

An Empirical Study of Leadership Styles and Employee Productivity: Evidence from Diageo, UK

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ABSTRACT

Leadership plays a pivotal role in shaping organizational performance by influencing employee motivation, satisfaction, and productivity. Although leadership has been studied extensively, there is a noticeable research gap concerning its impact within the alcoholic beverages industry, and more specifically, a scarcity of evidence from Diageo, UK ((United Kingdom)). This study explores how different leadership styles - transformational, transactional, laissez-faire, servant, and authentic—affect employee productivity in this context. A mixed-methods design integrating quantitative surveys and qualitative interviews is proposed to examine leadership practices and their outcomes. The study aims to contribute to theoretical understanding and offer practical recommendations to enhance employee productivity in Diageo and similar organizations.

Keywords: Leadership styles, Employee productivity, Diageo UK (United Kingdom), Mixed-methods, Organizational performance.

INTRODUCTION

The leadership style employed by managers substantially impacts employee motivation, job satisfaction, and productivity, making effective leadership crucial for the success of any organization (Yukl 2012). This effect is especially significant in the highly competitive market for multinational alcoholic beverages, where Diageo, UK, is the market leader. Diageo has been recognized for its effective leadership, management practices, and diverse workforce (Diageo 2021). However, existing research has not specifically addressed how different leadership styles influence employee output within Diageo's unique context. This study aims to clarify this gap by examining the relationship between leadership style and employee productivity using Diageo, UK, as a case study. Most research on leadership style focuses on sectors like banking and healthcare (Judge & Piccolo, 2004; Liden et al., 2014). However, the alcoholic beverages industry's market volatility, regulation, and innovation require a context-specific evaluation of leadership effectiveness (Dolan et al., 2018; Kolyesnikova & Dodd, 2013).

Rationale of the Study

Leadership is a critical factor in determining organizational success, especially in today's global business environment (Northouse 2019). In particular, effective leadership is associated with increased employee productivity, motivation, and engagement (Avolio, Walumbwa, & Weber, 2009). At Diageo, a leading multinational alcoholic beverages company, the direct influence of

leadership styles on workforce productivity is crucial for maintaining competitive advantage in a challenging industry (PWC 2020). Therefore, examining how specific leadership styles impact employee productivity at Diageo will provide valuable guidance for future leadership practices and contribute to the broader understanding of leadership in international business.

Justification of the Research

Although much research examines leadership styles and their impact on employee productivity, few studies directly address Diageo, UK. Current literature mainly explores large multinational companies across industries, seldom considering the specific challenges and opportunities within the alcoholic beverage industry (Yukl 2012). This study addresses this gap by analyzing the link between leadership styles and employee productivity in the distinctive environment of Diageo, UK, furthering insights into international business and leadership.

Research Objectives

The study aims to investigate the impact of leadership styles on employee productivity in Diageo, UK. To address this aim, the following objectives have been established:

1. To review and analyze literature on leadership styles and their effects on employee productivity.
2. To examine the leadership styles used at Diageo, UK, and their link to employee productivity.
3. To recommend effective leadership styles and practices to enhance productivity at Diageo, UK.

REVIEW OF LITERATURE

The literature on leadership styles is extensive and diverse, encompassing several evolving main theories and frameworks. This section focuses on transformational, transactional, and laissez-faire leadership styles, as well as servant and authentic leadership.

Transformational leadership was introduced by Burns (1978) and subsequently developed by Bass (1985) in the context of employee productivity, which has been the subject of extensive research. Transformational leaders inspire and motivate followers to realize their maximum potential, frequently resulting in increased productivity, creativity, and organizational success (Bass 1990; Bass & Riggio 2006). Several empirical investigations have demonstrated the productivity-enhancing effects of transformational leadership. For instance, Judge and Piccolo (2004) conducted a meta-analysis of 87 studies and found that transformational leadership, employee satisfaction, and performance are strongly correlated. Wang et al. (2011) discovered that transformational leadership positively influenced employee creativity and innovation in Chinese businesses.

Another essential leadership style, transactional leadership, was first described by Burns (1978) and later developed by Bass (1985). Transactional executives rely on a system of rewards and punishments to manage employee performance, resulting in varied productivity outcomes (Burns 1978; Bass 1990). Numerous studies have investigated the influence of transactional leadership on employee outcomes. Sosik et al. (2002) found that transactional leadership was more effective at boosting manufacturing productivity. In contrast, Judge and Piccolo (2004) found in a meta-analysis that contingent reward, a component of transactional

leadership, was positively associated with employee performance. In contrast, management by exception and laissez-faire leadership were negatively associated with performance.

Often deemed the absence of leadership, laissez-faire leadership is characterized by the leader's lack of involvement and direction (Yukl, 2012). Consistently, research has demonstrated that laissez-faire leadership is negatively related to employee productivity and organizational outcomes (Skogstad et al. 2007; Bass & Riggio 2006). For example, Derue et al. (2011) discovered that laissez-faire leadership is negatively associated with team performance and member satisfaction.

In recent years, leadership research has shifted its focus to more relational and ethical leadership styles, such as servant leadership and authentic leadership. Greenleaf (1977) introduced servant leadership, emphasizing employees' welfare and growth. Multiple studies have demonstrated the positive influence of servant leadership on employee outcomes, such as productivity, job satisfaction, and organizational commitment (Ehrhart 2004; Liden et al. 2008). A meta-analysis by Eva et al. (2019) revealed, for instance, that servant leadership has a significant positive relationship with employee performance and satisfaction.

A more recent leadership concept, authentic leadership, emphasizes self-awareness, transparency, and ethical behaviour (Avolio & Gardner, 2005). According to research, multiple employee outcomes, including job satisfaction, commitment, and performance, are positively correlated with authentic leadership (Walumbwa et al. 2008; Neider & Schriesheim 2011). In a study of nursing teams, Giallonardo et al. (2010) discovered that authentic leadership was positively associated with job satisfaction and negatively associated with exhaustion, indicating that it could boost employee productivity and well-being.

Despite the vast literature on leadership styles and their effects on employee productivity, there are still knowledge voids regarding how they influence productivity in specific organizational contexts, such as the alcoholic beverage industry. Moreover, the complex interaction between various leadership styles, organizational factors, and employee characteristics is an area that warrants additional research.

Recent research has begun to investigate the influence of leadership styles on employee productivity in various industries and organizational settings. Miao et al (2017), for instance, investigated the role of transformational and transactional leadership in the service industry and found that both styles positively impacted employee productivity. However, the researchers also found that employee characteristics, such as job autonomy and role ambiguity, moderated the relationship between leadership styles and productivity.

Similarly, Ojokuku et al. (2012) examined the correlation between leadership styles and employee productivity in the Nigerian banking industry. They discovered that transformational leadership had the most significant impact on employee productivity, followed by transactional leadership, and a negative influence was laissez-faire leadership.

These studies demonstrate the significance of comprehending the relationship between leadership styles and employee productivity in particular organizational contexts. However,

research on the impact of leadership styles in the alcoholic beverage industry and Diageo, UK, remains limited. This lacuna in the literature suggests the need for empirical research to investigate the effectiveness of various leadership styles in boosting productivity in this context.

Identification of the Need for Empirical Research

Several factors, including the potential influence of industry-specific factors, the role of different leadership styles in this context, and the generalizability of the existing literature, drive the need for empirical research in this area.

First, the alcoholic beverage industry has distinctive characteristics that may impact the efficacy of different leadership styles. As a result of market dynamics that are constantly shifting, stringent regulations, and the constant need for innovation, the business environment is challenging for leaders (Dolan et al. 2018). In addition, alcohol consumption patterns, consumer preferences, and societal attitudes towards alcohol may influence leadership effectiveness in this context (Kolyesnikova & Dodd, 2013). More empirical research is required to investigate how these industry-specific factors interact with various leadership styles to affect employee productivity.

Second, while the existing literature provides insights into the effectiveness of various leadership styles in other industries and contexts, it is unclear which techniques are the most effective at boosting employee productivity in the alcoholic beverage industry. For instance, the effect of transformational leadership on employee productivity has been extensively investigated (Judge & Piccolo, 2004; Wang et al., 2011), but its efficacy in the context of Diageo, UK, and the alcoholic beverage industry is mainly unexplored. Empirical research is required to determine the relevance and applicability of various leadership styles in this context.

Thirdly, the applicability of extant leadership theories and models to the intoxicating beverage industry is a crucial research topic. According to Miao et al. (2017), the relationship between leadership styles and employee productivity may be moderated by several variables, including employee characteristics and organizational culture. In Diageo, UK, and the alcoholic beverage industry, it is essential to investigate how these moderating factors interact with various leadership styles to influence employee productivity.

In conclusion, empirical research in this domain has the potential to make substantial contributions to both academic literature and practical applications. Theoretically, the study will help elucidate the applicability of existing leadership theories to the alcoholic beverage industry and enhance our comprehension of the complex relationship between leadership styles, employee productivity, and industry-specific factors. The findings will provide valuable insights to industry practitioners, including managers and executives at Diageo, UK, who can apply this knowledge to implement the most effective leadership styles for boosting employee productivity and organizational success.

RESEARCH PHILOSOPHY

This study will follow a mixed-methods research stance and a pragmatic research ethos. A study's research philosophy and position have important implications for its research design,

data acquisition, analysis, and interpretation of findings (Saunders et al. 2016). Multiple factors justify this study's pragmatic research philosophy and mixed-methods research position.

Initially, a pragmatic research philosophy acknowledges the importance of both quantitative and qualitative data in answering complex research questions (Creswell & Plano Clark, 2017). This study recognizes the significance of understanding the impact of leadership styles on employee productivity from multiple perspectives and utilizing diverse data sources by adopting a pragmatic stance. This approach is particularly applicable to the study of leadership styles because it permits the integration of multiple theoretical perspectives and empirical findings to provide a complete understanding of the phenomenon (Yukl 2012).

Second, a mixed-methods research position, which incorporates quantitative and qualitative research methods, is suitable for this study because it permits the acquisition and analysis of quantitative and qualitative data (Creswell & Plano Clark, 2017). The study can examine the relationship between leadership styles and employee productivity at various levels of analysis, including individual employee perceptions, team dynamics, and organizational outcomes, by employing mixed methods. In addition, blended methods permit the triangulation of findings, improving the validity and dependability of research results (Johnson et al. 2007).

Third, the mixed-methods research position is consistent with the pragmatic research philosophy of the study because it emphasizes the significance of selecting research methods that best address the research questions and objectives (Creswell & Plano Clark, 2017). Mixed-methods research allows for a more nuanced understanding of the impact of leadership styles on employee productivity in the context of Diageo, UK, and the alcoholic beverage industry.

Therefore, the pragmatic research philosophy and mixed-methods research position are justified for this study because they permit a comprehensive examination of the relationship between leadership styles and employee productivity in the context of Diageo, UK.

Research Methods

The selection of research methods is crucial for achieving the research objectives and guaranteeing the validity and dependability of the findings (Saunders et al. 2016). For several reasons, this study employs a mixed-methods approach, incorporating quantitative and qualitative research techniques.

First, quantitative research methods, such as surveys, enable the collection of numerical data on the association between leadership styles and employee productivity (Bryman & Bell, 2015). Using a survey, the study can collect data from a large sample of Diageo, UK employees, allowing for the generalization of its findings to the larger population. In addition, using quantitative methods permits the investigation of potential correlations and causal relationships between leadership styles and productivity outcomes, which can inform the development of practical recommendations for boosting employee productivity in the alcoholic beverage industry (Hair et al. 2019).

Second, qualitative research methods, such as interviews and focus group discussions, provide a more in-depth comprehension of the experiences and perceptions of employees regarding

leadership styles and their influence on productivity (Bryman & Bell, 2015). These methodologies permit the investigation of the subtleties and complexities of leadership styles in the context of Diageo, the UK, and the alcoholic beverage industry. Moreover, qualitative methods facilitate the identification of contextual factors and underlying mechanisms that may influence the association between leadership styles and employee productivity (Eisenhardt & Graebner, 2007).

Combining quantitative and qualitative research methods in a mixed-methods approach enables the triangulation of findings, improving the study's validity and reliability (Johnson et al. 2007). In addition, blended methods permit the incorporation of diverse perspectives and data sources, resulting in a complete understanding of the impact of leadership styles on employee productivity in the context of Diageo, UK (Creswell & Plano Clark, 2017).

Combining quantitative and qualitative research methods allows a comprehensive examination of the relationship between leadership styles and employee productivity in Diageo, UK. By employing these research methods, the study can generate valuable insights and practical recommendations for increasing employee productivity and organizational success in the alcoholic beverage industry.

Research Analysis

The choice of research methods is essential for accomplishing research objectives and ensuring the validity and dependability of the findings (Saunders et al. 2016). This study incorporates quantitative and qualitative research methodologies for various reasons.

First, quantitative research methods, such as surveys, can collect numerical data on the relationship between leadership styles and employee productivity (Bryman & Bell, 2015). Using a survey, the study can collect data from a significant sample of Diageo, UK, personnel, allowing its findings to be generalized to the entire population. In addition, using quantitative methods allows for investigating potential correlations and causal relationships between leadership styles and productivity outcomes, which can inform the development of practical recommendations for increasing employee productivity in the alcoholic beverage industry (Hair et al. 2019).

Second, qualitative research methods, such as interviews and focus group discussions, provide a deeper understanding of the perceptions and experiences of employees regarding leadership styles and their impact on productivity (Bryman & Bell, 2015). These methodologies permit the investigation of the subtleties and complexities of Diageo, UK, and the alcoholic beverage industry's leadership styles. In addition, qualitative methods allow for identifying contextual factors and underlying mechanisms that may influence the relationship between leadership styles and employee productivity (Eisenhardt & Graebner, 2007).

Combining quantitative and qualitative research methods in a mixed-methods approach enables the triangulation of findings, thereby enhancing the study's validity and reliability (Johnson et al. 2007). Furthermore, blended methodologies allow the incorporation of diverse perspectives and data sources, resulting in a more comprehensive comprehension of the impact

of leadership styles on employee productivity in the context of Diageo, UK (Creswell & Plano Clark, 2017).

Combining quantitative and qualitative research methods permits a comprehensive examination of the relationship between leadership styles and employee productivity in Diageo, UK. By employing these research methods, the study can generate practical recommendations for increasing employee productivity and organizational success in the alcoholic beverage industry.

Limitations and Future Research

The study will be limited by its focus on a single organization and a relatively small sample size, which may constrain the generalizability of results. Additionally, the short study period may not capture long-term leadership impacts. Future research should involve larger, cross-industry samples and longitudinal designs to validate and expand on the findings.

CONCLUSION

Leadership style is a critical determinant of employee productivity. By examining the relationship between leadership practices and productivity within Diageo, UK, this study addresses a gap in the literature and offers both theoretical and practical insights. The expected outcomes can support evidence-based leadership development strategies to improve productivity and competitiveness in the alcoholic beverages industry.

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