

Examining the Relationship Between Leadership Styles and Employee Performance in Contemporary Workplaces**Dr.Umadevi****Associate Professor of Commerce,****Government First Grade College for Women, Raichur, Karnataka, India.****umapatil2376@gmail.com****Dr.Swarooparani Pattedar,****Associate Professor of Commerce,****Government First Grade College for Women, Raichur, Karnataka, India.****scm127@gmail.com****Abstract**

Leadership style is a critical factor influencing employee performance and overall organizational success. This study examines the impact of various leadership styles—including transformational, transactional, autocratic, democratic, and laissez-faire—on employee performance within diverse workplace settings. It explores how leaders' behavior and interaction with subordinates affect motivation, productivity, job satisfaction, and goal achievement. Using a mixed-method approach, both qualitative and quantitative data were collected to assess the relationship between leadership styles and performance outcomes. The findings reveal that transformational and democratic leadership styles are generally associated with higher employee engagement and effectiveness, while autocratic and laissez-faire styles may hinder creativity and morale if not applied appropriately. The study highlights the importance of situational leadership and the need for managers to adapt their style based on organizational context and employee needs. The research offers practical insights for leaders and HR professionals aiming to foster high-performance work environments through effective leadership practices.

Keywords: Leadership styles, employee performance, transformational leadership, organizational success, job satisfaction, situational leadership.

Introduction

In today's dynamic and competitive business environment, effective leadership has emerged as a critical determinant of organizational success, particularly in driving employee performance. Leadership style—the characteristic manner in which a leader directs, motivates, and manages people—plays a central role in shaping employee behavior, morale, and productivity. Whether transformational, transactional, autocratic, democratic, or laissez-faire, each leadership approach offers distinct advantages and challenges in influencing workforce outcomes. Transformational leaders, for instance, inspire and empower employees through vision, charisma, and personal development, often resulting in higher motivation and innovation. In contrast, transactional leaders rely on structured roles, rewards, and penalties, which can ensure compliance and efficiency but may limit creativity. Autocratic leadership may yield quick decision-making and control in crisis situations, but it risks reducing employee

engagement and trust, while democratic leadership fosters collaboration and inclusiveness, potentially boosting satisfaction and performance. Laissez-faire leadership, on the other hand, provides autonomy but may lead to confusion or reduced accountability in poorly structured environments. The study examines the complex connection between these two types of leadership styles and such indicators of the employee performance as productivity, job satisfaction, commitment, and the ability to reach the goals. Since organizations have come to realize that human capital is a strategic asset, knowing how various leadership styles influence the works of employees has become critical in determining the effective management practices and organization competitiveness. Moreover, the paper examines the relationship between contextual issues like organizational culture, working environment and attributes of individual employees with leadership approaches in terms of how they affect performance. The theoretical perspective (or background) will be offered, as well as practical suggestions to be given to the leaders, HR people, and policy-makers interested in addressing their goals to the maximization of the workforce via successful leadership evolution and related interventions. This study can provide an insight on how the use of leadership in an organizational set up should permeate beyond the role of management but also as a mighty tool in transforming employees and organizations towards sustainable growth.

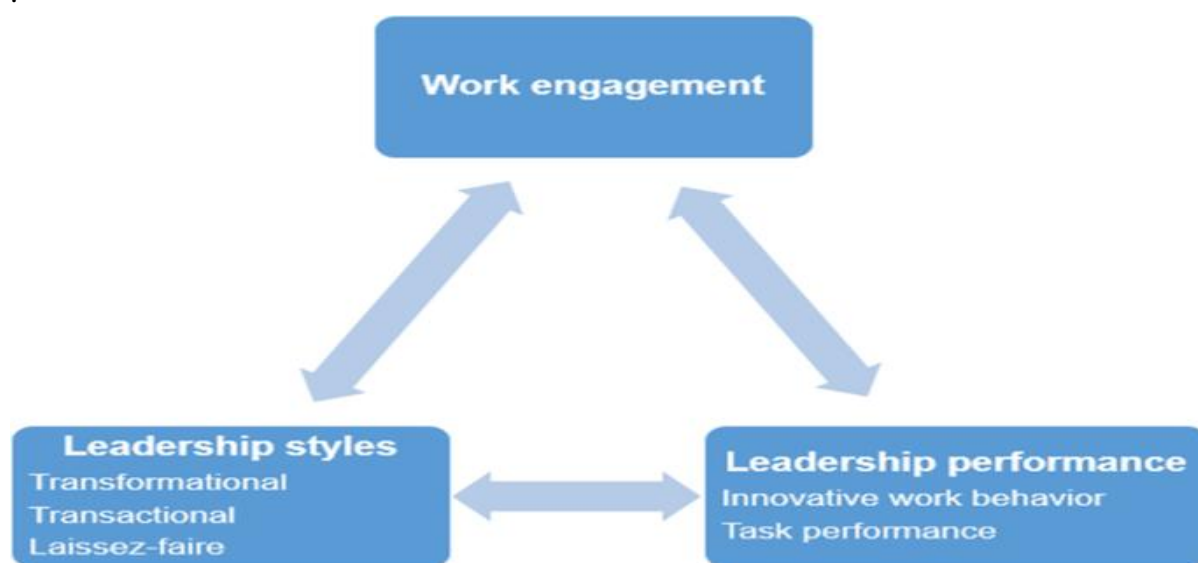
Background of the Study

Leadership in the present-day dynamic environment where organizations have to acquire new genealogy forms has taken a centre stage in employee behaviour, motivation and performance. In most cases, the success achieved by an organization depends on the capacity of the leader in the organization to control, motivate and direct the employees within that organization to attain individual and group objectives. There are different leadership styles which have evolved over the years, these styles include transformational, transactional, autocratic, democratic and laissez faire which have different methods of influencing the employee attitudes and productivity. The leadership style selected and used may influence job satisfaction, commitment, innovation, and the efficiency of the workforce by considerable margin. The wrong leadership can result in a lack of morale, disengagement, and employee turnover whereas proper leadership can bring about trust, performance and loyalty towards the organization. With the need to stay competitive in business, it is necessary to learn how leadership styles relate to the performance of the employees. This paper attempts to address the correlation and it is useful to reference in order to improve managerial approaches and workforce improvement.

The Influence of Leadership Behavior on Employee Motivation and Task Performance

The leadership behavior is very essential in influencing the attitude, motivation of the employees in an organization and general output. In the current competitive and time-transformed world where the corporate environment is inevitably subjected to high levels of competition, inspiration of the workforce by the leaders in an organization is largely instrumental towards organizational success. Leadership need not consider controlling or supervising activities or personnel, it should be more to do with the behaviour of the human

beings, cultivating an excellent relationship, achieving individual goals and organizational goals. Leaders with supportive, communicative and participative leadership behaviors are most likely to develop organizational milieu in which employees value their worth, get motivated and remain committed in ensuring high-performance levels. Among the types of effective leadership behavior, it is possible to count demonstration of integrity and giving constructive feedback as well as recognition of employee achievements and listening to professional development. The consequences of these behaviors straightaway affect intrinsic motivation whereby one dedicates more energy, creativity, and tenacity in undertaking tasks

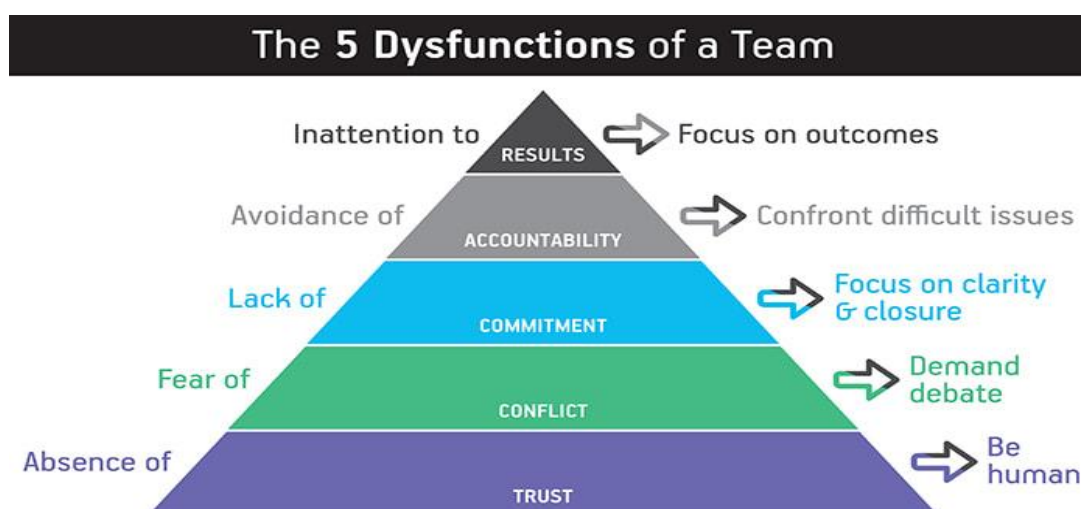


Employees take their cues about how to behave towards their jobs based on how they feel their bosses are toward them; when the employees feel their bosses are trustworthy, just and that they care about their welfare, they are likely to exhibit their job satisfaction, organizational citizenship behaviour and a great responsibility about their job. Conversely, activities that correspond to negative leadership, including micromanagement, being uncaring, or communication inconsistency, may negatively affect the constructive performance of a task, low morale, and disengagement. The various leadership styles focus on distinct behavioural aspects, which have various effects on motivation. As an illustration, charisma and vision allow transformational leaders to motivate employees, which can contribute to the development of mutually shared purpose and strong emotional engagement with work. Transactional leaders are able to motivate employees by ensuring there are established goals and reward incentives through which the employees are creative due to a clear picture of what is expected as well as the returns. Autocratic leaders can attain short term performance by use of control and discipline however, at the expense of long-term motivation and innovation.

Leadership Styles and Their Effect on Team Performance in Modern Organizations

Leadership styles are central to the process of establishing the performance, synergy, and general functionality of teams in the dynamic environments of modern organizations. With more organizations and companies turning to team-based organizational arrangements in an

effort to spur innovation, to tackle the toughest problems and to advance strategic agenda, the role of leadership in group dynamics is more vital than ever before. Leadership style is a term that is used to describe the different style and the way in which the people are being led and given the direction and the way implementation of plans should be executed as well as motivating the individuals.



The various styles, which include transformational, transactional, autocratic, democratic, and laissez-faire have varied effect on behaviour in a team, team motivation, decision making, and team productivity. Transformational leaders are inspiring and motivating individuals because they provide a persuasive vision, excite creativity, and promote personal growth in teams, which may lead to greater team involvement, the feeling of respect by the team members to each other, and high team performance. Moreover, transactional leaders pay attention to structure, performance goals and rewards or punishment, which is effective in task-driven environments, where clarity and accountability are vital. Although such a style can guarantee efficiency in the short-term, it can restrict innovation and make teams less adaptable. Autocratic leaders believe in centralization of authority and decision making, which usually translate to an immediate result and relatively the same response to high pressure or in a situation of fury. Nevertheless, this kind of control will stifle team input, demoralize, and limit long-term teamwork. Democratic leadership on the other hand focuses on involvement of team members, open communication, and shared decision-making, thus team members are encouraged to come up with ideas and own their work. Such a participatory culture usually leads to trust, satisfaction, and synergy throughout the team, and these three concepts are crucial to long-term performance in knowledge or creativity-based industries. The disadvantage of laissez-faire leadership is that it encourages a lot of autonomy and little interference and, as a result, it could cause misunderstanding, inconsistency, and lack of accountability in terms of lack of direction and without proper monitoring. This approach might be effective in building high-skilled or intrinsically motivated teams.

Managerial Leadership Style and Employee Job Satisfaction

Interaction of both the managerial style of leadership and job satisfaction of the employees forms the main pillars of organizational behavior and human resource management whereby, this has been shown have strong consequences on the engagement of the workforce, productivity and retention. Leadership style can be defined as patterns of behaviors, attitudes, and methods which are employed by a manager to affect, guide and mobilize the employees whereas job satisfaction is the degree of satisfaction of the individuals with different elements of work environment such as compensation, relations, recognition and also the job conditions. The human resource management that incorporates leadership styles that are corresponding to the values, expectations, and emotion needs of the staff will give rise to greater job-satisfaction which further turns out as enhanced job morale, loyalty, and job-performance.



The leadership style that yields the highest levels of job satisfaction is transformational leadership in that it usually instils a sense of purpose, trust and increases individual growth through vision, inspiration and individual attention. The employees with transformational leaders often feel more appreciated, enabled, and attached to the organizational objectives, which in turn leads them to become emotionally involved in the work they do. On the other hand, transactional style of leadership, that focuses on orderly duties, performance evaluation, and incentive-oriented motivation also has the basis of influencing job nourishment- especially when expectations are straight forward and rewards are deemed as just. One can say, though, that excessive use of this style can decrease the level of intrinsic motivation and creativity in long-term perspectives. The leadership style which does not involve opinions of employees in making a decision and which is assumed unilateral, autocratic style, would be negatively related to job satisfaction along with the contemporary culture of work motifs which emphasize the value of collaboration, participation, and self-direction. Under autocratic managers, employees tend to be pressured and lack motivation, as well as a feeling of worth that may make them burn out or simply leave the organization.

Literature Review

Iqbal, N., et al (2015). Leadership style is also very vital in determining employee performance in that it determines how individuals carry out their duties, interact with others and work towards the attainment of company objectives. Good leadership gives sense of direction, inspiration and work environment thus increases productivity, and job satisfaction. Inspiration and personal growth preconized by transformational leadership commonly results in high rates of employee motivation, innovation, and performance. Transactional leaders are those who concentrate on planned projects and incentives and therefore become more efficient and likely to accomplish the designated goals, particularly in regular or procedure-oriented positions. Nevertheless, excessive strictness or laissez-faire of the leadership styles can undermine morale, increase the lack of accountability, and cause disengagement. The compatibility between the leadership behavior and the expectations of the employees highly determine the efficiency of the employees. Communicative leaders who reward performance, appreciate achievements and address needs in terms of subordinates and contexts can influence improved performance. Thus, it is pertinent to note that proper leadership style should be understood and implemented as one of the creative ways of achieving positive work culture and efficient performance of employees at all levels of an organization.

Mohiuddin, Z. A. (2017). The importance of leadership style on the performance of employees in an organisation has received a lot of academic coverage with a strong relation being obtained between proper leadership and better organisational performance. In the studies, transformational leadership is recognized to have the positive effect of enhancing employee motivation and job satisfaction, as well as overall performance through provision of the sense of trust, empowerment and shared vision (Bass & Avolio, 1994). Callous transactional leadership being more structured and focused, yet task oriented, has also been found to drive performance well provided there exist well defined expectations and rewardation systems (Burns, 1978). On the contrary, a study shows that laissez-faire style of leadership has been associated with various negative consequences like low morale, no sense of direction and limiting of productivity (Skogstad et al., 2007).

Otieno, B. N., & Njoroge, J. G. (2019). Statistics of an experiment conducted in the Technical University of Kenya (TUK) indicates that the kind of leadership is highly correlated with the performance of a particular employee. The research used stratified random sample of 185 respondents (administrative, technical, teaching and support staff) in addition to the implementation of modified Multifactor Leadership Questionnaire (MLQ) and Yousef performance scale (2000). The results reveal that the predominant style in TUK is transformational style, transactional style is secondly followed then the laissez-faire and the autocratic style came at a great lower level. The general output of the workers was above average indicating that the supremacy of transformational leadership and transactional leadership has a positive effect in the productivity of employees.

Ohemeng, F. L., et al (2018). The work done by Ohemeng, Amoako Asiedu, and Darko (2018) deals with the impact of the leaders management style on employee performance in the context

of the public service in Ghana and proposing the concept of the relational bureaucratic leadership as a way of influencing the subordinates. Drawing a synthesis of management and public administration knowledge, the study puts forward the argument that the traditional approach of bureaucratic leaders is inadequate in compressing the maze of the natures of public service in developing nations. Rather, it lays emphasis on the necessity of relational leadership, which tries to foster trust, co-operation, and social networks to enhance performance of employees. Based on the results it was hypothesized that the relational approaches with its emphasis on dialogue and relationship focused are more effective in achieving efficiency and responsiveness within the public sector.

Khan, I., & Nawaz, A. (2016). The analysis of the retrieved literature indicates the high interconnection of leadership styles with the level of employee performance in diverse organizational settings. Transformational leadership has always become the most good style to achieve a high level of motivation, innovation, and job satisfaction among employees due to the provision of a vision, inspiration, and personal attention to them. It is revealed in studies, that employees who work under transformational leaders have a tendency to perform beyond their expectations, simply because the atmosphere of empowerment and trust employees experience under transformational leaders. Though more task-oriented, more structured in work, goals, and reward, transactional leadership also positively affects performance, especially during routine situations and those that are target-oriented. On the other hand, laissez-faire leadership is usually coupled with poor productivity, lack of accountability, and unwillingness because of the lack of direction and feedback.

Adapting Leadership for Better Performance in a Changing Workplace

Existing in a world of fast developing technology, changing demographics in the workforce, and more complicated global situations, contemporary organizations inevitably need to change regularly to compete in the industry, and the leaders of such organizations have to adapt as well. Leadership styles that would adapt to the demands of the dynamic work environment has taken centre stage in ensuring survival and improvement of performance among employees. Leadership in ancient places was straight and hierarchical backwards a long time ago when work places were dynamic and diversified, providing a rather responsive form of leadership. Another concept critical towards organizational change and productivity is adaptive leadership that entails the ability to assess conditions, find out employee requirements, and adjust the behavior of leadership in response to the conditions. Single leadership is no longer functional in the workplace, as more people move to remote placements, hybrid models, automation, and operating in cross-cultural environments. The leaders should be dynamic in their approaches and should draw aspects of the transformational, transactional, democratic, or even servant leadership to fit the situation.



According to transformational leadership, which is based on the principles of vision, empowerment, and innovation, is particularly respectable in the changing times since it can make employees eager to accept new challenges and goals. In other cases, however, where order and accountability is critical (in the face of a crisis, or when this just becomes hard to maintain), transactional components can be required in order to keep order and guarantee performance similarity. In the same manner, democratic leadership is essential when the employees need to cooperate, show creativity and interest in order to resolve complicated issues; or need to innovate throughout the team. The magic is that a leader should have an orientation to the environment, have knowledge about the emotional and professional needs of his or her team, and have balance in instructions and authority. Ambiguity, stress and changing expectations are common challenges employees may have to deal with in the changing working environment which may affect their performance negatively unless effectively managed.

Comparing Transformational and Transactional Leadership on Employee Output

The leadership style exerts a significant effect on the way employees behave and contribute towards achievement of organizational objectives whereby transformational and transactional leadership are two of the most investigated and opposing leadership styles. The transformational leadership can be described as the capacity of leaders to inspire, motivate, and intellectually challenge followers to generate a common vision as well as a high sense of purpose. These leaders emphasize on intrinsic motivating factor which promotes innovation, creativity, and individual growth, this usually brings forth increased engagement, commitment, and discretionary effort of the employees which are major elements of efficient production among employees. Transactional leadership on the other hand is founded on a system of exchanges that are structured and where clear things like roles, tasks and rewards or punishment generates performance. The style is strongly focussed on efficiency, goal-setting, and repeated actions and as such is very effective in networks that demand control, order, and stable output. Although both styles have the capacity to positively affect the output of employees, the characteristics of outcomes as well as sustainability are different. Transformational leadership also has an inclination to establish motivation which can only be sustainable hence resulting to proactive behavior, flexibility and an elevated level of performance even under uncertainty or

even in the changing atmosphere. It is also established that workers who experience transformational leaders engage in organizational citizenship behaviors by going beyond what is given in their job description, because of the trust, respect and emotional attachment they have with their leaders.

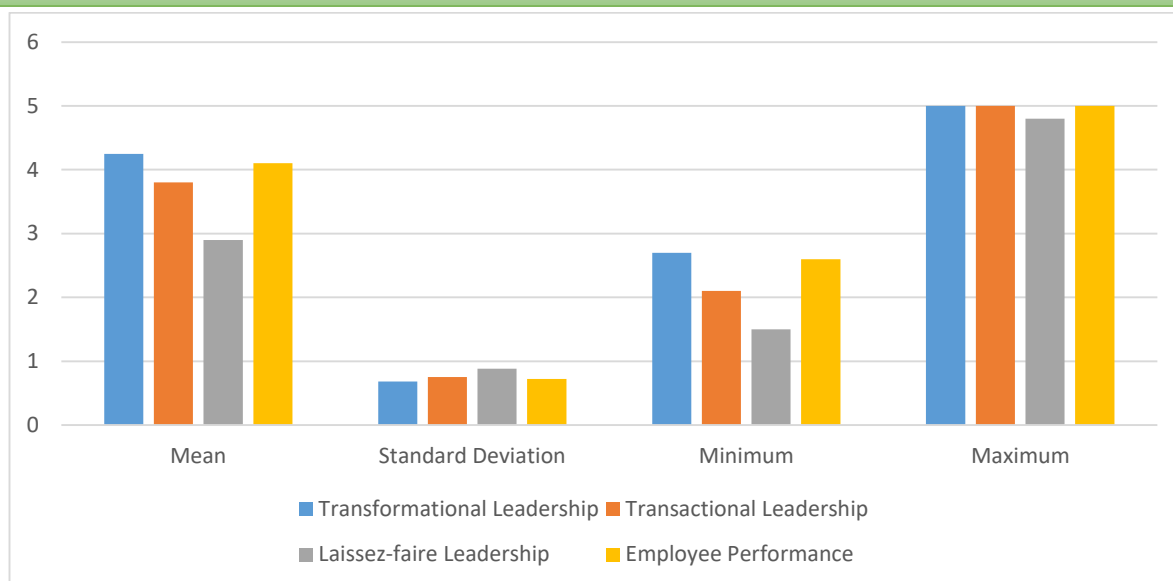
Methodology

This study employed a quantitative research design using a survey method to examine the impact of leadership styles on employee performance. The target population comprised employees from various departments within selected organizations. A total of 120 respondents were selected through stratified random sampling to ensure representation across different job roles and leadership exposure. Data were collected using a structured questionnaire divided into two sections: one assessing leadership styles (transformational, transactional, and laissez-faire) using standardized items adapted from the Multifactor Leadership Questionnaire (MLQ), and the other measuring employee performance based on key indicators such as task completion, quality of work, and goal achievement. Responses were rated on a 5-point Likert scale ranging from "Strongly Disagree" to "Strongly Agree." To ensure reliability and validity, a pilot test was conducted, and Cronbach's alpha scores for each section were above 0.7. The data were analyzed using SPSS software. Descriptive statistics summarized the leadership and performance variables, while regression analysis was used to determine the predictive power of each leadership style on employee performance. Ethical considerations were strictly followed, including informed consent, confidentiality, and voluntary participation. This methodological framework ensured a systematic and objective evaluation of the leadership-performance relationship.

Results and Discussion

Table 1: Descriptive Statistics of Leadership Styles and Employee Performance

Variable	N	Mean	Standard Deviation	Minimum	Maximum
Transformational Leadership	120	4.25	0.68	2.70	5.00
Transactional Leadership	120	3.80	0.75	2.10	5.00
Laissez-faire Leadership	120	2.90	0.88	1.50	4.80
Employee Performance	120	4.10	0.72	2.60	5.00



The descriptive statistics of three leadership styles, and how they relate to employee performance have been given in Table 1 with an opinion of 120 questionnaires. Transformational leadership means score is the highest; this implies that this style is most experienced among the respondents. Its standard deviation (0.68) is also relatively low implying sameness in perceiving this leadership type among the participants. Transactional leadership is next with a mean of 3.80 and a slightly more extended standard deviation of 0.75 showing more fluctuation of perceptions. The mean of 2.90 and the largest standard deviation (0.88) characterizes laissez-faire leadership, where the application is less prevalent and characterized by larger inconsistency. There is strong mean score of performance among employees of 4.10 and standard deviation which means it strikes high and steady performance across the sample. The statistics suggest that greater instances of transformational leadership can be corroborated to better and more stable worker performance.

Table 2: Regression Analysis – Leadership Styles Predicting Employee Performance

Model	B (Unstandardized Coeff.)	Std. Error	Beta (Standardized)	t	Sig. (p)
(Constant)	1.22	0.34	—	3.59	0.001
Transformational Style	0.58	0.09	0.52	6.44	0.000
Transactional Style	0.21	0.10	0.19	2.10	0.038
Laissez-faire Style	-0.17	0.08	-0.14	-2.13	0.035

Table 2 presents the results of a multiple regression analysis examining how different leadership styles predict employee performance. The constant value of 1.22 indicates the baseline level of employee performance when leadership styles are not considered. Transformational leadership has the highest positive impact on employee performance, with an unstandardized coefficient (B) of 0.58 and a standardized beta of 0.52. This strong effect is statistically significant ($p = 0.000$), showing that as transformational leadership increases, employee performance significantly improves. Transactional leadership also contributes positively, though to a lesser extent ($B = 0.21$, $\beta = 0.19$), and is statistically significant ($p = 0.038$), indicating a moderate influence. In contrast, laissez-faire leadership negatively affects employee performance, with a B value of -0.17 and a beta of -0.14. This relationship is also significant ($p = 0.035$), suggesting that increased laissez-faire behavior by managers leads to reduced employee performance. Overall, the model highlights transformational leadership as the most impactful predictor.

Conclusion

On the strength of this research, it is evident the role that leadership styles can play in motivating employees to perform better in the organizational contexts. Transformational leadership outperformed the other explored ones, such as transactional and laissez-faire, as it positively correlated with the high rates of employee motivation, engagement, and performance results. Ambitious leaders who also inspire, support, and intellectually challenge the teams help to create the atmosphere in which the employees feel appreciated, empowered, and motivated to attain personal and corporate objectives. Transactional leadership, which was also positively correlated with performance, was deemed to be efficient in the structured environments where the task and the expectations are well outlined and where the reward is directly linked to the performance. Nevertheless, it has a poor opportunity to encourage novelty or interest in intrinsic motivation. On the other hand, laissez-faire leadership had negative relationship with employee performance indicating that, absence of direction, feedback and participation by the leaders can affect productivity and cause confusion or dissatisfaction among the employees. This study reveals the importance of organizations to focus on leadership development programs that instill the elements of transformational leadership and that managers should develop the elements of flexibility so that they can change the style depending on the circumstance. Leadership is dynamic; it needs constant changes to cope with changes experienced in workforce and the organizational environment. With knowledge of the effect of various leadership styles on employee behavior, organizations are in a position to implement the leadership strategies to meet the performance objectives of the organization and establish better job satisfaction and enhance the overall productivity of the organization. In conclusion, it is worth investing in leaders who are inspiring, well-organized as well as supportive as this will help ensure good teams and sustainable organizational growth in the modern competitive business environment.

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