IMPACT OF LAISSEZ-FAIRE, TRANSACTIONAL AND TRANSFORMATIONAL LEADERSHIP

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ABSTRACT
While the concept of leadership has been extensively explored, there is limited research investigating which leadership style is good for employees to increase their motivation level in the ICT sector. This research explores the impact of Laissez-faire, Transactional and Transformational leadership styles on the motivation of employees in the ICT sector in Nepal in quantitative methods. The survey questionnaire method was chosen for the data collection. Data were collected from 45 employees working in 5 different ICT companies inside the Kathmandu Valley, where they responded about the head of their organization's leadership style and their level of motivation. Convenience sampling was used. This research used multiple linear regression analysis to investigate the impact of Laissez-faire, Transactional and Transformational leadership on employees' motivation level. The result showed that Transformational leadership has a significant impact on the motivation level of employees in ICT sector in Nepal, while the same could not be said in the case of Laissez-faire and Transactional leadership styles.

Keywords: motivation, leadership styles, ICT Sector, Nepal
1. Introduction

For an organization to sustain the global competition, it must motivate its human resource to perform extraordinarily. Human resource is the main resource for any organization. It plays a main role in increasing the productivity of any organization. “Motivation is defined as a condition in which a person encourages individual willingness to conduct any activities to achieve objective” (Yuana, 2018, p.1697). Motivated employees will invest more of their knowledge towards the achievement of an organization. Employee motivation is an essential factor for the accomplishment of organizational goals (Zareen, Razaq, & Mujtaba, 2015). Motivation is the intensity of effort an individual puts forward to achieve the desired goal (Robbins & Judge, 2013). It is difficult to motivate the human resource and organizations should be creative enough to extract the best out of this resource. To extract superior performance from this resource, motivation within or from other exterior source is mandatory.

In order to motivate employees in an organization, leadership is a crucial factor. Leadership style is one of the major factors that has impact on the motivation level of employees in any organization (Buble, Juras, & Matic, 2014). In order for a leader to be effective, he/she should know which style of leadership employees’ desire (Sougui, Bon, Mahamat, & Hassan, 2016). The organizational environment plays an important role in motivating the employees. Since leadership style also falls under major organizational environment components, it has significant effect in increasing the motivation level of employees (Sinungan, 1987). Good leaders not only influence their employees but also set an example to other contemporary leaders. Companies tend to grow under good leadership. Leadership is how a person motivates multiple employees to attend a common goal.

While it is known that leadership plays an important role in the motivation, there is still a contradiction in the literature as to which leadership is most suitable for it. Kerns (2004) describes that Laissez-faire leadership develops a positive organization wherein leaders and followers can feel like a family regardless of their positions. Burns (1978) has described Transactional leadership as an exchange between leaders and followers while Transformational leadership as engagement to raise the motivation and morality of the followers. Northouse (2013) considers Transformational leadership better than Transactional leadership in the aspect that former is able to motivate their team to perform beyond their capacity. Vera and Crossan (2004) argue that because of the limitations of Transactional leadership, it is often contrasted unfavorably with Transformational leadership but Transactional leadership is equally relevant as Transformational leadership. However, Zagorsek, Dimovski, and Skerlavaj (2009) produced empirical research findings that showed that Transformational leadership has a stronger impact. Therefore, there is no sure about whether Laissez-faire, Transactional or Transformational is the best leadership style. It depends on various others tertiary factors. Among them, the nature of the organization is also the key. This study takes ICT sector in Nepal as context for the research area to recognize suitable leadership style for motivation as perceived by their employees.

1.1. Significance of the Study

According to the limited knowledge of researcher, there has not been much study about leadership in ICT sector worldwide and we cannot find any prominent literature that addresses the need of leadership style required to correspond the ICT boom worldwide. Furthermore, in case of Nepal, with his limited knowledge, researcher could not find any literature for the reference in this sector. Leadership practice in this sector seems to lack theoretical and empirical basis. This research will help in the future as knowledge as what kind of leadership is desired in the ICT sector in Nepal. This study will also provide suggestions and references.
for ICT companies in Nepal to adjust/change their leadership styles to motivate their employees better.

1.2. Problem Statement
There has been significant development in ICT sector in Nepal in comparison to other sectors (Government of Nepal Ministry of Communication and Information Technology, 2018). Though small, this sector is undoubtedly growing in Nepal (Lemma, 2017). Recognizing the importance of ICT in the development of the nation, Government of Nepal too has been giving utmost priority towards uplifting ICT sector. Industries based on Information, Transmission and Communication Technology has been added as a new classification on the basis of sector of business (Industrial Enterprise Act, 2016). With the liberalization, open telecommunication has intensified the use of Internet in Nepal. Use of cell phone has increased drastically and many infrastructural development projects have been opened to expand telecommunications and ICT in Nepal (Ministry of Information and Communication, 2015). ICT based industries and others that provide large employment opportunities are given huge rebate to attract investment in these fields (Industrial Enterprise Act, 2016). Although ICT sector is in the developing phase in Nepal, but for the sustainable development of any sector, leadership plays the vital role (Slimane, 2012).

Overseas Development Institute (ODI) claims that one of the pertinent issues in ICT sector in Nepal is employee turnover and it is resisting the growth of this sector in Nepal (Lemma, 2017). Given the very high turnover rates, ICT firms in Nepal are always chasing for the new recruits. It is significantly costly in this sector to hire new employees, as they will require significant amount of training to deliver (Lemma, 2017). Leadership has large impact on turnover rate of any organization (Chaudhry & Javed, 2012). Leadership style has direct impact on employee retention or turnover (Alkhawaja, 2017). According to the popular business saying, employees do not leave their company, they leave their bosses/leaders. Therefore, there is the need of a research to see if leadership is responsible for current problem in this sector in Nepal and investigate which style of leadership is desirable to motivate employees in ICT sector in Nepal.

1.3. Research Question
Based on the problems stated above, the following research question for this study has been derived,

- What is the impact of Laissez-faire, Transactional and Transformational leadership style on employees’ motivation in ICT sector in Nepal?

1.4. Research Objectives
The main objective of this research is to investigate the impact of Laissez-faire, Transactional and Transformational leadership style on employee motivation in ICT sector in Nepal. This research tries to investigate which leadership style whether Laissez-faire or Transactional or Transformational, is appropriate in context of ICT sector in Nepal to boost up the productivity by motivating them through appropriate leadership styles. Therefore, to answer the above research question, the following research objectives have been formulated:

- To examine the impact of Laissez-faire leadership on employees’ motivation in ICT sector in Nepal.
- To examine the impact of Transactional leadership on employees’ motivation in ICT sector in Nepal.
- To examine the impact of Transformational leadership on employees’ motivation in ICT sector in Nepal.
To investigate which leadership style, Laissez-faire, Transformational or Transactional, has dominant influence on employees’ motivation in ICT sector in Nepal.

2. Literature Review

Leadership is the spine of any company (Ahmad & Ejaz, 2019). “Motivation is company’s life-blood” (Sougui et al., 2016, p.59). Yukl (1998) defines leadership as a process of influencing followers. Though it is one of the most researched social phenomena, it is still not unknown due to its complexity (Fisher, 1985; Chowdhury, 2014). Motivation is the process of driving a person to do something or perform better jobs (Watkins, 2004). It is a physiological or psychological willingness to achieve an objective (Luthans, 2009). Motivation is the term always incorporated in defining leadership. A well-led company can motivate and retain its employees. “Motivation and leadership are strongly related” (Sougui et al., 2016, p.61). Motivation is basically concerned with “why do people do what they do?” (Sougui et al., 2016, p.61).

Bass (1995) carried out extensive research in the field of leadership theories. He described Transformational leadership along a continuum from Laissez-faire to Transactional leadership then to Transformational leadership. This continuum is characterized as moving from very ineffective leadership style to one that involves passive Transactional leadership to the more active form of Transactional leadership and completing it with most effective approach i.e. Transformational leadership. In Laissez-faire style, leaders basically avoid making decisions and giving feedback to their subordinates. In Transactional style, leaders exchange something of value to the subordinates in lieu of their performance. In this kind of leadership, decisions are based on the rules and regulations of the organization and the performance is checked and balanced by providing regular feedbacks. While, in Transformational style, leaders use their charisma to motivate and inspire their subordinate to achieve their own and organizational goals (Avolio & Bass, 1995; Avolio, Bass, & Jung, 1999).

Laissez-faire leaders are in a practical sense non-leaders. They neither make decisions nor guide their subordinates (Avolio & Bass, 1995). They do not use their authority; rather, they renounce their responsibility and avoid decision-making procedures (Avolio, 1999). It is very much difficult to justify the leadership style of Laissez-faire leaders because they are uninvolved with the work of their subordinates (Sougui et al., 2016). They give power and complete freedom to their subordinates to make their personal decisions about the work (Chaudhry & Javed, 2012). MLQ (Bass & Avolio, 1997) measures Laissez-faire leadership through questions like “is absent when needed”, “avoids making decision”, “delays responding to urgent questions” etc in Likert scale.


Transactional leaders are only concerned with getting the job done (Agboli & Chikwenda, 2006). They achieve this by utilizing rewards and punishment as tools to do so. In this kind of leadership, relationship is essentially an economic transaction (Bass, 1985). Bass (1997) describes this kind of leadership as involvement of exchange process where compliance with leadership instruction is exchanged with immediate and real rewards.
Transactional leaders tend to make decisions based on organizational culture and rules and provide feedback upon successful completion of work (Avolio & Bass, 1995). This leadership is based on contingent reward and management by exception (Bass, 1985). Management by exception is achieved by two kinds of behaviors. First, by monitoring in order to ensure that goals are met and taking corrective actions when the outcomes do not match the expectation. Next leaders take action only when it is absolutely required till then they do not interfere (Bass, 1985). MLQ measures Transactional leadership through questions like “provides me with assistance in exchange for my efforts”, “directs my attention towards failures to meet standards”, “waits for things to go wrong before taking action” etc in Likert scale.

Judge and Piccolo (2004) found that contingent reward and subordinate motivation are positively related. However, they found negative relationship between management by exception leadership and subordinate motivation. Webb (2003) too got same result where contingent reward was positively and management by exception was negatively related with subordinate motivation level. Baruto (2005) found positive relationship between Transactional leadership style of leaders and subordinate motivation.

Transformational leaders believe in empowerment, respect and trust in the organization. They motivate their subordinate through shared vision and relationship building (Agboli & Chikwendu, 2006). They change and transform individuals (Northouse, 2013). Subordinate of this kind of leaders can sense admiration, loyalty and trust (Bass, 1997). They motivate their subordinates to prioritize their work and make aware of importance of work results. Subordinates are inspired and motivated by charisma shown by their leaders (Avolio & Bass, 1995). Transformational leadership has four bases namely inspirational motivation, idealized influence, individual consideration and intellectual stimulation (Bass, 1985).

According to Avolio and Bass (1995), Inspirational motivation is a behavior to motivate followers through idealized yet achievable vision of future. Idealized influence is the behavior that is trusted, respected and admired by the followers so that they perceive their leaders as role models. Individual consideration is a behavior that supports followers towards self-actualization. Individually considerate leaders will accomplish this through two-way communication. Intellectual stimulation is a behavior that stimulates followers’ reasoning so that they become motivated to find solutions to difficult problems. MLQ measures Transformational leadership through questions like “spends time teaching and coaching”, “talks optimistically about the future”, “acts in ways that builds my respect” etc in Likert scale.

Most of the research outcomes have found positive impact of Transformational leadership style on subordinate motivation (Sougui et al., 2016).

Conceptual Framework

The review of literature on leadership styles and motivation has been analyzed to investigate the relationship between Laissez-faire, Transactional and Transformational leadership and motivation level of employees. This analysis provided the following important conceptual framework to carry out the study:
This study showcases how Laissez-faire, Transactional and Transformational leadership are related to employee attitude towards motivation. Here Laissez-faire, Transactional and Transformational leadership styles are the independent variables and Motivation is the dependent variable. Motivation of employees depends upon the kinds of leadership practiced on them, Laissez-faire, Transactional or Transformational. Following hypotheses can be devised based on the above framework.

- **H1**: Laissez-faire leadership style has a significant impact on employees' motivation level in the ICT sector in Nepal.
- **H2**: Transactional leadership style has a significant impact on employees' motivation level in the ICT sector in Nepal.
- **H3**: Transformational leadership style has a significant impact on employees' motivation level in the ICT sector in Nepal.

### 3. Methodology

The prime objective of this study is to see which leadership style is perceived beneficial to motivate employees in ICT sector in Nepal. As the primary goal of this research is to establish the relationship between leadership style and motivation, this study has taken quantitative approach. Since only the current perception of employees has been studied, this is a cross-sectional study. The study was conducted in the natural environment without any interference in non-contrived setting as researcher just needed to record the current employee perception.

Due to the limited time to complete the research, employees from only 5 ICT related companies inside Kathmandu valley has been approached for the study. Computer Association of Nepal (CAN) estimated that there were 256 officially registered ICT companies in Kathmandu valley in 2016 (Lemma, 2017). If it is taken as the base then 5 is around 2% of 256 companies. Therefore, with disclaimer, the researcher wants to inform that given the sample size of the companies, this study cannot be taken as the representative, however it tries to unfold some layers in this sector so that further detailed study in this area can be carried out.

Participants were subordinates who responded about their leader. Leader is considered to be the head of an organization. Due to the limitation of the time for completion of the research, the researcher used convenience sampling where respondents could be approached easily.
Questionnaire was sent to 55 potential respondents and there was response from 45 employees (response rate around 82%).

Survey questionnaire technique was used to carry out the data collection. Employees of ICT companies are presumed to be near their computer screens most of the time. This makes doing online survey more preferable as questionnaire can be easily distributed through emails. One drawback of sending email is that, employees may overlook the email considering it some kind of spam or unwanted email. To overcome this, the researcher sought the support of their supervisor. The supervisors were personally approached so as to flow information inside the organization that this study is being carried out and questionnaire is being sent via email and they are requested to respond to the questionnaire. To maintain the complete confidentiality, respondent’s identity including name of the organization, name of respondents, email address were not asked. If they wanted the summary of the research, their email address was asked so that summary could be sent in that address. They could voluntarily provide or deny the email address for this purpose too.

To capture the population nature of respondents, demographic questions were asked. Multifactor Leadership Questionnaire (MLQ) developed by Bass and Avolio (1997) having 45 items was used to record the response about leadership style. Since MLQ is broadly used questionnaire to study about the leadership styles, it has been used for the data collection. Among 45, 9 items were deleted as they measure outcome of leadership related to extra effort, effectiveness and satisfaction (Lim, 2016), which was beyond the scope of study of this research. Participants responded their reaction about their leader (head of the organization) in 5-point Likert scale where appropriateness of the statement were reported as: 1 = Not at all, 2 = Once in a while, 3 = Sometimes, 4 = Fairly often and 5 = Frequently, if not always. The scores for the Laissez-faire (4 items), Transactional (12 items) and Transformational (20 items) leadership styles were obtained by averaging the scores of associated items (Lim, 2016).

Scale developed by Shouksmith (1989), which has 10 items, was used to measure the motivation. This scale is extensively used while measuring motivation in term of job satisfaction, sense of accomplishment, work environment and recognition. The score for motivation was calculated by adding all 10 items. This enables researchers to capture how respondents feel about their current jobs (Chowdhury, 2014). Respondents reported how they feel about their current job responding to the statements in terms of 5-point Likert scale as: 1 = Strongly Disagree, 2 = Disagree, 3 = Undecided, 4 = Agree and 5 = Strongly Agree.

For investigating the impact of independent variables on dependent variable, linear regression can be formulated in following form (Gujarati & Porter, 2009):

\[ Y = b_0 + b_1 X_1 + b_2 X_2 + \ldots \ldots + b_n X_n + e \]

Where,

- \( Y \) = Dependent variable
- \( b_0 \) = Constant
- \( X_1, \ldots, X_n \) = Independent variable
- \( b_1, \ldots, b_n \) = Regression coefficient of each variable of \( X_i \) (i = 1,2,3…n)
- \( e \) = Error term
This model has been conditioned to investigate the current research as:

\[ MOT = b_0 + b_1(LF) + b_2(Xsac) + b_3(Xfor) + e \]

Where,

- \( MOT \): Motivation
- \( b_0 \): Constant
- \( LF \): Laissez-faire leadership style
- \( Xsac \): Transactional leadership style
- \( Xfor \): Transformational leadership style
- \( b_1, b_2, b_3 \): Regression coefficient
- \( e \): Error term

4. Data Analysis and Discussion

Data has been analyzed by using SPSS 19.0 for MAC iOS. All of the responses were analyzed thoroughly for mistakes or missing data. After thorough analysis, each response was entered into the software. Table 1 shows that the majority (75.6%) of respondents were from the age interval 25 to 39 years old. Only 13.3% were below 25 and 11.1% were above 39 years old. Approximately two-thirds (75.6%) were male and one-third (24.4%) were female. 60% belong to Team member and Team Leader while 40% were relatively of higher level employees (Project Leader, Junior Manager or Senior Manager). Majority (44.4%) of the respondents have spent 1 to 5 years with their head of the organization, while 28.9% have spent less than a year and 26.7% have spent more than 6 years with the head of their organization.

<table>
<thead>
<tr>
<th>Table 1. Frequency Table</th>
<th>Variables</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>25 to 29</td>
<td>14</td>
<td>31.1</td>
<td>31.1</td>
</tr>
<tr>
<td></td>
<td>30 to 34</td>
<td>10</td>
<td>22.2</td>
<td>53.3</td>
</tr>
<tr>
<td></td>
<td>35 to 39</td>
<td>10</td>
<td>22.2</td>
<td>75.6</td>
</tr>
<tr>
<td></td>
<td>Above 39</td>
<td>5</td>
<td>11.1</td>
<td>86.7</td>
</tr>
<tr>
<td></td>
<td>Below 25</td>
<td>6</td>
<td>13.3</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>45</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>Female</td>
<td>11</td>
<td>24.4</td>
<td>24.4</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>34</td>
<td>75.6</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>45</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Position</td>
<td>Junior Manager</td>
<td>6</td>
<td>13.3</td>
<td>13.3</td>
</tr>
<tr>
<td></td>
<td>Project Leader</td>
<td>1</td>
<td>2.2</td>
<td>15.6</td>
</tr>
<tr>
<td></td>
<td>Senior Manager</td>
<td>11</td>
<td>24.4</td>
<td>40.0</td>
</tr>
<tr>
<td></td>
<td>Team Leader</td>
<td>11</td>
<td>24.4</td>
<td>64.4</td>
</tr>
<tr>
<td></td>
<td>Team member</td>
<td>16</td>
<td>35.6</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>45</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Tenure</td>
<td>1 to 5 years</td>
<td>20</td>
<td>44.4</td>
<td>44.4</td>
</tr>
<tr>
<td></td>
<td>6 to 10 years</td>
<td>7</td>
<td>15.6</td>
<td>60.0</td>
</tr>
<tr>
<td></td>
<td>Less than 1 year</td>
<td>13</td>
<td>28.9</td>
<td>88.9</td>
</tr>
<tr>
<td></td>
<td>More than 10 years</td>
<td>5</td>
<td>11.1</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>45</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
Table 2 shows that Cronbach’s Alpha for the Leadership style scale was found to be .858. Table 3 shows Cronbach’s Alpha for Motivation scale was found out to be .859. Ideally the value of Cronbach’s Alpha value of above .7 is considered reliable so this shows the reliability of selected scales.

<table>
<thead>
<tr>
<th>Table 2. Reliability Statistics for Leadership style</th>
</tr>
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<tbody>
<tr>
<td>Cronbach’s Alpha</td>
</tr>
<tr>
<td>0.858</td>
</tr>
</tbody>
</table>

Table 3. Reliability Statistics for Motivation

<table>
<thead>
<tr>
<th>Table 3. Reliability Statistics for Motivation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach’s Alpha</td>
</tr>
<tr>
<td>0.860</td>
</tr>
</tbody>
</table>

Table 4 shows that the study model is fit with F-value 11.928 and p-value less than .000. Table 5 shows the outcome of ANOVA model summary. This summary showed the value of R Square to be .466 which means the impact of independent variables (Laissez-faire, Transactional and Transformational leadership) jointly explain 46.6% of variation in dependent variable (Motivation). Remaining 53.4% variation in Motivation is explained by other variables not taken into account. It means, that there are still other factors for motivation that could not only be explained by Laissez-faire, Transformational and Transactional leadership.

<table>
<thead>
<tr>
<th>Table 4. ANOVA(^a)</th>
</tr>
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<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>1 Regression</td>
</tr>
<tr>
<td>Residual</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

\(^a\) Dependent Variable: MOT  
\(^b\) Predictors: (Constant), Xfor, LF, Xsac

<table>
<thead>
<tr>
<th>Table 5. Model Summary(^b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

\(^a\) Predictors: (Constant), Xfor, LF, Xsac  
\(^b\) Dependent Variable: MOT

Table 6 explains the impact of leadership style on motivation. Laissez-faire (p-value .787) and Transactional (p-value .099) leadership is not significant at 5% significance level. Therefore, hypotheses H\(_1\) and H\(_2\) are not confirmed. Transactional leadership is significant at 10% significance level. Also, coefficients of these leadership styles have negative sign, indicating opposite relationship. Transformational (t-value 4.652, p-value .000) leadership is significant at even 1% significance level, confirming the hypothesis H\(_3\). Therefore, with this model, the
effect of Laissez-faire and Transactional leadership on Motivation cannot be interpreted but there is significant impact of Transformational leadership on Motivation level of employees.

Table 6. Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>21.658</td>
<td>6.118</td>
</tr>
<tr>
<td>LF</td>
<td>-.300</td>
<td>1.103</td>
</tr>
<tr>
<td>Xsac</td>
<td>-3.375</td>
<td>2.000</td>
</tr>
<tr>
<td>Xfor</td>
<td>7.069</td>
<td>1.520</td>
</tr>
</tbody>
</table>

Above analysis indicates that employees are more motivated in ICT companies where their leaders practice Transformational style of leadership. Result somehow indicates that employees of ICT sector in Nepal prefer leaders who are Transformational in nature than Laissez-faire of Transactional. This means that Transformational leadership style adopted by the leaders in ICT sector has significant influence on high level or low level of work motivation of employees. This means, more transformational the leaders are, more motivated their employees are. This can be attributed with the fact that Transformational leaders communicate with their subordinate more in comparison to Laissez-faire or transactional leader. This builds likings towards transformational leaders in employees. This result supports the outcome of the study by many studies (e.g., Kane & Tremble, 2000; Lowe, Kroeck, & Sivasubramaniam, 1996), which also showed that there is significant impact of Transformational leadership style on dependent variables like motivation, commitment, satisfaction and performance of employees. Consistent with this, Baruto (2005) also found positive relationship between Transformational leadership style of leaders and subordinate motivation. Also, the result indicates that employees seem to be demotivated if their leaders implement Laissez-faire or Transactional style of leadership on them. This means that, level of motivation (High or Low), is heavily influenced by Transformational leadership style of the leader in ICT sector in Nepal. This indicates that although transformational style can be applied to any sector, it is much more desirable in ICT sector because of rapid technological change. To sustain in the competition, they need to innovate constantly and for this material benefit or delegation without feedback and monitoring will not work. There is the requirement of strong leadership and strong relationship where leaders can motivate their subordinates to have constructive imagination and perform beyond their capabilities by igniting their latent potential.

This implies that rather than motivating employees by contingent reward or by leaving things in the hand of employees showing the lack of involvement, leaders should try to motivate their employees with respect and pride. They should communicate the values of the organization to their subordinates. They should exhibit the enthusiasm about the goals of the organization and try to create the excitement about the future. They should show new dimensions for tackling with problems to their subordinates and should focus on mentoring them to achieve their personal as well as organizational goal.

5. Conclusion
The main aim of this research was to investigate the impact of Laissez-faire, Transactional and Transformational leadership on the motivation level of employees in ICT sector in Nepal. The regression result shows that there is 46.6% simultaneous effect of Laissez-faire, Transactional and Transformational leadership styles on motivation level of employees. However, there are still other factors that are not explained by the model (53.4%).

The analysis result showed that Transformational leadership style has a significant impact on the motivational level. Whereas, the same could not be said about Laissez-faire and Transactional leadership styles. The result is in consistency with the study result by Zagorsek et al. (2009) and other previous findings, where they also found out that transformational leadership has greater impact in comparison to Laissez-faire and Transactional Leadership style.

Since small sample, convenient sampling has been used and the research is focused on the ICT employees only, the result may not be generalizable to whole firms in Nepal. This research is carried in a section of Nepal i.e. in Kathmandu. Therefore, the result cannot be generalized to whole of Nepal as only limited percentage of the country only has been blessed with development of ICT sector. This research should be completed in four months time, so cross sectional data has been analyzed. Also due to this, researcher could not have extensive participation of potential respondents. The research would have been more fruitful if longitudinal data could be taken and the impact could be studied in longer run.

References


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