company. Likewise, 10 (25%) agree with for the same. In contrast to this only nominal 1(2.5%) strongly disagree and 2(5%) disagree with teamwork is effective tool to obtain an expected output of company while neutral is 4(10%). Thus, teamwork is effective tool to obtain an expected output of company. It is also presented in following figure.

Figure 4.13

Teamwork is effective tool to obtain an expected output of company



(Source: Table No. 4.13)

4. 14 Leadership training and execution are the most important for organizational performance

By asking fourteenth question about Leadership training and execution are the most important for organizational performance the following results is occurred.

Table 4.14

Leadership training and execution important for organizational performance

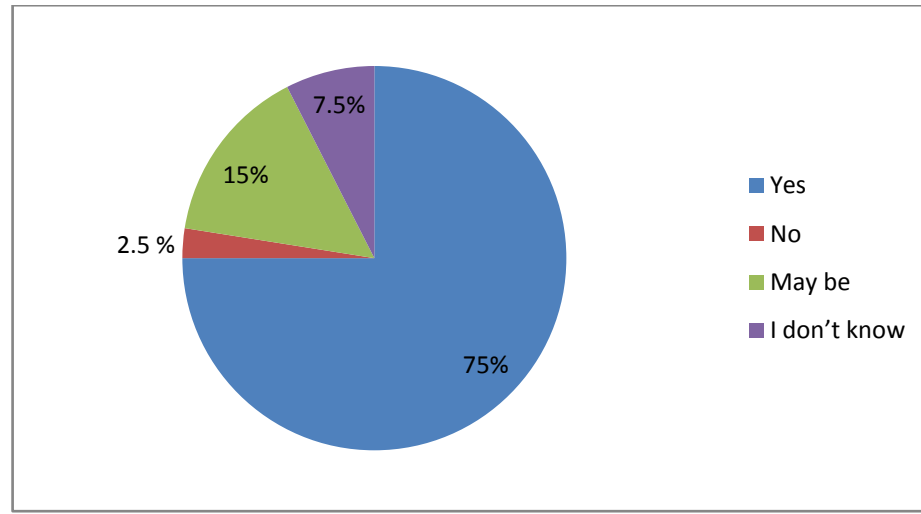
Description	No. of response	In percent (%)
Yes	30	75%
No	1	2.5%
May be	6	15%
I don't know	3	7.5%
Total	40	100.00%

Source: Field Survey February 2014

Table 4.14 depicts the Leadership training and executions are the most important for organizational performance. In the total 40 No. of CG employees (respondents) most of them 30(75%) say yes for leadership training and executions is the most important for organizational performance. Likewise, 6 (15%) say may be with for the same. In contrast to this only nominal 1(2.5%) say no and 3(7.5%) respond don't know about this. Thus, leadership training and execution. Identifying, developing and sustaining leadership in an organization must be one of the strategic objectives. Without leaders at every level of organization, organization may well under-perform. It may miss strategic opportunities, stifle innovation, underutilize employees, and fall short of its goals in customer service, quality, productivity, and profitability. Invest in leadership today to sustain your success for tomorrow and beyond. It is also presented in following figure.

Figure 4.14

Leadership training and execution important for organizational performance



(Source: Table No. 4.14)

4. 15 organizational performance of CG Company

By asking second last question about organizational performance of CG Company the following results is occurred.

Table 4.15

Organizational performance of CG Company

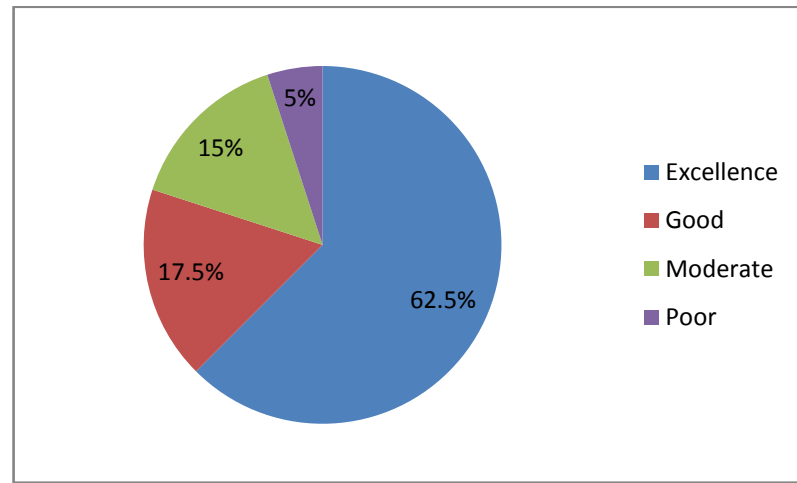
Description	No. of response	In percent (%)
Excellence	25	62.5%
Good	7	17.5%
Moderate	6	15%
Poor	2	5%
Total	40	100.00%

Source: Field Survey February 2014

Table 4.15 depicts the organizational performance of CG Company. In the total 40 No. of CG employees (respondents) most of them 25(62.5%) respond organizational performance of CG company is excellence, 7(17.5%) say good and 6(15%) say moderate. However, only nominal 2(5%) respond organizational performance of CG company is poor. Thus, poor directions

means, poor leadership style would tend to reduce the organizational performance and vice versa. Therefore, leadership style gets company employees to achieve company objectives and goals which mean that company would be able to enhance better performance while meeting of vision and mission. Leadership encourages employees to perform well in the comfortable business environment. Employees are motivated to achieve particular group objectives under limited resources in a given time frame. Hence, better organizational performance is the key trait of good leadership styles. It is also presented in following figure.

Figure 4.15
Organizational performance of CG company



(Source: Table No. 4.15)

4. 16 Good leadership style is the good organizational performance

By asking last question about Good leadership style is the good organizational performance the following results is occurred.

Table 4.16

Good leadership style is the good organizational performance

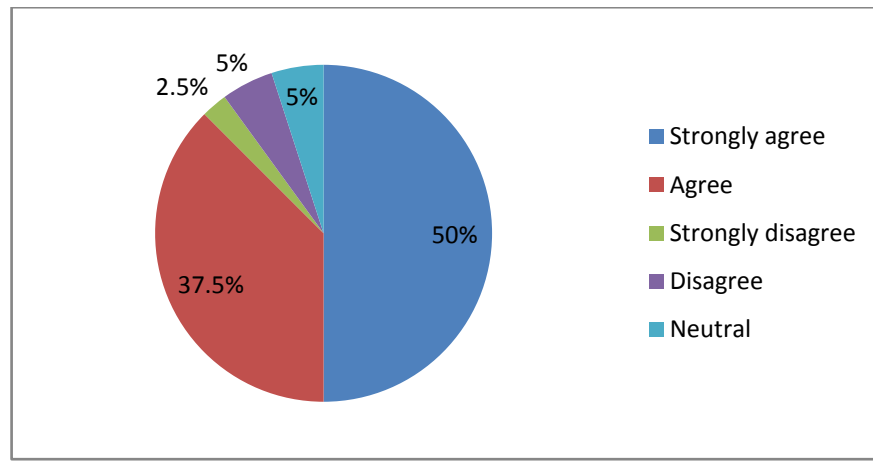
Description	No. of response	In percent (%)
Strongly agree	20	50%
Agree	15	37.5%
Strongly disagree	1	2.5%
Disagree	2	5%
Neutral	2	5%
Total	40	100.00%

Source: Field Survey February 2014

Table 4.16 depicts the good leadership style is the good organizational performance. In the total 40 No. of CG employees (respondents) most of them 20(50%) strongly agree, 15(37.5%) agree that good leadership style is the good organizational performance. However, only nominal 1(2.5%) strongly disagree and equal number 2(5%) respondents disagree and neutral for the same purposed. Therefore, Expert power means the leader's special expertise capacity or knowledge. The leader should have special knowledge to lead the people with possible experience. Otherwise, knowledge could not be successfully posses in the company. Legitimate power provides right to leader to follow given power in the company. Transformational leadership style focuses on the development of followers and their needs. Managers exercising transformational leadership style focus on the development of value system of employees, their motivational level and moralities with the development of their skills. Chaudhary Group is mainly followed the transformational leadership style. It is also presented in following figure.

Figure 4.16

Good leadership style is the good organizational performance



(Source: Table No. 4.16)

4.17 major findings of the study

The major findings of the study are as follows:

- In the total 40 No. of CG employees (respondents) most of them 25 (62.5%) response the transactional leadership style. Likewise, equal respondent's response the transactional and bureaucratic leadership styles which is 5 (12.5%). In contrasts to this, only nominal i.e. 1 (2.5%) respondents the charismatic leadership and 4 respondents (10%) response to autocratic leadership applied in CG company. By this leadership analysis, mostly transformational leadership is mostly applied due to the cope with change i.e. environmental adaptation.
- Chaudhary Group is not followed the motivational inspiration to the employees i.e. charismatic leadership styles. There may be impossible due to huge numbers of employees.
- Transformational leadership style generating a greater awareness of the importance/ purpose of the organization and the task outcomes; inducing followers to transcend their own self-interests for the sake of the organization or team and activating their higher-level needs. Hence, majority of the respondents preferred the transformational leadership style.
- Likewise, most of respondents 27 (67.5%) response the understanding of employee behavior and motivation is the best tip for organizational leadership. By this

organizational leadership analysis, mostly understanding of employee behavior and motivation is the current era of leadership to improve the organizational output. Their understanding was that the leader of a business unit is expected to communicate strategic development and ensure the effective implementation of the performance management system.

- Employees respond their satisfaction with the existing leadership styles of CG Company is 19(47.5%). However, only 8(20%) respondents' strongly agree with this view whereas 4 (10%) strongly disagree. Similarly, 7(17.5%) respondents response disagree and 2(5%) neutral for the same. Thus, the CG existing leadership styles give the employee satisfaction.
- 19 respondents (47.5%) response the transformational leadership styles. Likewise, 9(22.5%) respondents' response the autocratic leadership styles for the same incase of the overall management. By this leadership style analysis as chosen by all level management, mostly transformational leadership is best for the employees to cope with change. Likewise, while most of the top level managers chosen the autocratic leadership styles to regulate and monitor the employee in efficient manner.
- 19 respondents (47.5%) response the productivity measures is the key of organizational performance. Likewise, 7(35%) respondents' response the care for employees leads to organizational performance. Thus, the best define organizational performance is measured by productivity.
- Likewise, 20 respondents (50%) response the high pay is the factor to improve the productivity in CG since high pay through different schemes such as allowances, bonus etc. improve the productivity. Most of them 15(37.5%) response the chief of the group members is the best leader to increase the organizational performance and equal 9 (22.5%) respondents' response the best leader as the one who orders and classifies procedures and allows sub-ordinate to appraise their own work.
- The chief judge of the group members is the best leader to increase the organizational performance. Similarly, 55% responses agree to involve the sub-ordinate in decision making. Company involves the subordinate or line managers in decision making help to develop human capital, develop effective organizational culture and ethical practices and to manage strategic change.

- 47.5% respondents agree to employee satisfaction with the existing leadership styles of CG Company. 62.5% respondents strongly agree that there is close relationship between leadership and the organizational performance in CG Company. Likewise, CG Company involve to employee in leadership training sometime only due to training cost and other reason.
- Mostly 62.5% response CG company employee teamwork in work site says yes and only nominal 2(5%) response as no. Thus, CG Company believes to employee in teamwork so that output can be maximized so teamwork is effective tool to obtain an expected output of company.
- Similarly, 30 respondents (75%) say yes for leadership training and executions is the most important for organizational performance. Thus, leadership training and execution. Identifying, developing and sustaining leadership in an organization must be one of the strategic objectives. Invest in leadership today to sustain your success for tomorrow and beyond is followed by CG.
- Mostly, 25 (62.5%) respond organizational performance of CG company is excellence. Therefore, leadership style gets company employees to achieve company objectives and goals which mean that company would be able to enhance better performance while meeting of vision and mission. Leadership encourages employees to perform well in the comfortable business environment.
- Hence, better organizational performance is the key trait of good leadership styles. Therefore, Expert power means the leader's special expertise capacity or knowledge.

CHAPTER-V

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

A transactional leader would be engaged in an exchange or a transaction where pay, status or other rewards are exchanged for work effort. While the transactional leader motivates subordinates to perform as expected, the transformational leader. A transformational leader develops a closer relationship between him/her and followers based more on trust and commitment than contractual agreements. A transformational leader further builds self-confidence, self efficiency and self esteem in their followers, positively influence followers' identification with group/organization and vision, and boost motivation and goal achievement. Transactional leadership motivates individuals primarily through contingent reward exchanges and active management by exception. Transactional leaders set goals, articulate explicit agreements regarding what the leader expects from organizational members and how they will be rewarded for their efforts and commitment, and provide constructive feedback to keep every person on task. Leadership and management represent two completely different business concepts. Leadership is commonly defined as establishing a clear vision, communicating the vision with others and resolving the conflicts between various individuals who are responsible for completing the company vision. Management is the organization and coordination of various economic resources in a business. Leadership can have a significant impact on an organizational performance.

Organizational leadership must be more than just running business operations through employees but with them as well. Organizational design can also have an influence in effective organizational leadership. Leaders must be willing to make drastic changes if necessary to improve employee productivity and lower employee stress. Small changes can sometimes have the biggest impact. Leaders must drive changes in order to create a business environment that is both efficient and effective. Failure to exhibit the proper leadership skills necessary can result in a difficult work environment and lower competitiveness by the organization. Many people consider leadership to be an art, and many consider management to be a science.

Organizational leadership is a blending of the art and the science in order to give a company direction. There is no single doctrine outlining the rules and beliefs of this business tool, but there are several similarities no matter what the company or goal. Learning organizational leadership doesn't require a college degree and can be applied in a variety of diverse careers. Organizational leadership does not mean having a boss think of a command and then watch as it is filtered throughout the ranks. Organizational leadership, instead, is the ability of management to understand its employees and company goals enough to bring everyone together. Frequently, an organization with excellent leadership will have employees who feel that their opinions are valued and that their work is highly important to the shared success of the whole organization. There is no single technique to ensure that this happens. The leader should have special knowledge to lead the people with possible experience. Managers exercising transformational leadership style focus on the development of value system of employees, their motivational level and moralities with the development of their skills. Chaudhary Group is mainly followed the transformational leadership style.

Hence, this research is also similarities as discussed in literature review. Mostly transformational leadership styles were applied to increase the organizational performance. Proper self – image, employees understanding behavior and increase the productivity is to success key to organizational effective performance and good leadership style.

5.2 Conclusion

This study has explored the effect of leadership style & its impact on the organizational performance in Chaudhary Group from Nepalese retail sector. The results of this study revealed that there is strong relationship between leadership style and organizational performance. On the basis of the findings of this study, it can be concluded that leadership style has both positive and negative effect on organizational performance. The study found that transformational leadership style, in which employees are allowed to have sense of belonging, carry out higher responsibility with little supervision, and followers are helped to achieve their visions and needs enhance organizational efficiency. Surprisingly autocratic leadership style also has followed mostly top level management to increase organizational performance in some circumstances. Charismatic leadership styles are rare in Nepalese retail sector and Bureaucratic leadership style is applied in few manner and transactional leadership styles are

also applied rare in CG. It is concluded that transformational leadership styles are the best for the management of Chaudhary Group to be adopted in order for them to wax stronger in a global financial competitive environment.

The visionary or transformational style yield most organizational effectiveness. So this is the best style to be used. The different dimensions used to define organizational effectiveness in Chaudhary Group industry are employee morale, organizations competitive position, customer satisfaction, management satisfaction, ability to introduce organizational change, market share of the firm. It is better to use transformational leadership style in most cases but sometimes autocratic style can also be used. Autocratic leadership style should be used when the employee is young/fresh in the industry. They actually need direct guidance and concrete explanation about task. Charismatic leaders are passionate visionaries who inspire others through selflessness. According to Based on those common attributes, charismatic leaders have remarkable influence among colleagues. The best evidence of their influence is in their subordinates' job performance. Supervisors and managers described as charismatic create a working atmosphere that their subordinates appreciate. Leaders like this also support team efforts by providing the type of guidance, direction and management that can result in their subordinates' higher performance levels. Subordinates who emulate their leader's behavior build strong, cohesive teams. Leaders with charisma recognize their employees' skills and talents, and they utilize those strengths to build high-performing individuals and teams. Charismatic leadership is effective leadership. Charismatic leaders don't discourage their employees from believing that they can attain professional goals. Even if an employee's job is routine and involves mundane, repetitive work, a charismatic leader encourages that employee to look for ways to improve upon the position. Improvements may mean a new process or using technology to streamline current processes.

Effective organizational leadership is not some mystical phenomenon; organizations run effectively based on the individuals working in them. Owners and executives are the prime individuals for setting the managerial tone in an organization. The best tips for engaging in effective organizational leadership include a proper self-image, the creation of organizational goals, and a review of employee behavior and motivation. These can lead to other attributes for organizational leadership, such as productivity maximization, low organizational stress,

and proper decision making within the company. These steps and more are necessary for creating leadership in an organization. Leaders must have a positive self-image if they desire success in an organization. Education and experience are two characteristics that can help drive an individual's self-image. Additionally, leaders must know what they know and, more importantly, know what they do not know. This allows the leader to hire others for accomplishing the tasks that go into effective organizational leadership. Others in the company may also look for inspiration from a leader who has a positive self-image.

Leaders must create all types of goals under the auspices of effective organizational leadership. For example, profit and product quality should only be a few goals among many. Other goals for creating effective organizational leadership include developing skilled workers, creating a competitive marketplace advantage, and finding new ideas for product pipelines. Leaders should find people who can help create and accomplish goals in the organization. The CG company applied the era of transformational leadership styles as already discussed in above. CG tried to achieve teamwork, empowerment and the belief and thought processes of both leaders and subordinates are still stuck in the old paradigm that values stability that they are confronted with or their jobs could become increasing stressful. Often the rigid organizational hierarchies and detailed structured work- procedures let everyone know that those at the top had power and those at the bottom had none. Managers need to know that subordinates are demanding empowerment and participation in all facets of their lives including their work. Therefore the emphasis on control and rigidity tends to decrease motivation and morale rather than produce desired results. Today's leaders need to share power. They must find ways to increase an organization's brain-power by getting everyone within the organization involved and committed. One reason for this is that knowledge and information, not a building, computers and plush offices, have become primary forms of capital, for example, leaders should draw a profile of each official's unique talents and give him/her the opportunity to utilize these talents. Success, therefore, depends on the collective intellectual capacity of all employees, and leaders have to face the hard fact that people cannot be owned. The increase in collaboration both within and among Missions, reflect another fundamental transformation and that is a shift from an emphasis on things to an emphasis on relationships. Transferring this understanding to the organization may be one of the greatest challenges for leaders of today.

Therefore, the task of the innovative leader to keep the relationships among subordinates and between his/her staff and head office cordial.

5.3 Recommendation

Following recommendation is made on the basis of findings.

- Due to the change of modern era, CG Company should encourage employees in better working environment.
- Mostly transformational leadership style is applied in the Chaudhary Group, but this leadership styles are not entertained by the lower level staffs. While asking the question they are also fared with the top level managers. Hence, top leaders should emphasize the transformational leadership style in bottom level.
- Most of the employees are agree that there is teamwork in CG. But due to the nature of different business sectors there is lack of special division of work. Because of lack of division of work, the productivity organization leads to be decreased. Hence, the top leaders should specify and classify the proper division of work as the nature of business and interest of employees so that the organizational productivity will be increased.
- Most of the employees are agree that CG Company allow the subordinate in decision making. But there is lack of training and development opportunities for them. Hence, top leader of CG should launch the training and development program at least quarterly not sometimes so that they will be grasped the opportunities which lead to increase the organizational performance.
- Top level management followed the leadership style cope with change. Most of the top managers/leaders exploit to lower level employees say sub-ordinate as autocratic leadership which is not good in modern era. However these persons are limited but its may harm to other as environmental and psychological effect. Thus, top leaders should follow the transformational leadership style in all level as far as possible so that employees are motivated and encourage performing their work which leads to increase productivity.
- This study confirmed that leading is interdependent, in that supervisors and subordinates

should strengthen their ability to accomplish goals and objectives together, leaders must be passionate and persistent in leading effectively and leading requires commitment, honesty and determination to succeed in their work.

- CG Followers need leaders they can trust to be committed, honest and determined. Leading is so demanding that leaders must work persistently if they are going to make a difference.

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QUESTIONNAIRE

Date:

Declaration: objective of this study is to find out the leadership style and its impact on organizational performance of Chaudhary group Nepal: evidence from a case study in Nepalese retail sector. Answers provided are for academic purpose and will be kept to strictly confidential. Thank you.

Please tick the best answer that suits your opinion regarding the leadership style of the company which contributes in organizational performances in (CG).

Q 1. If you are the leader of CG Company which leadership styles will you have to prefer?

- a) Autocratic
- b) Transformational
- c) *Charismatic*
- d) *Transactional*
- e) *Bureaucratic*

Q 2. In your opinion what may be the best tip for effective organizational leadership?

- a) Proper self-image
- b) creation of organizational goals
- c) understanding of employee behavior and motivation.

Q 3. If you choose any leadership styles what will be your ability to change the working environment in CG?

- a) Inspirational motivation
- b) intellectual stimulation
- c) idealized influence
- d) individualized consideration

Q 4. What type of leadership styles do you choose in all level of management in CG i.e. with respect to CEO, team leaders and employee?

- a) Autocratic
- b) Transformational
- c) Charismatic
- d) Transactional
- e) Bureaucratic

Q 5. In your company which of the following best defines organizational performance?

- a) Productivity measures
- b) Financial measures
- c) Customer service measures
- d) Care for employee measures

Q 6. What are the factors to improve productivity in your company?

- a) High pay
- b) conducive and better work environment
- c) strict supervision
- d) training development

Q 7. In your opinion who is the best leader to increase organizational performance?

- a) One who orders and classifies procedures
- b) one who is the chief judge of the group members
- c) One who allows sub-ordinate to appraise their own work
- d) one who provides guidance without pressure

Q.8 CG Company involves the subordinate or line- managers in the decision making.

- a) Strongly agree
- b) agree
- c) strongly disagree
- d) disagree
- e) Neutral

Q.9 Are you satisfied with the existing leadership style of the company?

- a) Strongly agree
- b) agree
- c) strongly disagree
- d) disagree
- e) Neutral

Q.10 Do you think that there is a close relationship between leadership and the organizational performance in CG?

- a) Strongly agree
- b) agree
- c) strongly disagree
- d) disagree
- e) Neutral

Q.11 How often does your company involve employees in leadership training?

- a) Once a month
- b) quarterly
- c) half yearly
- d) yearly
- e) sometime

Q.12 Do you have team work in work site/operation?

- a) Yes
- b) no
- c) sometime
- d) always

Q.13 Do you agree that team work is effective tool to obtain an expected output in the company?

- a) Strongly agree b) agree c) strongly disagree d) disagree e) Neutral

Q.14 Do you think leadership training and execution are the most important for organizational performance?

- a) Yes b) No c) May be d) I do not know

Q.15 How do you judge the organizational performance of your company?

- a) Excellent b) Good c) moderate d) poor

Q.16 Do you agree that good leadership style is the good signal of organizational performance?

- a) Strongly agree b) agree c) strongly disagree d) disagree e) Neutral

Q.17 Any other thing or suggestion that you want to give which above questionnaire has not covered.

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Ratna Kaji Prajapati
Researcher