To Study the Analysis of Various Leadership Styles used in Business Process of Various SMEs in Selected Sector

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Abstract- Leadership is one of the key determinants associated with the success and failure of any organization. Leadership style is the manner in which people are directed and motivated by a leader to achieve organizational goals. Leadership style for business decision making by the business leaders is the study of identifying and choosing alternatives based on the values and preferences of the decision maker which leaders decides by specific style SME's are playing very important role in every economy of the world. In view of this large as well as Small & Medium Enterprises (SMEs) have to think &plan strategically their every decision which does have an impact either positive ornegative on its business considering this every effort has to be made so as to have apositive impact on its business performance.This research will focus basically on study of various leadership styles used in business process of various SMEs in selected sector like Electronic/Electrical & auto ancillary sectors of Small, Medium Enterprises segment of select SMEs at Bihar Madhubaniregion.

Keywords - Leadership, Small & Medium Enterprises, MSMEs, Business Process

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INTRODUCTION

Leadership is the practise of influencing and guiding others to accomplish corporate goals. Leadership has been known as the way of persuading others to work toward an organization's objectives. Demonstrating both decent and successful leadership can aid in improving an enterprise's performance. Additionally, guided leadership can assist in multiplying the company's revenue, profitability, and growth. Enterprises should be able to grow strategically and in harmony with their surroundings in order to maintain a sustained competitive edge in a dynamic and competitive environment. One prominent way for any organisation to attain success, increased performance, and a sustained competitive edge is to innovate both its products and services. To maintain growth, there is a constant need to enhance and renovate, while keeping in mind the consumer's interests and preferences.

Innovativeness refers to an organization's capacity to develop new products and services while being current with market opportunities. This can be accomplished through the use of novel tactics, new process behaviours, and other methods that add value to an existing product/service (Gupta, Nanda, 2016). Globalization has also motivated and encouraged SMEs to be innovative in order to compete on a global scale. It has also inspired people to succeed in times of economic insecurity by remaining focused on and pushing for innovation. Innovation contributes to achieving monetary and awareness benefits, and hence an organization's capacity to handle knowledge is also a requirement). The organisation need a guiding force to achieve this evolution, innovation, entrepreneurial, goals of the organisation, & targets, as well as superior performance. This driving force must be self-motivated and well-trained, with the ability to steer the organisation in the right path, even in the face of adversity. The enterprise's leader will be the focal point of all of this. He is the one who will advise and motivate the staff to work to their full potential in order to attain the targets, something they would never have imagined achieving or obtaining. He would also be responsible for monitoring and controlling employee behaviour to ensure they give their all to the organisation, establishing a critical link between leaders & performance of the organization.

Background of Msme

Micro, small and Medium Enterprises are broadly classified into two categories;

- Manufacturing.

- Those engaged in rendering services.

Small and medium enterprises have unique definitions globally. The number of employees is also a base to segregate the establishments in Micro, small, medium in some countries.

In some other countries, Small and Medium enterprise is definition is depending upon the annual turnover of the company .The concept of size is also a relative fact with reference to the local economies, further it depends on the economy of countries as large company can be small in large economy and small economy can be large in small economy.

LITERATURE REVIEW

Tien Dat, LE, et al (2019). Leadership & leadership styles are viewed as critical variables in determining the success or failure of SMEs. The purpose of this study is to discuss the advantages and disadvantages of three distinct leadership styles, namely autocratic, democratic, and laissez-faire, used by Vietnamese SME leaders in a variety of business disciplines. The qualitative approach was utilised to investigate the perceptions of 51 Vietnamese SME managers, data processing was facilitated by the N-vivo programme. Thus, the theoretical contribution can be found in the in-depth examination of leadership styles from the multiple perspectives of SMEs leaders in the setting of an Asian growing nation such as Vietnam. Additionally, the paper is designed to assist SME managers in developing a better understanding of leadership styles in order to alter and perfect their leadership behaviours for increased management and organisational effectiveness.

Mwakajila et al (2021). The purpose of this study is to examine the correlation amongst leadership styles & financial performance of Tanzanian SMEs. Previous empirical research has primarily concentrated on the direct effect of a specific leadership style. However, it is possible that the combined leadership styles tempered by company characteristics will have a greater impact on business performance, particularly in SMEs.The research explores the relationship around four leadership styles (transactional, transformational, a combination of transactional & transformational leadership, and passive-avoidant leadership) and the financial performance of enterprises (SMEs), taking into account the moderating effect of firm characteristics. The research was conducted using a cross-sectional survey design. &The study is governed by transactional leadership theory, transformational leadership theory, & contingency theory, with data elicited from one hundred & ten (110) randomly selected SMEs analysed using mean & multiple regressions. The findings indicated that transformational leadership styles, as well as a combination of transformational and transactional leadership styles, had a noteworthy effect on the financial performance of small businesses. By contrast, transactional leadership style has a considerable detrimental impact on the financial success of SMEs. The passive-avoidant leadership style was found to have a negligible impact on the financial performance of SMEs. Additionally, the results indicated that ownership structure and company age had a moderating effect on the financial performance of SMEs when transactional leadership style, passive-avoidant leadership style, or a combination of transformational and transactional leadership styles were used. Among other things, the essay proposes that SMEs' leaders combine transformational & transactional leadership styles if they wish to achieve relatively good financial performance for their businesses.

Q. Xu et al (2021) The COVID-19 epidemic has had a substantial effect on Azerbaijan's economy. S MEs are one of COVID-19's primary victims. The purpose of this article was to examine the impact of the COVID-19 pandemic on SMEs operating in Azerbaijan and to propose policy recommendations to assist SMEs affected by the pandemic in surviving and thriving during the COVID-19 pandemic. This study used a quantitative research method in conjunction with an online questionnaire to collect data from SMEs operating in various areas and cities throughout Azerbaijan. The data obtained were examined using a descriptive statistics technique. The study's findings reveal that the COVID-19 epidemic has had a significant impact on SMEs businesses. Approximately 92.96 percent of the organisations surveyed indicated that CO- VID-19 had a severe or highly negative impact on their operations. Additionally, the survey found that tourism (26.60 percent), restaurant & cafe (22.10 percent), and education (13.60 percent) are among the industries most influenced by the COVID-19 pandemic, while pharmacies (0.2 percent), insurance (0.8 percent),& agriculture (1.2 percent) are among the industries least affected. Numerous policy proposals were made to policymakers in light of the research findings in order to alleviate the load on SMEs.

R. Walden et al (2020). Strategic leadership & development of innovative capability are crucial for product design and manufacturing, as emerging digital technologies continue to disrupt established practises. This article describes research that aims to educate manufacturing SMEs & product designers on the complexity of implementing advanced manufacturing technologies as part of the transition to Industry 4.0. A research study is given that details a university-industry collaboration design project aimed at explaining the role of product design in establishing strategic leadership and innovation capability for SMEs in the digital era. The chapter gives concrete recommendations for manufacturing SMEs considering a transition to additive manufacturing (AM) technology by operationalizing a variety of theoretical perspectives advanced in academic discourse. These include the importance of adopting empowering leadership styles, the value of communal entrepreneurship, and the nature of creative process participation in order

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to generate ideas and alternative solutions for AM transformation.

OBJECTIVES

1. To study the effect of leadership styles on various business operations within SME
2. To study the relationship between leadership styles and the rate of increase in sales revenue & profit margins for SMEs.

METHODOLOGY

The research and its scientific logical methodology are critical components of the research; one could argue that every research in this globe must have a basic, accessible, & uncomplicated methodology that outlines the systematic approach to the objective. One of the key components of any research is the investigation and analysis of their efforts that result in research.This research will primarily focus on the various leadership styles utilised in the business processes of various SMEs in selected sectors such as electronic/electrical and auto ancillary sectors of select SMEs in the Bihar District Madhubani region.

DATA FOR THE STUDY

The data for this study will gathered from primary and secondary sources regarding the leadership styles used in SMEs, SME managers' decision-making styles, approaches, and methodologies, and their impact on their company performance from 2016 to 2021 in chosen samples of SMEs in Bihar District Madhubani .

Primary Source

By presenting organised Questionnaire forms to SME business managers in a systematic, scientific manner and eliciting their honest responses via direct interviews, email surveys, or survey portals on the search engine, or via telephone.

Secondary Data

The researcher conducted an exhaustive review of numerous journals, articles, books, blogs, encyclopedias, published management papers, and the internet. However, the researcher discovered during his investigation that the subject of the above title is extremely broad, and in order to focus his study, he narrowed it down to a few selected SME units in primarily two sectors: electronics/electrical and auto auxiliary. This is due to the researcher's economic & manpower limits, as he works as a professional in the SME industry.

PERIOD FOR THE STUDY

The study period is to be defined for a period of five years beginning in 2016 -2021. In this regard, it is worth noting that during this period, the economy began to shift to the north and economic activity began to pick up, and the researcher chose to investigate this period in order to gauge the true pulse of leadership styles and their potential impact on enterprises.

SAMPLING

Random Cluster Sampling: In context of this researcher chose to go for the research of selected SMEs in different geographic clusters in Bihar District Madhubani region & utilized random cluster sampling approach. Due to the breadth of the subject of Leadership Styles & Business Decision Making, and the fact that every business function is required to make a variety of routine & non-routine judgments in daily life, the researcher was forced to use a random cluster sampling method. Considering the Application of Statistical Models and Other Elementary Theory Models in SME:

PILOT STUDY

The investigator conducted a pilot study survey of approximately 40 SMEs in the Bihar District Madhubani and discovered that SMEs were either unaware of the various leadership styles offered in the questionnaire or found them extremely difficult to describe. Approximately 09 leadership styles (Transformational, Transactional, Democratic, Participative, Autocratic, Consultative, Laissez-faire, Impulsive, & Data Driven) were inquired in a questionnaire format, but it was discovered that respondents were unaware of the scientific names for these leadership styles, but were utilising them in some capacity and successfully (& unsuccessfully) running businesses, primarily performance measurement on Sales & Profit figures. In view of this outcome of pilot studyresearcher has decided to use only various elementary commonly used leadershipstyles, which respondents are aware of or we can explain them the nomenclature &they will understand it easily.(Found in pilot study SMEs are aware of basic decisionmaking leadership styles like Autocratic, Consultative, Passive Avoidant/ LaissezFaire, Data Driven, Impulsive)

Besides that they are aware of some techniques like If & then, Pros & cons technique,SWOT analysis technique, data history technique. So in view of this researcher hasdecided to study leadership styles extensively used for making important decision&after going through literature review & decided to add only practicallyunderstandable styles, which they can understand after quick explanation byresearcher. So study will be those leadership styles mostly used &its impact measurement on various KPIs (Key Performance Indicators) of various businessfunctions & its overall impact measurement on business performance as well on salesgrowth & profit margin.

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SAMPLING TECHNIQUE

The sampling approach is classified into two categories: probability & nonprobability sampling. Probability sampling strategies are those that ensure that every unit of the universe has an equal chance of being included in the sample. To obtain samples from diverse clusters inside the Bihar District Madhubani area, we chose to employ the Cluster random sampling approach. As a result, a probability-based Cluster random sample is use in this investigation.

RESULTS AND DATA ANALYSIS

Relevant Data collection in terms of primary data & secondary data are the most important process in every research around the world. Primary data collected from field by collecting actual representative samples from the decided specific universe, organize it, tabulate it, analyse it by various test methods, finding inference, conclusion & then recommendation for solving that identified problem area is the real objective, now after collecting primary data after visiting various industrial area of Bihar District Madhubani region & meeting various business managers /owners now it's time to systematically analyse it on statistical tests to find out correlation between various independent & dependent variables so that formation of model can be possible which can become standard check list to get outcome for better quality decision which can give positive impact on growth of business performance.

1. Descriptive Analysis

Total sampling done are 344 out of that 324 are been utilized for data analysis, rest are dropped in data cleaning process as they weren't as per requirement. Let's start with descriptive analysis part
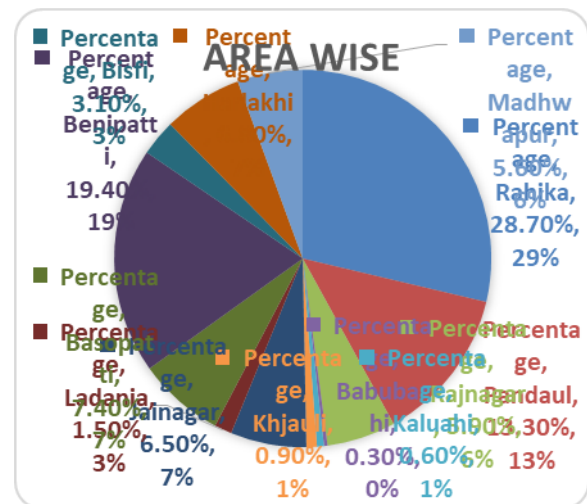
Area Wise Distribution

Madhubani Region is further divided into various parts of geographical industrial clusters namely as follows:

Table 1: Area wise distribution

| AREA				
Std Attribute	Label	AREA	Count	Percent
	1	Rahika	93	28.7%
	2	Pandaul	43	13.3%
Valid Values	3	Rajnagar	19	5.9%
	4	Babubarhi	1	0.3%
	5	Kaluahi	2	0.6%
	6	Khjauli	3	0.9%
	7	Jainagar	21	6.5%
	8	Ladania	5	1.5%
	9	Basopatti	24	7.4%
	10	Benipatti	63	19.4%
	11	Bisfi	10	3.1%
	12	Harlakhi	22	6.8%
	13	Madhwapur	18	5.6%
	TOTAL		324	100%

Graph 1: Areas Wise Distribution

From Table No. 1 and Graph No. 1 it is observed that following area wise companies are covered by the researcher. 28.7% companies are covered from Rahika area, 5.6% companies are from Pandaul,13.3% companies are from Rajnagar,5.9% companies are from Babubarhi, 0.3% companies are from Kaluahi, 0.6% companies are from Khjauli, 0.9% companies are from Jainagar, 6.5% companies are from Ladania, 1.5% companies are from Basopatti, 7.4% companies are from Basopatti, 19.4% companies are from Bisfi, 3.1% companies are from Harlakhi, 6.8% companies are from Madhwapur.

Educational Background

Table 2: Educational Background

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| Attributes	Label	Value	Count	Percent
Valid Values	1	Engineering	233	71.9%
	2	Non Engineering	16	4.9%
	3	Management	13	4%
	4	Engineering + Management	62	19.1%
	TOTAL		324	100%
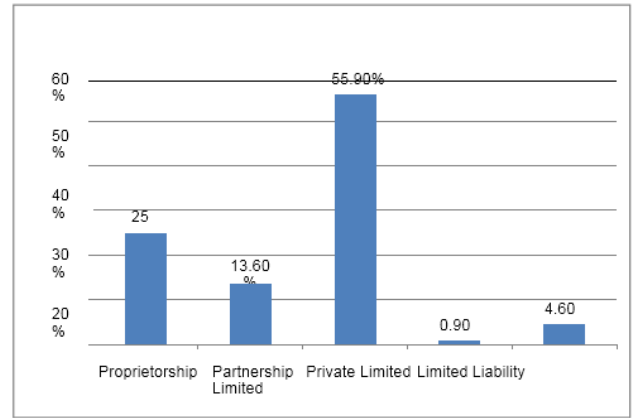
Graph 3: Types of companies

From Table No. 3 and Graph No. 3 it is observed that 25% respondents are from Proprietorship Firms. 13.60% respondents are in Partnership Companies, 55.90% respondents are from Private Limited Companies, 0.90% respondents are Limited Liability Partnership and 8.6% Respondents are Public Limited companies.

Origin of Organisation

Table 4: Origin of Organization
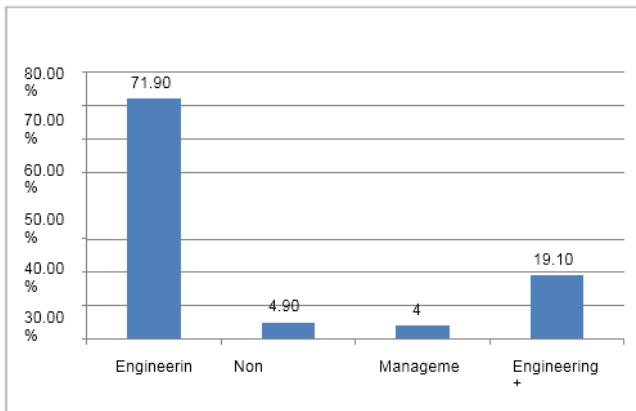
**Graph 2: Educational Background**

From Table No. 2 and Graph No. 2 it is observed that 71.9% respondents have engineering background. 4.9% have non engineering background 4% respondents have Management Background, 19.1% Respondents have Engineering plus Managementbackground.

Various Types of Companies

Table 3: Types of companies

Standard Attributes	Label	Company Type	Count	Percent
Valid Values	1	Proprietorship	81	25%
	2	Partnership Firm	44	13.6%
	3	Private Limited	181	55.9%
	4	Limited Liability Partnership	3	0.9%
	5	Limited	15	4.6%
	TOTAL		324	100%

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Standard Attributes	Label	Origin of Organization	Count	Percent
Valid Values	1	Indian	294	90.7%
	2	Foreign	24	7.4%
	3	Indian MNC	6	1.9%
	TOTAL		324	100%
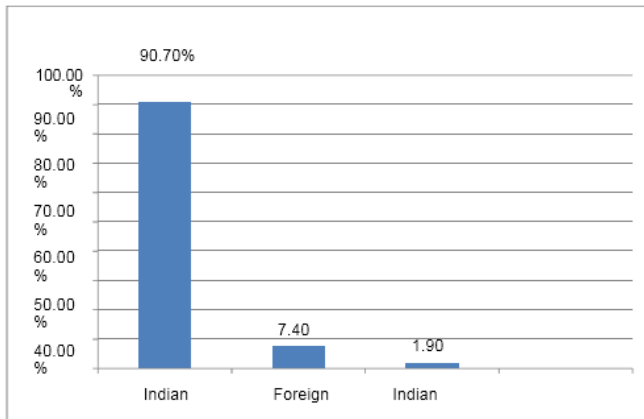
Graph 4: Origin of Organization

From Table No. 4 and Graph No. 4 it is observed that 90.70% respondents are Indians Origin companies, 7.40% respondents are Foreign Origin companies and1.90% respondents are Multi-NationalCompanies.

CONCLUSION

In today's highly competitive world doing business it is becoming very challengingfor every business manager.This becomes highly challenging business environment when it comes to SMEs (Small & Medium Enterprises) level because of various constraints at everydepartment like it may be lack of expert manpower, it may be lack of sufficient fundsfor business expansion or lack of sufficient space for expansion or lack of willpowerat board or director level or lack of latest technology. In order to address the issue ofmany SMEs are not aware about their leadership styles & its possible positive &negative impact, researcher has decided to find out what exactly goes wrong in SMEs,as researcher himself was once upon a time small scale industry owner & due to various reason he had to close his unit as it did not remain commercially viable tosustain further.Researcher has carried out surveys across various demographic locations of Madhubanibiharindustrial clusters and after collection of the sufficient representative sample data.

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