

The Influence of Laissez - Faire Leadership Style on Employee Productivity: An Empirical Study Corporate Companies, Peelamedu, Coimbatore

¹Dr.S. Jagatheeswari, ²Ms. Hepsiba G

¹Associate Professor, Dr. N.G.P. Arts and Science College, Coimbatore.

²Department of Corporate Secretaryship, Dr. N.G.P. Arts and Science College, Coimbatore.

Email: jagadeeswari@drngpasc.ac.in, hepsibageorge05@gmail.com

Abstract

This study titled “The Influence of Laissez-Faire Leadership Style on Employee Productivity: An Empirical Study of Corporate Companies, Peelamedu, Coimbatore” examines the impact of Laissez-Faire leadership on employee productivity within corporate organizations located in Peelamedu, Coimbatore. Laissez-Faire leadership, characterized by minimal managerial intervention and greater autonomy granted to employees, has generated mixed outcomes in organizational settings, making it essential to understand its practical implications. The research aims to assess the prevalence of this leadership style, evaluate its influence on employee performance, quality of work, efficiency, and motivation, and analyze employees’ perceptions and satisfaction levels under such leadership. Using primary data collected through structured questionnaires from employees of selected corporate companies, supported by relevant secondary sources, the study applies appropriate statistical tools to interpret findings.

Keywords: Leadership Effectiveness, Employee Autonomy, Delegation of Authority, Job Satisfaction, Workplace Environment, Employee Engagement, Decision-Making Freedom, Supervisory Support, Organizational Performance, Work Quality, Accountability, Managerial Control, Productivity Measurement, Corporate Culture, Employee Empowerment, Performance Outcomes, Organizational Structure, Workplace Motivation, Employee Supervision, Leadership Behavior

INTRODUCTION OF THE STUDY

Leadership plays a crucial role in determining the success and productivity of an organization. Among various leadership styles, Laissez-Faire leadership is characterized by minimal supervision and greater freedom given to employees in decision-making. While this approach can encourage creativity, independence, and innovation, it may also lead to confusion and lack of direction if not properly managed. In corporate environments, employee productivity is a key factor influencing organizational growth and competitiveness. Understanding how leadership styles affect productivity is therefore essential. This study focuses on examining the influence of Laissez-Faire leadership style on employee productivity in corporate companies located in Peelamedu, Coimbatore. It aims to analyze employee perceptions and evaluate whether this leadership style enhances or hinders performance and efficiency.

OBJECTIVES OF THE STUDY

- To analyze how Laissez-faire leadership influences employee productivity, including performance levels, quality of output, and overall work efficiency.
- To evaluate employees’ perceptions, satisfaction levels, and experiences with managers who follow a Laissez-faire leadership style.

REVIEW OF LITERATURE

1. Nigerian Tertiary Institution Study, 2024

A study in Nigerian higher education found that moderate laissez-faire practices (high autonomy) correlated with mixed outcomes in academic responsibilities. While autonomy enhanced some performance indicators, delays in managerial decision-making limited broader performance gains. This underscores that laissez-faire leadership’s effects on productivity are often context-dependent and moderated by organizational structure and task clarity.

2. Kumar and Patel (October 2025)

examined the influence of laissez-faire leadership on employee productivity in Indian IT and financial sectors. Their research revealed that laissez-faire leadership resulted in low employee accountability and reduced performance consistency. Employees reported lack of feedback and recognition, which diminished motivation levels. The study found that productivity improved only when employees possessed high self-discipline and intrinsic motivation. The authors emphasized that laissez-faire leadership without performance monitoring adversely affects output. They concluded that organizations should combine autonomy with periodic supervision. The study contributes valuable insights relevant to service-based organizations like State Street.

3. Sharma & Rao, March 2025

Sharma and Rao (March 2025) studied leadership styles in Indian multinational corporations. Their findings showed that laissez-faire leadership reduces employee productivity by increasing role ambiguity. Employees lacked clarity in responsibilities and performance benchmarks. The study found higher error rates and lower output under laissez-faire leaders. The authors stressed the importance of structured leadership in financial service firms. The research is particularly relevant to Indian organizational contexts.

4. Thomas, July 2023

Thomas (July 2023) examined leadership styles and employee performance. Laissez-faire leadership resulted in poor task coordination and low productivity. The study highlighted the importance of leader involvement.

**TABLE 4.1
 IMPACT OF LAISSEZ FAIRE LEADERSHIP
 ON JOB PERFORMANCE**

S. NO	IMPACTS ON JOB PERFORMANCE	NO. OF RESPONDENTS	PERCENTAGE %
1	Very negative	16	10.7
2	Negative	24	16

3	Neutral	63	42
4	Positive	34	22.7
5	Very positive	13	8.7
TOTAL		150	100

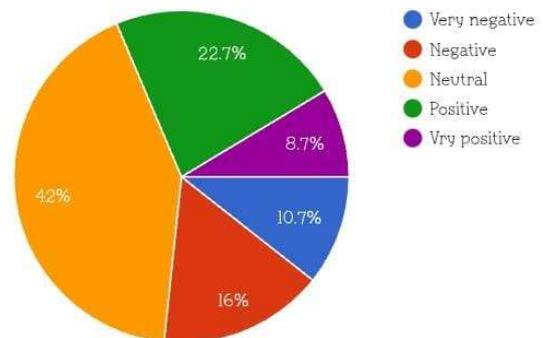
INTERPRETATION

From the above table, 42% people say laissez faire leadership has no effect neutral on their job , 22.7% feel it helps, 8.7% feel it helps a lot, 16% feel it hurts, 10.7% feel it hurts a lot

INFERENCE

Mostly 42% workers think laissez faire leadership has little or no impact on their performance, but some see it as helpful.

**CHART 4.1
 IMPACT OF LAISSEZ FAIRE LEADERSHIP
 ON JOB PERFORMANCE**



**TABLE 4.2
 SATISFACTION WITH LEADERSHIP
 STYLE**

S. NO	SATISFACT ION LEVEL	NO. OF RESPONDENTS	PERCENTAGE %
1	Very dissatisfied	8	5.4
2	Dissatisfied	24	16.2
3	Neutral	55	37.2
4	Satisfied	37	25

5	Very satisfied	26	16.2
TOTAL		150	100

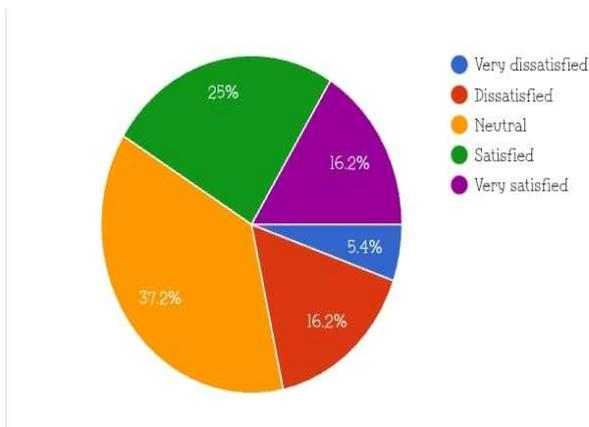
INTERPRETATION

From the above table, 5.4% people are very unhappy with the boss's style, 16.2% people are unhappy, 37.2% people feel neutral, 25% people are happy, 16.2% people are very happy.

INFERENCE

Mostly, 37.2% neutralized their manager’s style.

CHART 1.2
IMPACT OF LAISSEZ FAIRE LEADERSHIP
ON JOB PERFORMANCE



FINDINGS

- Mostly 42% workers think laissez faire leadership has little or no impact on their performance, but some see it as helpful.
- Mostly, 37.2% neutralized their manager’s style.

SUGGESTION

Managers should balance autonomy with regular supervision and clear performance guidelines. Periodic feedback and communication sessions should be encouraged to improve clarity and motivation. Leadership training programs can help managers adapt their style according to employee needs. Organizations should implement structured performance monitoring to ensure productivity remains consistent.

CONCLUSION

The study concludes that laissez-faire leadership has limited influence on employee productivity, as 42% of employees reported little or no impact. A significant 37.2% maintained a neutral perception of their manager’s leadership style. This suggests that excessive autonomy without guidance may not strongly enhance performance. Therefore, a balanced leadership approach combining freedom with structured support is recommended to improve productivity.