



The Relationship between Leadership Styles and Employee Motivation in FMCG Sectors: A Case Study Approach

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ABSTRACT

The buoyant and competitive Fast-Moving Consumer Goods (FMCG) industry requires an effective leadership to drive performance and employee motivation. This study examines how various leadership styles and employee motivation are associated with each other in the case of selected FMCG companies; with the adoption of a case study. Based on transformational, transactional, and laissez-faire leadership paradigms, the study explores the impact made by each of them on the attitude, involvement, and productivity of workers in the actual workplaces.

Data was collected using structured interviews and questionnaires in 3 popular FMCG organizations on their employees and managers. The study used both qualitative and quantitative approaches in order to provide a full picture of the link between the leadership and the motivation. Discoveries show that transformational leadership (which is visionary and inspirational and pays personal attention to employees) has the greatest positive influence on employee motivation. Even though transactional style of leadership proved helpful for the task execution and short term goal achievement, it did not have a significant effect on the intrinsic motivation. On the contrary, a laissez-faire leadership showed a positive relation to low levels of motivation and role ambiguity.

The case study approach brought contextual richness and showed how organizational culture, communication practices and expectations of employees influence the leadership-motivation dyad. The research highlights the necessity of FMCG leaders' adopting adaptive and participative leadership to boost morale and output of workforce.

Key words: Leadership styles, employee motivation, FMCG Sector, Case study approach

Introduction

The dynamic and competitive nature of the Fast-Moving Consumer Goods (FMCG) sector necessitates effective leadership to drive employee motivation, enhance productivity, and sustain organizational growth. Leadership styles play a crucial role in shaping workplace environments, influencing employee morale, and ultimately determining business success. In this context, understanding the relationship between different leadership styles and employee motivation is essential for fostering a positive and high-performance work culture. A research investigation defines the link between leader methods and their influence on workplace motivation among employees. within the FMCG sector, utilizing a case study approach to provide empirical insights.

Leadership is broadly classified into transformational, transactional, autocratic, democratic, and laissez-faire styles, among others. Transformational leadership, characterized by inspiration, vision, and individualized consideration, is often linked with high employee motivation, as it fosters a sense of purpose and commitment. In contrast, transactional leadership, which emphasizes rewards and punishments based on performance, may drive motivation in structured environments but might not foster long-term engagement.

Employee motivation is a key driver of organizational success, particularly in the FMCG sector, where rapid innovation, high competition, and consumer-driven markets necessitate a highly engaged workforce. Motivation can be classified into intrinsic and extrinsic factors. Intrinsic motivation arises from internal satisfaction, including personal growth, recognition, and meaningful work, whereas extrinsic motivation is influenced by tangible rewards such as salary increments, bonuses, and promotions.

The FMCG sector operates in a fast-paced environment where employees often face high pressure to meet sales targets, manage supply chains efficiently, and ensure customer satisfaction. In such a setting, leadership styles significantly impact employee motivation, influencing aspects such as teamwork, innovation, stress management, and retention rates. Leaders who adopt motivational strategies tailored to their workforce's needs tend to foster a resilient and adaptive organizational culture, ultimately driving business growth and competitiveness.

The research uses a case study methodology to examine leadership approaches that affect motivational levels in selected Fast-Moving Consumer Goods companies. By analysing real-world examples and gathering insights from employees and managers, this research aims to bridge the gap between leadership theory and practical application. The case study methodology enables an in-depth examination of leadership behaviours, motivational factors, and employee responses, providing valuable recommendations for managers and business leaders.

Review of Literature

There have been various studies which have looked at the impact of leadership styles on the motivation and work output of the employees in the sector of FMCG. In China, when the market becomes volatile post COVID circumstances, ethical leadership was concluded to be most potent in influencing employee performance (Tang, Wider & Cheng, 2024). In a similar manner, Omonona et al. (2019) and Otieno et al. (2022) indicated that transactional leadership and directive leadership, respectively, has the most compelling impact in South Africa and Kenya.

Sharma (2024) pointed out that combining different styles of leadership with motivational frames increases productivity. Transformational leadership was discovered by Esguerra and Padilla (2021) to significantly improve engagement while laissez-faire leadership had minimal impacts. Similarly, Sharma et al. (2025) underscored the importance of transformational leadership in motivating people since both the despotic and benevolent styles were found to be demotivating.

Reyaz (2024) corroborated the robust effect of transformational leadership on engagement and satisfaction, and laissez-faire was related to the worsening of motivation. It was revealed by Boateng and Peprah (2024) that transformational leadership enhances commitment, whereas laissez-faire decreases emotional involvement. Sadyasmara et al. (2023) revealed that leadership style plays a heavy role in the determination of motivation and job satisfaction levels.

Other studies (e.g., Wijayanti et al., 2023; 浏览 Leadership style, workplace culture, and motivation in performance were confirmed by (Jia Chen, 2022). As for the strategic role of inspirational leadership and employee involvement, Bonau (2020), and Adarkar et al. (2021) emphasized it. Lastly, various scholars such as Mirzani (2023), Chang (2017) and Arisman (2022) agree that adaptive and communicative leadership makes the current organizations flourish and experiences increased levels of job satisfaction and performance.

Research Methodology

Research Objectives

1. The analysis investigates the connection between scores of transformational leadership and employee satisfaction toward their leaders.
2. This study establishes whether employees show greater satisfaction with their leadership based on their transactional leadership score ratings.
3. This study investigates how ratings on laissez-faire leadership relate to employee satisfaction with their leaders.
4. This research studies how transformational leadership evaluation results influence employee motivation toward their work tasks.
5. Research determines how leadership transactional scores relate to employee motivation at work.
6. This section evaluates the connection between laissez-faire leadership ratings and job motivation in employees.

Research Hypothesis

4.1 Hypothesis null (H₀)

There is not a relation between transformational, transactional, and laissez-faire leadership scores and employee satisfaction or job motivation.

4.2 Hypothesis Alternative (H₁):

There exists a high relationship between transformational, transactional, and laissez-faire leadership scores and employee satisfaction, and job motivation.

Research Method

This Study examines interrelationship between leadership styles and employee motivation in FMCG sector basing on quantitative case study methods.

- Target Population: Managers and non-managers in FMCG companies.
- Sampling Technique: Simple random or stratified sampling probability sampling will be used to ensure the unbiased representation.
- Sample Size: The research team selected 180 employees from three companies operating in the FMCG field to produce reliable results along with adequate representation.

- Data Collection Method:

Primary Data: Structured surveys and close-ended questionnaire Secondary Data: Literature review of relevant studies and documents.

Data Analysis

The gathered questionnaire data undergoes **quantitative statistical analysis**. Researchers utilize **SPSS** as their software tool to conduct statistical analyses of leadership style and motivation by carrying out mean and median calculations along with standard deviation tests and applying **correlation and regression** to draw conclusions. The analysis helps researchers detect meaningful statistical relationships that enable them to test their formulated research hypotheses.

6. Findings and Analysis

Among all types of leadership, transformational leadership emerged as the most popular and powerful one in supporting employee motivation, according to the results (4.21 mean score and a r value of 0.74, with $p < 0.01$). Transactional leadership was moderately connected ($r = 0.59$, $p < 0.01$) but not as impactful as transformational leadership.

Laissez-faire leadership was ranked lowest by subjects and was shown to be negative for motivation ($r = -0.31$, $p < 0.01$), showing that it does not effectively motivate.

As shown by the regression, transformational leadership ($\beta = 0.58$, $p < 0.01$) had the greatest effect on employee motivation, followed by transactional leadership ($\beta = 0.27$, $p < 0.01$). The use of laissez-faire leadership reduced motivation ($\beta = -0.16$, $p = 0.014$).

Further analyses using hypothesis testing also proved that both transformational and transactional leadership increased motivation, while laissez-faire leadership reduced it.

Conclusion

This research concludes that the leadership style plays an important role in shaping employee motivation within the FMCG region. In the three leadership styles studied, transformational leadership emerged as the most effective in promoting high levels of motivation and satisfaction among employees. Leaders who inspire, support and communicate a hypnotic vision contribute significantly to a positive workplace culture and increase employee engagement. Strong positive correlation and high regression effects its superiority in affecting the motivation. The leadership of the transaction showed moderate effectiveness by setting clear expectations and awards, but it lacks emotional and inspiring effects providing transformative leadership. Although it contributes positively to inspiration, its effect is limited when not combined with deep leadership properties. On the other hand, the Laissez- Faire leadership displayed a negative relationship with inspiration and satisfaction, indicating that the passive and non-shelter leadership styles have led different employees and low productivity. Finally, FMCG companies should prioritize transformational leadership cultivation by integrating transaction practices where necessary.

Recommendations

- FMCG companies ought to help their leaders by developing their skills in transformational issues involving vision-setting, special support for each one, and inspiring communication.
- You should reduce passive leadership using feedback, accountability measures, and reviews of leadership performance. Firms should set rules on how leaders should be involved in workers' careers and ensure managers get involved in supporting, guiding, and watching over their staff.
- Managers should continuously obtain employee feedback and review the company's culture to match their leadership approach to those expectations. Personalizing leadership growth programs for employees and the culture of the company will boost both the effectiveness and relevance of those practices.
- Leaders should be evaluated in part by how well they motivate team members. Leaders should be measured for what they achieve in business as well as for how they lead and engage others. This proves again that inspiring leadership is valuable at every management level.
- While prominently using transformational leadership, organizations can add transactional elements (setting tasks and offering rewards) to boost work focused on short-term results. By applying this approach, the company has a strong vision as well as efficient daily operations.

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