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| RESEARCH ARTICLE

## **Leadership Style and its Influence on Employee Well-Being and Productivity: Industrial and Organizational Psychology Perspectives**

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### **| ABSTRACT**

This study aims to analyze and explain leadership styles and their effects on employee welfare and productivity. Through his leadership style, a leader can influence well-being and job satisfaction by paying attention to and meeting the needs of his employees. If employee needs have been met, employees will work as much as possible towards increasing work productivity. Therefore, a leadership style is needed that can affect the welfare and productivity of employees with an Industrial Psychology approach. The method used in this study can be classified as descriptive research, meaning by researching and holding discussions and describing systematically, then looking for relationships from these source data to get a desired conclusion for the solution faced. The results of this study show that a good leadership style and organizational culture can foster commitment in employees. Commitment in the organization is a trigger for organizational success. The role of psychology in psychology is to answer psychological problems by integrating industry and organizations as a practical way to solve problems that arise.

### **| KEYWORDS**

Leadership style, well-being, employee, psychology, industry

### **| ARTICLE INFORMATION**

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### **1. Introduction**

Leadership is the process of influencing or setting an example for his followers by the leader in an effort to achieve organizational goals. The natural way to study leadership is to "do it in work" with practice. Most people still tend to say that effective leaders have certain traits or traits that are very important, such as charisma, foresight, persuasion, and intensity.

Leadership or leadership is included in the group of applied sciences or applied sciences from the social sciences because the principles and formulations are useful in improving human welfare (Setiawan, 2021). Basically, a leader has different behavior in managing his members, and this behavior is called a leadership style. The leadership style that has been theorized is more directed at how leaders are able to influence followers so that, in the future, they are voluntarily willing to carry out various joint actions ordered by the leader without feeling that he is pressured in order to achieve organizational goals (Jaya, Mukhtar, & UA, 2020).

Leadership style is thus the way a leader influences members and cooperates with various programs and predetermined ways. Therefore, leadership contains a dynamic force in encouraging, motivating, and coordinating the organization to achieve the expected goals.

Leadership style is one of the important factors in increasing employee work productivity by applying people-oriented and work-oriented leadership styles (Indrawati & An effective leadership style in managing human resources in a work unit will affect work behavior, indicated by an increase in individual job satisfaction and the performance of the unit itself, which will ultimately affect the overall performance of the company (Primary, 2012). There are many factors that affect maintaining and enforcing good performance, including welfare, education and training, motivation, leadership style, organizational culture, job satisfaction, and work environment (Fitayanti &).

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One of the decreases in employee performance is caused by the leadership style of a leader, organizational culture in the office or job satisfaction, which includes salaries and benefits that are not maximized, so this can cause a decrease in the performance of these employees. Problems that arise are related to low performance and the desire of employees to complete work in accordance with the predetermined time.

Through his leadership style, a leader can influence morale and job satisfaction by paying attention to and meeting the needs of his employees. If employees' needs have been met, employees will work as much as possible towards increasing work productivity.

Therefore, a leadership style is needed that can affect the welfare and productivity of employees with an Industrial and Organizational Psychology approach. Industrial and organizational psychology are applications of psychology in the field of work. Industrial and organizational psychology results in the observation and assessment of individual behavior carried out in the work environment where the existing behavior is behavior that can be observed directly and behavior that cannot be observed directly.

An industrial organization consists of various work units. Large work units, such as divisions, consist of smaller work units or parts that each consist of smaller work units, and so on. This makes human behavior in the organization can be seen from the side of the employees themselves and from the side of employees as members of a work unit. The purpose of this study is to improve leadership style and its influence on employee well-being and productivity from an industrial and organizational psychology perspective.

## **2. Method**

The method used in this study can be classified as descriptive research, meaning by researching and holding discussions and describing systematically, then looking for relationships from these source data to get a desired conclusion for the solution faced. Data collection techniques used to obtain the required data are from websites, articles, journals, papers, books, etc., which relate to the research that researchers are conducting on leadership styles and their effects on employee well-being and productivity: perspectives of industrial and organizational psychology.

## **3. Results of Research and Discussion**

### **3.1 Leadership Style**

Leadership is the ability to influence a group for the achievement of a vision or goal. Leadership is one of three activities in the act of supervision. Supervision is one of the elements of quality control (National Civil Service Authority, 2021). Leadership, in the context of an organization, is the ability and skills of someone who occupies a position as a leader of a work unit to influence the behavior of others, especially his subordinates, to think and act in such a way so that through positive behavior, he makes a real contribution to the achievement of organizational goals (Rosiana & Safitri, 2015).

While leadership style is a behavioral norm used by a person when the person tries to influence the behavior of others or subordinates (Laurent & Wijono, 2018), leadership style is the way a leader influences the behavior of subordinates in order to be willing to work together and work productively to achieve organizational goals (Widyani & Aslamawati, 2018).

In general, there are two leadership styles that are often applied, namely task-oriented and people-oriented leadership. But, both of these leadership styles have their own advantages and disadvantages. The task-oriented leadership style focuses on the technical aspects by carrying out work procedures but is less able to motivate employees. While the people-oriented leadership style emphasizes the positive relationship between superiors and subordinates, this leadership style also has weaknesses related to weakened actual goals (Indrawati & Sembiring, 2020). Therefore, a good leadership style is one that is able to combine both leadership styles. This study uses a leadership style that combines both leadership styles.

According to Pasolong (2013), leadership style can be measured through:

1. Democratic leaders do not hesitate to engage with subordinates to make decisions and carry out work activities for the achievement of organizational goals.
2. Democratic leadership values each individual's potential and is willing to recognize the expertise of specialists in their respective fields, being able to utilize the capacities of each member as effectively as possible at the right time and under the right conditions.
3. Hearing criticism, suggestions/opinions from subordinates Getting criticism, suggestions/opinions from subordinates is a natural thing in organizational life. Thus, there will be a tendency to further increase one's potential, be better than before, and learn from the mistakes that have been made.

4. Cooperate with his subordinates. A good leader is a leader who is able to work together / be directly involved together in carrying out tasks for the achievement of organizational goals. Leaders also do not hesitate to go directly into the field to carry out their duties (Setiawan, 2021).

A good leadership style and organizational culture can foster commitment in employees. Commitment in the organization is a trigger for organizational success. Without committed members, an organization can easily collapse (Pharmaceutical Management and Services, Pratama, & Wahyono, 2014). Leadership style basically contains meaning as a manifestation of the leader's behavior towards leadership ability (Henri, 2020).

The characteristics of people/employee-oriented leadership are as follows:

- 1) Always listen well to every complaint of subordinates.
- 2) Willing to accept proposals or ideas submitted by subordinates.
- 3) Try to include subordinates at every opportunity.
- 4) Always think about the interests of the welfare of subordinates.
- 5) Willing to consult and defend the interests of subordinates (Hendri, 2018).

There are two kinds of leadership styles, according to Ratnaningsih (2009: 126), namely transactional and transformational leadership styles. Transactional leadership is a leadership style in which rewards or punishments are used to motivate and measure the work performance of its members. In contrast, the transformational leadership style is a leadership style in which there is motivation from the leader to his members (Hardika Senny, Wijyaningsih, Kurniawan, & Kristen Satya Wacana, 2018).

The ideal leadership style is one that emphasizes a clear vision and mission statements, effective use of communication, intellectual stimulation, and personal attention to individual problems of its members. All of these things are found in the transformational leadership style. Transformational leadership style needs to be applied because today, there is a variety of information that should be transformed for teachers, administrative staff, students and parents.

### **3.2 Leadership style towards employee well-being and productivity**

The purpose of leadership is to form the values, attitudes and behaviors needed to motivate oneself (intrinsic motivation) and others to create a vision and harmony of values through individuals, empowered teams, and organizational levels and help develop terms of psychological well-being (UYAR, 2019). To become a leader, there are several leadership characteristics that can be seen as follows:

- 1) Traits (motivation, personality, values)
- 2) Confidence and optimism
- 3) Behavior
- 4) Skills and expertise
- 5) Integrity and ethics
- 6) Tactics of influence
- 7) The nature of followers (National Civil Service Authority, 2021).

The task-oriented leadership style focuses on the technical aspects by explaining work procedures but does not pay attention to the motivation and welfare of subordinates (Indrawati & Sembiring, 2020). Worker welfare is the fulfillment of physical and spiritual needs and/or needs, both during and outside the employment relationship, which can, directly and indirectly, increase work productivity (Izzati & Prabandini Mulyana, 2019).

There are many factors that affect maintaining and enforcing good performance, including welfare, education and training, motivation, leadership style, organizational culture, job satisfaction, and work environment (Fitayanti & Leadership can help increase employee confidence and motivation in achieving organizational goals, while emotional labor can help employees cope with stress and maintain high engagement in their work (Rini & Aulia Safrizal, 2023). It is, therefore, important for modern organizational management to develop effective leadership strategies and pay attention to the emotional labor aspects of employees to improve productivity and overall organizational performance.

Innovative work behavior can result in constructive conflict, successful innovation, and a positive work attitude. There is also improved performance, matching demands with work ability, job satisfaction, employee well-being, better interpersonal relationships, and increased personal growth (Etikariene, 2020). Therefore, conducting a study on innovative work behavior will have a positive impact, so it is important to be the attention of the organization.

High commitment can be a trigger for high productivity. Employee productivity is an inseparable part of the success of an organization or company to continue to grow and develop in times of fierce competition in the industry. Good productivity can be obtained when there are environmental conditions that support the work optimization process (Pharmaceutical Management and Services et al., 2014). In terms of psychology, productivity shows behavior as an output (output) of a process, with various kinds of psychological components behind it. Productivity is nothing more than talking about human or individual behavior, that is, productivity behavior, more specifically in the field of work or work organization (Farah Dina Eka Syamriati, H. Sulbahri Madjir, & Djatmiko Noviantoro, 2022).

Leaders in a company play a role in the success of a company in terms of increasing employee work productivity (Huzain, 2015). Productivity is also a measure of the economic efficiency of an organization's activities in using resources to produce goods or services (Rina, 2020). What leaders do is set goals that must be achieved by members or subordinates to be free to work and act without further direction or control to increase work productivity?

### ***3.3 Leadership Styles and Their Effects on Employee Well-Being Industrial and Organizational Psychology Perspectives***

The success of an organization depends largely on the efforts of its employees. When productivity is high, everyone wins, especially companies and workers. An optimistic disposition is reflected in increased productivity, which in turn reflects the work ethic of employees (Son, Moeins, & Cashmere, 2019). Thus, both companies and workers are interested in finding ways to increase productivity. Employee work productivity is a very important measure of success in running a business because it contributes to the company's ability to achieve its goals of expanding, maintaining its existence, and making a profit. The efforts of each employee contribute to the overall performance of the business, which in turn affects the output of the organization.

Leadership rests on two assumptions: (1) All significant human achievements, from the construction of the Egyptian pyramids to NASA's space program, depend on coordinated group efforts; (2) Intergroup differences in the success of coordinated group efforts can be described in terms of five general principles of evolutionary psychology (Fahlevi et al., 2023).

Today, industrial & organizational psychology is one of the fastest-growing areas of psychology. Psychologists in this field are at the forefront of professionals who meet the great demand for information leading to a good understanding of workers, the work environment, and work behavior. They are involved in almost every aspect of business and industry, and as we will see, the scope of the topics they research and the types of tasks they perform are very broad. (Riggio. R. E, 2017)

It is this result of the development of general psychology, experimental psychology, and special psychology that has created industrial and organizational psychology. Its widespread application in the field of industrial psychology took place around the 1930s. Since World War II, industrial and organizational psychology has only become an independent science with the following activities:

- a. Carry out scientific research in relation to human behavior in organizations and organizations themselves.
- b. Develop theories and test their correctness.
- c. Apply new discoveries (Marliani, 2015)

Psychological strategy is the next function. How this strategy is made to spur human resources to work well can be in the form of rewards and punishments, promotions, training and employee development, and others. For example, if a company has human resources who are always late and often violate workplace rules, will the company then silence this problem, which actually becomes a bad example and is followed by other human resources who should be given punishment or reprimand? There is a need for the presence of sanctions, both mild to severe, such as reprimands or suspensions to layoffs, to provide a deterrent effect so that HR does not repeat the same mistakes. The presence of industrial psychology in a company or organization can create a professional human resource increase, work motivation, good work morale, and work attitudes that are certainly expected by all organizations or companies.

## **4. Conclusion**

Leadership style is one of the important factors in increasing Kinerna's productivity by applying people-oriented and work-oriented leadership styles. A good leadership style and organizational culture can foster commitment in employees. Commitment in the organization is a trigger for organizational success.

The role of psychology in psychology is to answer psychological problems by integrating industry and organizations as a practical way to solve problems that arise. Today, industrial & organizational psychology is one of the fastest-growing areas of psychology. Psychologists in this field are at the forefront of professionals who meet the great demand for information leading to a good understanding of workers, the work environment, and work behavior.

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