



THE EFFECT OF LEADERSHIP STYLES ON EMPLOYEES: A LITERATURE REVIEW

Zhu Tao, Li Qixuan, Li Wenfei, Wang Yuanzai & Syed Ahmed Salman

Faculty of Business, Lincoln University College

Abstract

Leadership is an essential management function that enables an organization to more effectively direct its resources towards achieving its goals and increases its overall efficiency. Influential leaders are professionals who can inspire and direct their staff members for an organization to be successful and affect people. The performance of workers, as well as their behavior and attitudes, can be significantly influenced by the leaders of an organization. The ability to demonstrate leadership is an essential component of management. There has to be an act of inspiring employees to perform their duties willingly, effectively, and with enthusiasm for an employee's performance to be effective. Organizations have been suggested to adopt various leadership styles, including transformational, laissez-faire, autocratic, and transactional, to achieve business efficiency and economic growth. Every form of leadership is accountable for motivating employees, controlling and managing operations, resolving conflicts, and influencing staff. There is a distinction between the two types of leadership in terms of how these responsibilities are carried out. This study aims to determine which management leadership style is most effective in enhancing performance and achieving the desired outcomes. The research was conducted using the method of library research. According to the findings, various leadership styles have varying effects on the performance of the workforce. The vast majority of the research that was looked at indicates that both transactional and transformational leadership styles positively impact employee performance. Different leadership styles, such as autocratic and laissez-faire, each have their unique impact on employee productivity.

Keywords: Leadership, Employees, Transactional Leadership, and Transformational leadership

1. Introduction

Leadership's impact on an organization's success cannot be overstated (Riaz et al., 2023). Kraus, Torrez & Hollie (2022) found that most organizations fail to achieve their goals. According to Evans (2001) & Alquwez (2023), poor workplace performance is caused by poor leadership. The path-goal approach's most important leadership tool is managers' ability to give rewards. Some leaders must clearly define the path to the goal due to communication issues and managerial incompetence. However, communication is persuading others to understand an idea as intended (Flippo, 2003). Communication is crucial to the behavioral approach (McLoughlin et al., 2023). This research seeks to determine how leadership styles affect workforce performance

Since the 17th century, leadership has influenced performance (Kalogiannidis et al., 2021). At the end of the 17th century, employees were treated as human capital to achieve organizational goals. Most companies sought an appropriate leadership style to compete in the business market (Nshimirimana & Kwizera, 2023). Many organizations seek new development methods, particularly in administrative areas, to help them achieve their goals.

In order to achieve business efficiency and economic growth, it has been suggested that organizations adopt various leadership styles, including transformational, laissez-faire, autocratic, and transactional (Dhamija et al., 2023; Basit et al., 2017). Every leadership style is responsible for motivating employees, controlling, managing, resolving conflicts, and influencing employees. How these responsibilities are carried out differs between the two styles of leadership (Jamali et al., 2022). Most researchers in the field of organization management assert that the performance of a given organization is contingent on the leadership style employed throughout all business operations. The leadership style also affects employee performance, satisfaction, motivation, and the organization's performance (Sari et al., 2021). According to Madanchian et al. (2017), leaders' behavior affects organizational outcomes. Başkan (2020), effective leadership styles should diagnose and adapt to their environments.

Every leadership style has its strengths, as shown above. Transactional leadership uses organizational target bargaining to meet subordinates' current needs (Bass, 1985). Transactional leaders can inspire followers to put the company and their subordinates first (Bass et al., 1996). Transactional leadership is visionary and supportive (Kittikunchotiwut, 2019). Leaders who transform their organizations give their subordinates the ability to realize the organization's vision. According to Zacher et al. (2014), the transformative process can be observed through charisma, idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Because transformational leadership seeks to develop knowledge and potential, it can boost performance (Yukl, 2007). Transformational leaders give their subordinates the chance and confidence to accomplish organizational goals (Butler, 1999).

Laissez-faire allows subordinates to work freely to achieve goals (Hu et al., 2023). They can make independent decisions and choose their policies and methods. It is mainly characterized by subordinates' freedom to do their jobs and make decisions. Employee performance is not closely monitored. Managers should be concerned. Most importantly, good leadership drives success.

Leadership success depends on the leader's power and an opportune situation. Organizational members disagree on leadership and goal-setting, causing conflict. Leadership in this work refers to organizational actions that affect other employees. Leadership and management consider what the organization can achieve if recognition is high-quality. Leadership encompasses organizational hierarchy's influences. Expert power and organization-sanctioned rewards and punishments are examples. However, subordinates have some influence over the organization's hierarchy. Every organization needs a manager (leader) to boost the collective effort of each subordinate to adopt organizational goals as their own goals. Thus, this research seeks to identify the best leadership style for managers to boost performance and achieve goals.

2.0 The Concept of Leader

Leadership is not the entirety of management. According to Liu et al. (2021) and Baridam (2007), leadership is obtaining interpersonal influence through power. A workgroup member views power as a means of differentiation between the organization and himself. Resentful employees may cause harm to the organization in small or large ways, whether consciously or unconsciously. The employees always wonder whether the power is inherent to the organization or indispensable to the organization's tasks. According to Browning (2014), the leader's power over the group is high; the organization supports his/her council's stance on punishment.

According to Gordon et al. (2009), the following are among the leadership principles: Leadership must be legitimate and authoritative, which means that only one can lead with a mandate from the leader. He should be given the authority to direct and control society. Good relations between leaders and those they lead can only be maintained if leadership is subject to public advancement, responsibility, and accountability—the people's mandate limits leadership. A leader loses legitimacy if they defy the people. Leadership must be recruited on merit, not hereditary or usurped.

Thus, a leader must convince employees to work towards the company's goal by their values. Managers also recruit, evaluate, train, develop, distribute equal rewards, promote change, and possibly fire employees. Leaders oversee an organization's daily operations, including assessing employees' performance. Leaders must assess the employee's working environment as well as their resources. The leader must assess an underperforming employee's qualifications.

3.0 The Forms of Leadership

The leader's function, the nature of the followers, and the circumstances all play a role in determining the most appropriate leadership type. Some leaders cannot function effectively when there is a significant amount of participation from their followers in decision-making. Some employers need the capability or the desire to accept responsibility for their actions. Additionally, particular circumstances play a role in determining the most productive manner of interaction. In certain circumstances, leaders are required to handle problems that require immediate solutions without consulting their followers. The researchers identified several leadership styles after going through various published materials and different types of literature.

3.1 The Transactional Model of Leadership

Transactional leadership styles emphasize task and reward design because they assume work is done solely for rewards (Burns, 1978). Bass & Riggio (2010) define transactional leaders as social exchange leaders who reward productivity and punish inactivity. There may be better leadership strategies for building relationships and creating a long-term motivating workplace, but most organizations use them daily to get things done. Despite its unappealing leadership style, this is true. Because the emphasis is placed on day-to-day activities rather than long-term goals, transactional leadership is more accurately described as a form of management than a

genuine leadership approach. As referenced in Boehnke et al.'s 2003 article, Burns distinguished between transactional and transformational leadership, believing that the two management styles are on opposite ends of a continuum. He concluded that transactional leaders adapt to the culture of the organization in order to work effectively within it, whereas transformational leaders actively work to alter the organization's culture. According to Boehnke et al. (2003), transformational leaders serve as role models for their employees, motivate them, and stimulate their intelligence. In contrast, transactional leaders only voluntarily involve themselves in their employees' work once there is a problem.

Transactional leaders meet employees' current material and psychological needs in exchange for their services, according to Bass and Avolio's (1990) model. It is shown in the following illustration. According to Maslow's hierarchy of needs, leaders who recognize potential employees' transactional needs tend to go further, seeking to increase and satisfy higher needs and engaging followers to their full potential. Leaders who understand potential hires' needs go further. Bass explained that a transformational leader must idealize influence, individualized consideration through mentoring, inspirational motivation through team spirit, and intellectual stimulation in creativity and innovation to inspire employees to perform above expectations.

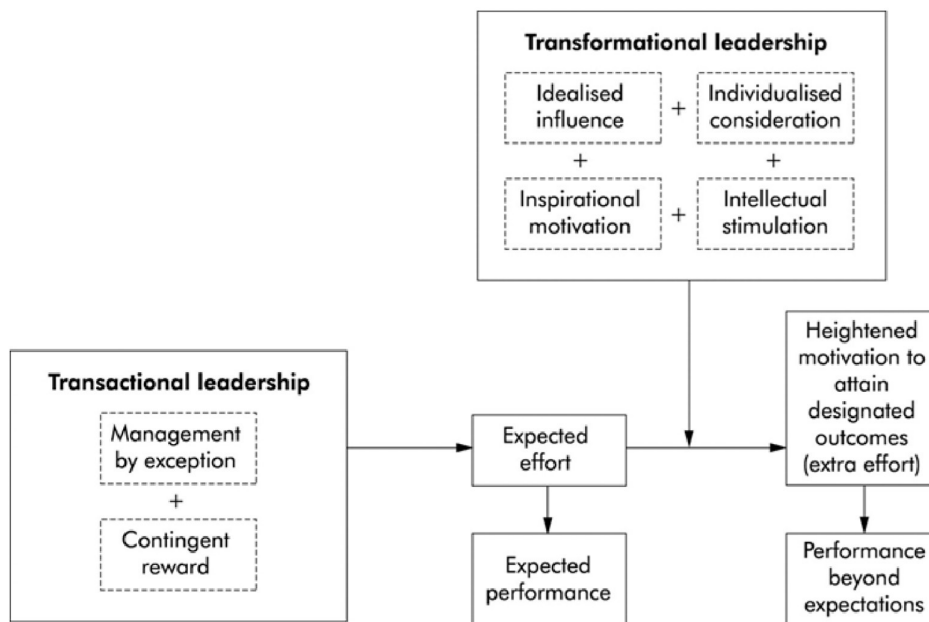


Figure 1: Bass and Avolio's Transactional and Transformational Model (1990)

Riaz and Haider (2010) cited a study that was carried out by Jansen et al. (2009) in order to provide support for Bass and Avolio's (1990) assertion that transformational leadership makes it possible for employees to engage in exploratory innovation. In contrast, transactional leadership works to extend and improve the employees' existing knowledge. In other words, transformational leadership makes it possible for employees to engage in exploratory innovation, whereas transactional leadership works to extend and improve employees' existing knowledge. Riaz & Haider (2010) concluded that managers who strictly practice the

transactional leadership style might also apply the strategies of the transformational style in order to foster a feeling of job success and career satisfaction among the group members. The findings of their investigation, which demonstrated that this is the case, provided evidence supporting this assertion.

Weber (1947) is credited with being the one who first coined and explained the term "transactional leadership," which is also known as "managerial leadership." The relationship between the leader and the follower is described as "this for that," it is based on the principle that successful actions or decisions made by the follower are rewarded, while unsuccessful ones result in punishment. Weber (1947) described only the transactional and transformational leadership styles as the two basic styles within which leaders operate. One of his hypotheses concerning transactional leaders proposes that bureaucratic leaders use their expertise and power to achieve results while working within the atmosphere, procedures, and existing conditions rather than attempting to bring about change. According to Burns (1978), transactional leaders can be broken down into the following categories: political party leaders, opinion leaders, legislative leaders, executive leaders, and bureaucratic leaders. When looking at the full spectrum of leadership styles that Bass and Avolio (1994) examined, contingent reward leadership was the only leadership behavior considered successful. "Effective principals influence largely through the exchange," as Blase (1993) suggests in his research on how school principals try to motivate their staff, which indicates transactional leadership. Blase researched teachers' perspectives about the methods that principals of schools use to motivate their employees. According to Avolio (1999), contingent reward leadership is "reasonably effective" because motivating followers to a certain extent can be accomplished by establishing clear expectations and goals and then rewarding those followers for achieving those goals.

Transactional leaders use management to command and reward followers, according to Bateman and Snell (2002). After studying later scholars like Bass (1985), Doherty & Danylchuk (1996), Bass & Avolio (1994), and Lowe & Kroeck (1996), Coleman & Bush (2000) suggest that any leader can be both transformational and transactional. Burns (1978) said leaders must be transformational or transactional. According to Ramsden (1998), a leader who employs both management styles in educational settings can ensure that the organization functions efficiently.

According to Bass (1999), transactional leaders encourage group members to achieve their objectives by appealing to the members' self-interests and promising rewards for doing so. They are effective in planning and budgeting, and they use their power to engage, control, organize, and monitor the group members that fall under their purview to ensure that objectives are met. According to Daft (1999), they lead fleetingly, concentrating their attention impersonally on the task and failing to form emotional bonds with followers. These leaders are quick and decisive regarding reducing costs to increase efficiency and productivity. They place a significant emphasis on adherence to rules, procedures, and standards and meeting short-term objectives. According to Barling et al. (2000), there is no connection between EI and the transactional leadership style because this type of leadership does not require the leader to have empathy or reflective self-insight. Any acknowledged transaction between a leader and their

followers serves as a reward for goals accomplished and a punishment for goals not accomplished.

This style discourages creativity and rejects new ideas because they disrupt plans (Hallinger, 2003). Transactional leadership is based on fulfilling contractual obligations (Antonakis et al., 2003; Bass & Avolio, 1994), discouraging teachers from participating in organizational learning processes and limiting leader and group effectiveness.

Transactional leadership: emphasizes leader-subordinate transactions. Bass et al. (2003) propose two transactional leadership traits: contingent reward and exception management. Leaders agree on what subordinates must do and promise rewards for goal completion. Leaders monitor deviations from standards and correct them to meet organizational goals during exception management. According to Min (2022), transactional leadership emphasizes leader-subordinate interactions. Transactional leadership rewards specific performance and influences subordinates. In a transaction, the subordinate promised rewards for meeting agreements. He motivates employees. Transactional leadership affects performance. Employee evaluation decides. If employees view transactional leadership as dishonest, untrustworthy, or unreliable, it can have a positive or negative effect.

3.2 Leadership Transformational

Transformational leadership has grown in popularity in post-industrial business. Transformational leadership takes leadership to the next level, according to Boehnke et al. (2003) and others like Simosi and Xenikou (2008), Felfe and Schyns (2006), and Avolio et al. (2009). It challenges and develops followers' leadership skills by mentoring, coaching, and providing both challenge and support. Transformational leadership inspires followers to achieve organizational goals. Leaders motivate followers. According to De Jong and Den Hartog (2007) and AragonCorrea et al. 2020 (cited in Raja & Palanichamy, 2011), transformational leadership boosts innovation, organizational learning, and employee creativity. Raja and Palanichamy (2011) say transformational leadership boosts employee performance. Transformational leaders also affect employees' views of human capital benefits, according to Birasnav and Dalpati (2009). Human capital benefits include high returns on investment, high-profile projects, and status and authority (Birasnav, 2011). Transformational leaders inspire and are trusted. When team members trust leaders, goals are easily achieved.

It aims to elevate visionary. It becomes a shared vision, with subordinates implementing it. Thus, transformational leadership behaviors are charismatic, idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass et al., 2003). Min (2022) states that applying a transformational leadership style can improve performance. Transformational leadership develops employees' knowledge and potential. Transformational leaders empower their staff to do their jobs their way to achieve organizational goals. According to Butler (2009), a transformational leader encourages subordinates to have their vision, mission, and organizational goals; encourages and motivates them to perform at their best; stimulates them to act critically and solve problems in new ways; and treats employees individually. According to Al-Swidi et al. (2012) and Saira et al. (2021), increasing

transformational leadership frequency will improve subordinate psychological empowerment. A transformational leader who prioritizes people's needs can help the company achieve its vision and mission and motivate and inspire workers to boost productivity.

Transformational leadership aligns with the greater good by involving followers in processes or activities related to personal factors towards the organization and a course that will yield a superior social dividend. Transformational leadership differs from other leadership theories because it serves a higher purpose. According to House and Shamir (1993), transformational leaders motivate and moralize followers and leaders. Transformative leaders "engage in interactions with followers based on common values, beliefs, and goals." Performance is affected, which helps achieve the goal.

According to Bass, a transformational leader "attempts to induce followers to reorder their needs by transcending self-interests and striving for higher order needs." This theory matches Maslow's 1954 higher-order needs theory. Transformational leadership changes leaders' beliefs, values, and attitudes to reveal their practices and ability to lead change. The available research indicates that followers and leaders are expected to put their interests to the side for the good of the group. It is then requested of the leader to concentrate on the requirements and suggestions of the followers in order to develop everyone into a leader by providing them with the means to do so as well as the inspiration to do so. It was published in 1997 by House and Aditya. An additional point of differentiation between transformational leadership and the other previously defined leadership theories is the emphasis placed on the ethical responsibilities of leaders. Transformational leaders can recognize the need for change, obtain the agreement and commitment of others, devise a vision that directs change, and institutionalize change, which is the defining characteristic of transformational leadership (MacGregor, 2003). These leaders treat their subordinates individually and strive to help them develop their consciousness, morals, and skills by giving their work significance and posing challenges. These leaders present a vision of the future that gives the impression of being convincing and encouraging. MacGregor (2003) states that these people are "visionary leaders who seek to appeal to the better nature of their followers and move them towards higher and more universal needs and purposes."

According to Burns (1978), who may have coined the term "transformational leadership," it occurs when "leaders and followers raise one another to higher levels of morality and motivation." Bass (1985) developed the "Transformational Leadership Theory" based on Burns' idea, arguing that this style inspires followers to respect, admire, and trust. The following three ways a transformational leader tries to change team members, according to Bass (1985), are seminal in the development of leadership styles.

- The more the leader communicates the task's value and importance to the organization, the more members are aware and engaged;
- The leader's ability to get team members to put aside their agendas and focus on the company's goals;

- The leader's ability to identify and activate members' higher-order needs.

Spitzer's eight higher-order needs include achievement, activity, affiliation, competence, meaning, ownership, power, and recognition. Survival, love and belonging, power or recognition, freedom, and fun are part of Glasser's (1998) "Choice Theory." Both are outdated, but they create inner tension in team members that motivates them to act. Bass (1985) identified three moral aspects of transformational leadership: the leader's morality, the vision's values and morality, and the leader's and followers' ethical choices and actions. Tichy & Devanna (1986) wrote, "Transformational leadership is about change, innovation, and entrepreneurship."

3.3 Laissez-faire leadership style

The leader's ability to lead depends on several situational factors, including the leader's preferred style. According to Yukl (2011), contingent leadership theories support a significant amount of empirical freedom associated with leadership in a laissez-faire fashion. Many researchers have tested it and found it valid and reliable in explaining effective leadership. It emphasizes the importance of paying attention to the interpersonal relationships between an organization's leadership style and its many situations and workforce. Kumar (2015) says this leadership style gives followers the most freedom in their daily lives. They can make decisions independently and are given *carte blanche* to determine the policies and procedures they wish to implement. It believes allowing employees freedom to administrate any leadership style is crucial to success. Servant leadership is based on this belief. This study will investigate how laissez-faire management affects employee performance. However, much research has linked positive self-image to effective management. His study strongly supported the laissez-faire approach to bridging the employer-employee gap. Laissez-faire would create a positive environment where employees and employers felt like a family, regardless of their positions. Kerns (2004) and Rajbanshi (2020) discussed values and organizational leadership. His research supported the laissez-faire approach to employer-employee relations.

Kumar (2015) says this leadership style gives followers the most freedom in their daily lives. They have complete control over their policies, methods, and decisions. It believes that any leadership style must allow employees some freedom to succeed. Democratic leadership is best because of this belief. This study investigated how laissez-faire management affects employee performance. Rewards are dependent on certain conditions. Transactional leaders link the goal to the rewards, clarify expectations, provide the necessary resources, set mutually agreed upon goals, and provide multiple rewards for successful performance. They ensure that their subordinates have SMART goals, which are specific, measurable, achievable, realistic, and timely. Active Management by Exception: Transactional leaders actively monitor the work of their subordinates, watch for deviations from rules and standards, and take corrective action to prevent mistakes. This management style is known as "active management." Transactional leaders practice a form of management known as "passive management by exception," they only step in to correct a situation when the established criteria have not been attained, or the performance has not been up to par with what was anticipated. They might even resort to using punishment as a response to the unsatisfactory performance of the employees. In Mogadishu,

Somalia, in a study that Ali et al. (2016) conducted on the influence of leadership style on teacher satisfaction in secondary schools in Mogadishu, the researchers concluded that the laissez-faire leadership style had a more significant impact on employee satisfaction when compared to the transformational and transactional leadership styles. It was reported that this leadership style allowed the educators to make decisions concerning their work and the space and time available.

Delegative leadership, or non-leadership, is when the leader does nothing and provides only what is needed to reach the goal (Stewart, 2006; Bass et al., 2000; Bass, 1999). Permissiveness and low leader guidance disrupt productivity and effectiveness in this style. These leaders 'avoid making decisions, hesitate in taking action, and are absent when needed,' according to Judge & Piccolo (2004). Without the leader's help, followers must solve problems. However, this implies that the laissez-faire style can only work when followers are highly motivated, and experts in their field, and the leader must be available for consultation and feedback despite a "hands-off" approach.

Judge & Piccolo (2004) recommend studying this leadership style because it "received scant attention in previous leadership research." "Poor, ineffective leadership and highly dissatisfying for followers" is the laissez-faire leadership style (Avolio, 1999).

Lewin & White (1939) classified leadership styles as authoritarian/autocratic, participative/democratic, and delegating/free rein. The third style decreased followers' productivity and satisfaction compared to the other two styles. Bass & Stogdill (1981) called it "laissez-faire" after studying Weber's (1947) leadership theories. In mercantilism, the government does not interfere with maximizing growth for the individual/community. Leaders "use no particular style (of leadership) to any extent" (Gill, 1999) and set expectations, standards, and consequences. Unstructured communication between followers loses control and direction. The leader leads in "reaction" or "crises" mode and assumes followers' commitment. Later studies confirmed followers' dissatisfaction with this style, according to Bass & Avolio (2000). Hersey, Blanchard & Johnson (2016), the laissez-faire leadership style can be upbeat when combined with other styles.

3.4 Leadership Autocratic and Employee Performance

Leaders who firmly believe they are always right in their choices are said to have an autocratic leadership style. They threaten the organization's long-term goals, strategies, and prospects because they coerce their followers to carry out strategies and orders based on where they believe success can be found. A lack of shared vision, motivation, creativity, teamwork, commitment, and innovation are all characteristics of autocratic leadership. According to Michael (2010), autocratic leaders are the leaders responsible for the failure of the entire organization. However, it should be noted that autocratic leadership may be inevitable and helpful in situations where rapid decisions must be made without consulting a large group of people (Hampton et al., 1973).

Autocrats are "do as I say" types. These leaders are usually inexperienced people given leadership roles in new jobs or assignments. Autocrats make all decisions. They can damage an organization by forcing "followers" to execute strategies and minimally provide services based on their ideas of success. No one has a goal, and fear drives everyone. Autocratic leadership usually kills commitment, creativity, and innovation. Most followers of autocratic leaders are "biding their time" as they expect this leadership style to fail and the removal of the leader who follows Michael (2010).

3.5 Situational Leadership

Blanchard (2007) cited the concept of situational leadership, which states that the best action for a leader depends on various factors related to the situation. The circumstances determine a situational leader's decisions and how they adapt their strategy. Employees would rather have a leader who can guide them in the right direction and make timely decisions. Nevertheless, the decision that needs to be made in the given circumstance will be significantly impacted by the employee's level of motivation and capability. Roy (2006) found that Situational Leadership can guide leaders throughout the performance coaching cycle. The Situational Leadership model will help the leader determine participation levels for planning and goal-setting in the first meeting. It guides the leader in all future interactions with the follower. Mujtaba & Sungkhawan (2009) found that managers who use situational leadership skills focus on employee readiness, coach them according to maturity, and adapt their communication styles to employee preferences. In this study, Mujtaba (2009) discussed situational leadership, diversity management, and employee coaching.

Situational leadership combines four leadership styles in a practical order to help managers lead and manage their staff. It teaches leaders to assess an individual or team's needs and respond with the right leadership style. According to Blanchard (2007), directive behavior focuses more on completing tasks, whereas supportive behavior is more concerned with building and maintaining relationships. Each quadrant is denoted by a distinct approach to leadership, which the leader can modify by the circumstances.

The central tenet of the situational leadership theory is that leaders should adapt their leadership styles to their employees' readiness level, which considers both their capacity and their willingness to carry out a specific assignment. In a nutshell, managers must implement an appropriate leadership style compatible with the workplace where the employees perform their jobs. Given the existence of the various leadership styles that have been discussed, the researcher will investigate the possibility of measuring the perceptions of employees about the various leadership styles that are put into practice by their managers as well as the adaptability of employees about their leaders within the organization of the computing center. The discovery will call into question the strategy that they prefer.

4.0 Discussion

Leadership behaviors have been shown to influence employee performance in a large body of empirical literature evidence. This evidence shows that strong leaders influence subordinates

to perform, whereas weak leaders influence subordinates to underperform. This relationship between leadership behaviors and employee performance is causal. Burns (1978), Bass et al. (1990), and Howell & Avolio (1993) are three authors who contributed to the body of research that demonstrates that transformational leadership results in higher levels of performance than transactional leadership does. According to the findings of other researchers in the United States of America, such as Avolio (1994), Kotter (2017), and Botha (2004), the style of leadership known as transformational leadership is the one that is best suited for modern organizations to be led by. To improve organizational performance and maintain a presence in the market, the modern global business environment calls for a novel form of leadership. This form of leadership should recognize employees' contributions' importance, encourage them to do their best work, acknowledge their contributions, and raise employee performance (Kotter, 2017). Despite this, research conducted by Brand, Heyl, and Maritz (2000) found that transformational leaders have a more significant impact on their subordinates than transactional leaders. These findings were gleaned from various sources, including industries, public sectors, non-public sectors, retail and manufacturing sectors, and the armed forces of the United States of America, China, India, Canada, and Germany.

Transformational leadership inspires followers with a compelling vision, teamwork, self-motivation, optimism, and high-performance expectations. Transactional leadership can also improve employee performance (Bass & Bass, 1985). According to practical studies (Howell & Frost, 1989) and (Bass & Bass, 1985), transformational leadership improves employee performance. Thus, transactional and transformational leadership should directly improve employee performance. Raja (2015) states that leadership styles impact public and private sector employee performance in India. This study found that 43 middle-level managers and 156 subordinates showed a positive linear relationship between transformational and transactional leadership and employee performance. Transactional, laissez-faire, and autocratic leadership styles affect worker productivity. However, it must demonstrate the relationship between transactional, autocratic, laissez-faire, and transformational leadership styles. According to the same study, laissez-faire leadership hurts worker performance. Laissez-faire leaders and their public or private organizations underperform.

Leaders and leadership styles have been studied extensively. Leadership styles and employee performance have been studied. Rassol (2015) found that transformational leadership styles improve employee performance more than transactional leadership in Pakistan's health sector. Transformational leadership excels in organic, competitive environments, according to many studies. Their study also found that transactional leadership's effect on job performance was less substantial than transformational leadership's. According to Prabhu & Srivastava (2023), transformational and transactional contingent reward leadership behaviors improve employee performance in India. They found that transactional and transformational leadership styles affect employee performance but did not say which was better. Transformational or transactional managers improve employee performance. Their study provided insight into the preferred leadership style and the best way to lead employees to meet goals. Leaders, policymakers, and decision-makers can use their results to improve subordinates' job performance, which boosts organizational productivity. They emphasize that leaders must be

able to influence their subordinates, set clear performance standards, act as role models, and inspire employees to work in a self-motivated, result-oriented, and team-oriented manner. Leadership research has encompassed many fields, including health.

Rassol et al. (2015) found that transformational leadership improves employee performance more than transactional leadership in Pakistan's health sector. Transformational leadership excels in organic, competitive environments. Their study found that transactional leadership did not improve job performance more than transformational leadership. Transformational and transactional contingent reward leadership behaviors improve employee performance, according to Pradeep and Prabhu (2011). Strong leaders—transformational or transactional—improve employee performance.

Ispas & Babaita (2012) studied the hotel industry's performance and leadership styles. They found that managers use autocratic leadership styles, which positively affect employees' performance in the hotel industry. Autocratic leadership satisfies many employees, motivating them to work hard to achieve the company's goals. They added that managers must find an excellent solution to help workers improve their performance.

Another study was carried out in the field of the energy industry; Obasan Kehinde & Hassan Banjo (2014) of South Africa was the researcher who carried out this study. This study aimed to investigate the impact that different leadership styles have on the levels of performance employees achieve in an organization's efforts to achieve specific goals. This study investigated the Department of Petroleum Resources. Their study found that "transformational leadership style exerts effective results in employee's performance because it motivates employees to go beyond ordinary expectations with high morale and easily reach planned goals." Transformational leadership works well for organizations that want to compete and mentor future managers. It will bring long-lasting success to the firm and prosperity for the employees. Since the last few decades, the study and research of leadership have been an area of interest for various groups of people, including academicians, managers, decision-makers, and practitioners, because it is a determinant factor in employee behavior and performance towards accomplishing organizational goals.

Work effectiveness, satisfaction, extra effort, and dependability are linked to transformational leadership. This study helped identify the best leadership style for different professional levels. Leaders can improve subordinate performance and company productivity with their findings. Leaders must be role models, influence subordinates, and set performance standards.

Staff nurses believed transformational leadership and its factors were used more than transactional and laissez-faire leadership styles, according to Aboshaiqah et al. (2015). Transformational and transactional leadership styles positively correlated with effectiveness, extra effort, and satisfaction. Transformational leadership improves nurses' effort, satisfaction, performance, and leader effectiveness. Ispas & Babaita (2012) found that hotel managers use autocratic leadership to achieve results. They added that managers must help workers improve.

5.0 Conclusion

Leadership styles affect employee performance differently, according to the literature. Most of the literature reviewed shows that transactional and transformational leadership positively affect employee performance (Nuhu, 2005; Maduka et al., 2018). Transformational leadership improves employee performance, according to these studies. However, these research studies must discuss how laissez-faire and autocratic leadership styles affect employee performance. Thus, Laissez-faire and autocratic leadership styles have different effects on employee performance, but Nuhu (2005) in Asia found that the autocratic leadership style improved employee performance in some cases. Caillier (2020) found that autocratic leadership negatively affects public employee performance. It indicates that researchers disagree on how leadership style affects employee performance. To determine which leadership style matters, future research should fill this gap.

References

- Aboshaiqah, A. E., Hamdan-Mansour, A. M., Sherrod, D. R., Alkhaibary, A., & Alkhaibary, S. (2014). Nurses' perception of managers' leadership styles and its associated outcomes. *American Journal of Nursing Research*, 2(4), 57-62.
- Ali, A. Y. S., Dahie, A. M., & Ali, A. A. (2016). Teacher motivation and school performance, the mediating effect of job satisfaction: Survey from Secondary schools in Mogadishu. *International Journal of Education and Social Science*, 3(1), 24-38.
- Alquwez, N. (2023). Association between nurses' experiences of workplace incivility and the culture of safety of hospitals: A cross-sectional Study. *Journal of Clinical Nursing*, 32(1-2), pp. 320–331.
- Al-Swidi, A. K., Nawawi, M. K. M., & Al-Hosam, A. (2012). Is the relationship between employees' psychological empowerment and employees' job satisfaction contingent on the transformational leadership? A study on the Yemeni Islamic banks. *Asian Social Science*, 8(10), 130.
- Antonakis, J., Avolio, B. J., & Sivasubramaniam, N. (2003). Context and leadership: An examination of the nine-factor full-range leadership theory using the Multifactor Leadership Questionnaire. *The leadership quarterly*, 14(3), 261-295.
- Aragón-Correa, J. A., Marcus, A. A., & Vogel, D. (2020). The effects of mandatory and voluntary regulatory pressures on firms' environmental strategies: A review and recommendations for future research. *Academy of Management Annals*, 14(1), 339-365.
- Avolio, B. J. (1999). *Full leadership development: Building the vital forces in organizations*. Sage.
- Avolio, B. J., Walumbwa, F. O., & Weber, T. J. (2009). Leadership: Current theories, research, and future directions. *Annual review of psychology*, 60, 421-449.
- Baridam, D.M. (2002). *Management and organization theory*. (3rd ed.). Port Harcourt: Sherbrooke Associates
- Barling, J., Slater, F., & Kelloway, E. K. (2000). Transformational leadership and emotional intelligence: An exploratory study. *Leadership & Organization Development Journal*, 21(3), 157-161.
- Basit, A., Sebastian, V., & Hassan, Z. (2017). Impact of leadership style on employee

- performance (A Case study on a private organization in Malaysia). *International Journal of Accounting & Business Management*, 5(2), 112-130.
- Başkan, B. (2020). Toxic Leadership in Education. *International Journal of Educational Administration, Management, and Leadership*, 97-104.
- Bass, B. M. (1999). Two decades of research and development in transformational leadership. *European journal of work and organizational psychology*, 8(1), 9-32.
- Bass, B. M., & Avolio, B. J. (1990). Developing transformational leadership: 1992 and beyond. *Journal of European industrial training*, 14(5).
- Bass, B. M., & Bass Bernard, M. (1985). Leadership and performance beyond expectations.
- Bass, B. M., & Riggio, R. E. (2010). The transformational model of leadership. *Leading organizations: Perspectives for a new era*, 2, 76-86.
- Bass, B. M., & Stogdill, R. (1981). Handbook of leadership. *Theory, research, and managerial*.
- Bass, B. M., Avolio, B. J., Jung, D., & Berson, Y. (2003). Predicting unit performance by assessing transformational and transactional leadership. *Journal of Applied Psychology*, 88:207-218.
- Bass, B. M., Avolio, B. J., & Atwater, L. (1996). The transformational and transactional leadership of men and women. *Applied psychology*, 45(1), 5-34.
- Bass, B. M., Avolio, B. J., Jung, D. I., & Berson, Y. (2003). Predicting unit performance by assessing transformational and transactional leadership. *Journal of applied psychology*, 88(2), 207.
- Bateman, T. S., & Snell, S. (2002). *Management: Competing in the new era*. Irwin Professional Publishing.
- Birasnav, M., Rangnekar, S., & Dalpati, A. (2009). Enhancing employee human capital benefits through knowledge management: a conceptual model. *Global Journal of e Business&Knowledge Management*, 20-26.
- Birasnav, M., Rangnekar, S., & Dalpati, A. (2011). Transformational leadership and human capital benefits: The role of knowledge management. *Leadership & Organization Development Journal*.
- Blanchard, O. J., & Gali, J. (2007). The Macroeconomic Effects of Oil Shocks: Why are the 2000s so different from the 1970s?.
- Blase, J. (1993). The micropolitics of effective school-based leadership: Teachers' perspectives. *Educational Administration Quarterly*, 29(2), 142-163.
- Boehnke, K., Bontis, N., DiStefano, J. J., & DiStefano, A. C. (2003). Transformational leadership: an examination of cross-national differences and similarities. *Leadership & Organization Development Journal*.
- Botha, R. J. (2004). Excellence in leadership: demands on the professional school principal. *South African journal of education*, 24(3), 239-243.
- Brand, C., Heyl, G., & Maritz, D. (2000). Leadership In Meyer, M. *Organisational Development and Transformation In South Africa*. Durban: Butterworths.
- Browning, P. (2014). Why trust the head? Key practices for transformational school leaders to build a purposeful relationship of trust. *International Journal of Leadership in Education*, 17(4), 388-409.
- Burns, J. M., (1978). Leadership. Harper and Row: New York.
- Burns, J. M., (1978). Leadership. Harper and Row: New York.

- Butler Jr, J. K., Cantrell, R. S., & Flick, R. J. (1999). Transformation leadership behaviors, upward trust, and satisfaction in self-managed work teams. *Organization Development Journal*, 17(1), 13.
- Butler, R. W. (1999). Sustainable tourism: A state-of-the-art review. *Tourism geographies*, 1(1), 7-25.
- Caillier, J. G. (2020). Testing the influence of autocratic leadership, democratic leadership, and public service motivation on citizen ratings of an agency head's performance. *Public Performance & Management Review*, 43(4), 918-941.
- Coleman, M., & Bush, T. (2000). Leadership and strategic management in education. *Leadership and Strategic Management in Education*, 1-96.
- Daft, R.L. (1999). *Leadership: Theory and practice*. Orlando FL: Dryden Press
- De Jong, J. P., & Den Hartog, D. N. (2007). How leaders influence employees' innovative behaviour. *European Journal of innovation management*, 10(1), 41-64.
- Dhamija, P., Chiarini, A., & Shapla, S. (2023). Technology and leadership styles: A review of trends between 2003 and 2021. *The TQM Journal*, 35(1), 210-233.
- Doherty, A. J., & Danylchuk, K. E. (1996). Transformational and transactional leadership in interuniversity athletics management. *Journal of sport management*, 10(3), 292-309.
- Evans, C. L. (2001). *Leadership in committee: A comparative analysis of leadership behavior in the US Senate*. University of Michigan Press.
- Felfe, J., & Schyns, B. (2006). Personality and the Perception of Transformational Leadership: The Impact of Extraversion, Neuroticism, Personal Need for Structure, and Occupational Self-Efficacy 1. *Journal of applied social psychology*, 36(3), 708-739.
- Flippo, F. (2003). A natural human-computer interface for controlling wheeled robotic vehicles. *Delft University of Technology, Department of Information Technology and Systems*.
- Gordon, R. A. Y., Kornberger, M., & Clegg, S. R. (2009). Power, rationality and legitimacy in public organizations. *Public Administration*, 87(1), 15-34.
- Hallinger, P. (2003). Leading educational change: Reflections on the practice of instructional and transformational leadership. *Cambridge Journal of education*, 33(3), 329-352.
- Hampton, J. M., Moore, P. G., & Thomas, H. (1973). Subjective probability and its measurement. *Journal of the Royal Statistical Society: Series A (General)*, 136(1), 21-42.
- Hater, J. J., & Bass, B. M. (1988). Superiors' evaluations and subordinates' perceptions of transformational and transactional leadership. *Journal of Applied psychology*, 73(4), 695.
- Hersey, P., Blanchard, K. H., & Johnson, D. E. (2016). *Management of organizational behavior*. House, R. J., & Shamir, B. (1993). Toward the integration of transformational, charismatic, and visionary theories.
- Howell, J. M., & Avolio, B. J. (1993). Transformational leadership, transactional leadership, locus of control, and support for innovation: Key predictors of consolidated-business unit performance. *Journal of applied psychology*, 78(6), 891.
- Howell, J. M., & Frost, P. J. (1989). A laboratory study of charismatic leadership. *Organizational behavior and human decision processes*, 43(2), 243-269.
- Hu, B., Harold, C. M., & Kim, D. (2023). Stealing time on the company's dime: Examining

- the indirect effect of laissez-faire leadership on employee time theft. *Journal of Business Ethics*, 183(2), 475-493.
- Ispas, A., & Babaita, C. (2012). The effects of leadership style on the employees' job satisfaction and organizational commitment from the hotel industry. *Approaches in Organizational Management*, 15(16), 254-262.
- Jamali, A., Bhutto, A., Khaskhely, M., & Sethar, W. (2022). Impact of leadership styles on faculty performance: Moderating role of organizational culture in higher education. *Management Science Letters*, 12(1), 1-20.
- Jansen, B. J., Zhang, M., Sobel, K., & Chowdury, A. (2009). Twitter power: Tweets as electronic word of mouth. *Journal of the American society for information science and technology*, 60(11), 2169-2188.
- Judge, T. A., & Piccolo, R. F. (2004). Transformational and transactional leadership: a meta analytic test of their relative validity. *Journal of applied psychology*, 89(5), 755.
- Kalogiannidis, S., Kontsas, S., & Chatzitheodoridis, F. (2021). Managerial Styles and Employee Performance. An Empirical Study from Bank Sector Employees in Greece. *WSEAS Transactions on Environment and Development*, 17, 1234-44.
- Kerns, C. D. (2004). Strengthening values centered leadership. Graziadio Business Report, 7(2). Retrieved from <http://gbr.pepperdine.edu/042/leadership.html>
- Kittikunchotiwiut, P. (2019, July). Role of transformational leadership and transactional leadership on organization innovation. In *Proceedings of International Academic Conferences* (No. 8710470, pp. 2-17). International Institute of Social and Economic Sciences.
- Kotter, J. P. (2017). What leaders really do. In *Leadership perspectives* (pp. 7-15). Routledge.
- Kraus, M. W., Torrez, B., & Hollie, L. (2022). How narratives of racial progress create barriers to diversity, equity, and inclusion in organizations. *Current opinion in psychology*, 43, 108-113.
- Kumar Basu, K. (2015). The leader's role in managing change: Five cases of technology enabled business transformation. *Global Business and Organizational Excellence*, 34(3), 28-42.
- Lewin, K., Lippitt, R., & White, R. K. (1939). Patterns of aggressive behavior in experimentally created "social climates". *The Journal of social psychology*, 10(2), 269-299.
- Liu, B., Zhang, Z., & Lu, Q. (2021). Influence of leader mindfulness on the emotional exhaustion of university teachers: Resources crossover effect. *Frontiers in Psychology*, 12, 597208.
- Lowe, K. B., Kroeck, K. G., & Sivasubramaniam, N. (1996). Effectiveness correlates of transformational and transactional leadership: A meta-analytic review of the MLQ literature. *The leadership quarterly*, 7(3), 385-425.
- Madanchian, M., Hussein, N., Noordin, F., & Taherdoost, H. (2017). Leadership effectiveness measurement and its effect on organization outcomes. *Procedia Engineering*, 181, 1043-1048.
- Maduka, N. S., Edwards, H., Greenwood, D., Osborne, A., & Babatunde, S. O. (2018). Analysis of competencies for effective virtual team leadership in building successful organisations. *Benchmarking: An International Journal*, 25(2), 696-712.
- McLoughlin, N., Howarth, C., & Shreedhar, G. (2023). Changing behavioral responses to heat

- risk in a warming world: How can communication approaches be improved?. *Wiley Interdisciplinary Reviews: Climate Change*, 14(2), e819.
- Michael, A.G. (2010). Leadership Style and Organizational Impact. (Online:<http://www.ala.apa.org/newsletter>)
- Min, Z. (2022). The Importance of Leadership Style Towards Perceived Organizational Politics in China School: A Review of Transactional Leadership. *Journal of Digitainability, Realism & Mastery (DREAM)*, 1(05), 11-20.
- Mujtaba, B. G., & Sungkhawan, J. (2009). Situational leadership and diversity management coaching skills. *Journal of Diversity Management (JDM)*, 4(1), 1-12.
- Nshimirimana, J., & Kwizera, E. (2023). Leadership Styles and its effect on Performance of Commission Nationale Indépendante des droits de l'Homme. *British Journal of Multidisciplinary and Advanced Studies*, 4(2), 31-39.
- Nuhu, K. (2010). Effect of leadership styles on employee performance in Kampala district council. *Unpublished Dissertation, Kampala: Makerere University*.
- Obasan Kehinde, A., & Hassan Banjo, A. (2014). A test of the impact of leadership styles on employee performance: A study of department of petroleum resources. *International Journal of Management Sciences*, 2(3), 149-160.
- Prabhu, M. H., & Srivastava, A. K. (2023). Modeling transformational leadership, supply chain collaboration and firm performance—a case of India. *International Journal of Emerging Markets*, (ahead-of-print).
- Pradeep, D. D., & Prabhu, N. R. V. (2011). The relationship between effective leadership and employee performance. *Journal of Advancements in Information Technology*, 20(1), 198-207.
- Raja, A. S., & Palanichamy, P. (2011). Leadership styles and its impact on organizational commitment. *Asia Pacific business review*, 7(3), 167-175.
- Rajbanshi, B. (2020). Impact of laissez-faire, transactional and transformational leadership. *JBFEM*, 3(2), 55-68.
- Ramsden, P. (1998). Managing the effective university. *Higher education research & development*, 17(3), 347-370.
- Rasool, H. F. (2015). Leadership styles and its impact on employee's performance in health sector of Pakistan. *City University Research Journal*, 5(1).
- Riaz, A., & Haider, M. H. (2010). Role of transformational and transactional leadership on job satisfaction and career satisfaction. *Business and Economic horizons*, 1(1), 29-38.
- Riaz, A., Manzoor, M. F., Kunmbher, M. I., Hafeez, H., Masood, A., Jamil, M. A., & Naseem, A. (2023). The role of leadership in the successful implementation of total quality management (TQM). *PalArch's Journal of Archaeology of Egypt/Egyptology*, 20(2), 330-345.
- Roy, R. C. (2006). Leadership, corporate culture and financial performance. Unpublished doctoral dissertation. San Francisco, CA: University of San Francisco.
- Saira, S., Mansoor, S., & Ali, M. (2021). Transformational leadership and employee outcomes: the mediating role of psychological empowerment. *Leadership & Organization Development Journal*, 42(1), 130-143.
- Sari, F., Sudiarditha, I. K. R., & Susita, D. (2021). Organizational culture and leadership style on employee performance: Its effect through job satisfaction. *The International Journal*

- of Social Sciences World (TIJOSSW)*, 3(2), 98-113.
- Simosi, M., & Xenikou, A. (2010). The role of organizational culture in the relationship between leadership and organizational commitment: an empirical study in a Greek organization. *The International Journal of Human Resource Management*, 21(10), 1598-1616.
- Stewart, G. L. (2006). A meta-analytic review of relationships between team design features and team performance. *Journal of management*, 32(1), 29-55.
- WEBER, M. (1947). *The Theory of Social and Economic Organizations*. (PARSONS, T. (Ed); HENDERSON, A.M. and PARSONS, T. trans). New York: Free Press.
- Yukl, G. (2007). Best Practices in the Use of Proactive Influence Tactics by Leaders.
- Yukl, G. (2011). Contingency theories of effective leadership. *The SAGE handbook of leadership*, 24(1), 286-298.
- Zacher, H., Pearce, L. K., Rooney, D., & McKenna, B. (2014). Leaders' personal wisdom and leader-member exchange quality: The role of individualized consideration. *Journal of business ethics*, 121, 171-187.