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Ahmed bin Abdulrahman Bakhit Alodhiani

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Leadership Styles and Organizational Outcomes: A Theoretical Investigation

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Abstract:

Leadership styles refer to leaders' techniques and behaviors to motivate, guide, and supervise their teams. The influence of these types on organizational outcomes is substantial, affecting the work atmosphere, employee morale, productivity, and overall performance. Effective leadership promotes a favorable workplace culture, encourages innovation, and improves the ability to adapt and achieve strategic goals. Different leadership styles, including transformational, transactional, and democratic leadership, benefit organizational citizenship behavior (OCB) and performance, whereas authoritarian leadership has a lesser influence. The Full-Range Model of Leadership classifies leadership styles on a spectrum ranging from transformational to laissez-faire, emphasizing their diverse effects on organizational outcomes. Skilled leaders modify their approaches to suit particular situations, improving team dynamics and overall achievement within the firm. Research highlights the substantial influence of leadership styles on employee performance, satisfaction, organizational culture, innovation, and change management. Transformational leadership, defined as having a clear vision and showing individual consideration, increases engagement and productivity.

Keywords: Leadership styles, Organizational outcomes, Employees, Productivity, Organizational citizenship behavior (OCB), Work atmosphere.

1. Introduction:

Leadership styles encompass leaders' unique methods and actions to inspire, direct, and oversee their staff. These styles encompass how leaders engage with subordinates, make decisions, and exert authority. The significance of leadership styles in organizational contexts cannot be exaggerated since they directly impact the work environment, employee morale, productivity, and overall organizational achievement. Efficient leadership styles cultivate a favorable workplace culture, stimulate innovation, and improve the capacity to adapt to change and accomplish strategic objectives. Effective leadership is crucial for the success and growth of any organization. Leadership is essential in promoting organizational innovation and creativity, influencing employees' willingness to adapt, and enhancing their positive attitudes and behavior in the workplace (Udin, 2023).

It is crucial to note that the various leadership styles implemented have varying effects on the ability of employees to innovate, which subsequently influences the organization's productivity. Both democratic and transformational leadership styles positively impacted the organizational citizenship behavior (OCB) of employees in small and medium-sized enterprises (SMEs) in Ghana. However, the authoritarian leadership style does not significantly influence OCB. Moreover, leadership styles such as transformational and transactional leadership exhibit a strong positive correlation with work performance and workers' loyalty to the organization. Furthermore, within the education field, transformational and transactional leadership substantially impact teachers' ability to innovate. Within the health industry, a range of leadership styles, such as transactional, transformational, democratic, autocratic, bureaucratic, and charismatic leadership, have been found to enhance hospital performance (Khan et al., 2020).

Conversely, transactional leadership emphasizes regularity, oversight, and achievement. Leaders employing this approach depend on incentives and penalties to inspire people, emphasizing a well-defined framework and designated responsibilities. Transactional leadership is proficient at accomplishing immediate objectives and upholding daily functions but may need to be more adept at fostering long-term innovation and staff growth. Democratic leadership fosters an environment that promotes transparent communication and active involvement of team members in the decision-making processes. Leaders who embrace this approach prioritize the input and feedback of their subordinates, resulting in increased employee happiness, enhanced team cooperation, and a more significant generation of innovative solutions.

Servant leadership places a high emphasis on the needs and growth of team members. Leaders employing this approach prioritize serving others and facilitating the growth of their workers, both in their professional and personal capacities. This strategy promotes a robust sense of community, trust, and loyalty among employees, frequently resulting in elevated job satisfaction and adherence to ethical standards. Nevertheless, servant leadership may need to be more efficient in highly competitive or fast-paced contexts where rapid decision-making is needed. Gaining a comprehensive understanding and skillfully implementing these diverse leadership styles can have a substantial influence on the results achieved by an organization. Every style possesses its advantages and disadvantages, and the most influential leaders can modify their approach to suit the requirements of their organization and people. By implementing these actions, they can cultivate a favorable work atmosphere, stimulate creativity, and propel the achievement of organizational goals (Agusta & Azmy, 2023).

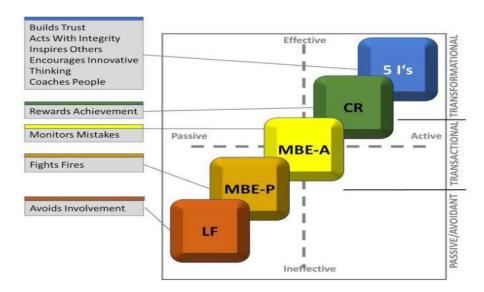
2. Research methodology:

In this theoretical study, we utilized a descriptive technique to systematically investigate and articulate different facets of leadership styles and their effects on organizational outcomes.

The descriptive approach in research pertains to a methodology that concentrates on methodically delineating the traits, behaviors, and phenomena of interest without manipulating or altering them. The process entails carefully watching, quantifying, and scrutinizing data to obtain a thorough comprehension of the topic being examined.

3. The Full-Range Model of Leadership Styles:

The Full-Range Model of Leadership, formulated by Bernard Bass and Bruce Avolio, offers a comprehensive framework incorporating a broad range of leadership behaviors, from highly effective to ineffectual. This model classifies leadership styles into three main categories: transformational, transactional, and laissez-faire leadership. Each category represents a unique approach to leadership that can substantially influence organizational results. The diagram illustrates the degree to which each of the nine leadership behaviors is actively or passively displayed and their effectiveness or ineffectiveness. It also shows the frequency at which these behaviors are practiced inside an organization. Nine components are categorized into three styles: transformational, transactional, and passive-avoidance (Serrat & Serrat, 2021).



Transformational leadership is situated at the most efficient end of the Full-Range Model. Transformational leaders inspire and encourage their followers by creating a captivating vision for the future, fostering creativity, and addressing their team members' unique needs and growth. The company cultivates a setting that encourages intellectual stimulation and empowers individuals to take initiative and exhibit creativity (Valldeneu et al., 2021). This leadership style is correlated with elevated levels of staff engagement, contentment, and productivity since it fosters trust and a robust sense of purpose inside the organization. Transactional leadership is positioned at an intermediate position within the Full-Range Model. The focus lies on the interactions between leaders and their followers, where adherence to instructions is acknowledged and disobedience addressed through disciplinary measures. Transactional leaders excel in establishing explicit objectives, closely monitoring advancements, and guaranteeing that personnel fulfil performance criteria. Although this approach successfully ensures regular operations and accomplishing immediate goals, it may not encourage long-term employee growth or creativity. Transactional leadership is most effective in stable workplaces with uncomplicated tasks requiring minimal variation from established procedures—this style is distinguished by a laissez-faire approach, wherein leaders offer minimal guidance and assistance to their subordinates. Laissez-faire leaders refrain from making decisions and relinquish responsibility, resulting in potential uncertainty, lack of coordination, and reduced productivity within the team. Although this method may be effective in teams with exceptional abilities and self-driven individuals who need less supervision, it typically leads to subpar productivity and diminished morale when employees seek direction and assistance (Valldeneu et al., 2021).

The Full-Range Model of Leadership emphasizes the significance of adaptation in leadership. Skilled leaders frequently transition between various styles based on their organization and team's specific circumstances and requirements. Leaders who possess a deep awareness of the intricacies of each leadership style in this model can effectively negotiate intricate organizational difficulties, improve team interactions, and propel their organizations toward success.

4. Leadership theories:

4.1 The Great Man Theory:

The Great Man Theory, originating in the 19th century, asserts that leaders possess innate qualities and are not developed through external factors. According to this hypothesis, individuals have innate qualities and attributes that make them more likely to assume leadership positions. Traditionally, this idea has centered on identifying and examining exceptional individuals who attained leadership roles due to inherent qualities such as intellect, charm, and bravery (Nawaz & Khan, 2016).

4.2 The Trait Theory:

Trait Theory expands upon the Great Man Theory by identifying several characteristics of successful leadership. The researchers aimed to find inherent characteristics that differentiate leaders from those who are not. Characteristics such as intellect, honesty, firmness, and friendliness are crucial for good leadership. Nevertheless, Trait Theory has faced criticism due to its oversimplified methodology and failure to account for situational variables (Northouse, 2021).

4.3 Behavioral theories:

The focus of leadership switched from inherent features to observable behaviors with the advent of Behavioral Theories. Scientists investigated the impact of leaders' actions and behaviors on their effectiveness. Ohio State and University of Michigan Studies are two well-known behavioral theories. The Ohio State Studies highlighted two primary aspects of leadership behavior: consideration, which focused on building relationships and starting structure, which focused on accomplishing tasks. The University of Michigan conducted studies that specifically examined leadership styles centered around employees and those centered around productivity (Landis et al., 2014).

4.4 Contingency theories:

Contingency theories suggest that leadership effectiveness depends on different situational conditions. An exemplary instance is Fiedler's Contingency Model, which posits that the degree of alignment between a leader's approach and situational favorability impacts leadership success. Another instance is the Situational Leadership Theory developed by Hersey and Blanchard, which underscores the significance of adjusting the leadership approach to the maturity level of followers (Landis et al., 2014).

4.5 The Situational Leadership Theory:

The Situational Leadership Theory, formulated by Hersey and Blanchard, asserts that influential leaders adapt their leadership approach according to their followers' preparedness or maturity level. Leaders might choose to employ a directing, coaching, assisting, or delegating approach based on the proficiency and dedication of their subordinates. This notion highlights leadership's ever-changing nature and underscores the need for leaders to adapt their approach accordingly (Nawaz & Khan, 2016).

5. Impact of Leadership Styles on Organizational Outcomes:

5.1 Employee Performance and Satisfaction:

Various leadership styles impact staff motivation, work satisfaction, and productivity. Transformational leadership, defined by its ability to inspire a vision, provide individualized attention, and stimulate intellectual growth, is linked to increased employee engagement and performance levels. Transformational leaders motivate and enable their subordinates, cultivating a feeling of direction and dedication toward organizational objectives. Transactional leadership, which emphasizes rewards and punishments, can incentivize employees to achieve specific goals but may not necessarily improve job satisfaction or long-term performance (Muttalib, ET AL.2023). Autocratic leadership, defined by a concentration of decision-making power and stringent control, can result in diminished employee morale and job satisfaction despite the possibility of attaining immediate productivity improvements. The laissez-faire leadership style, characterized by a non-interventionist approach, can reduce productivity and happiness among employees who need more guidance and support. In general, leadership styles prioritizing employee growth, involvement, and empowerment have a more significant beneficial influence on employee performance and satisfaction (Muttalib et al., 2023).

5.2 Organizational Culture:

Leadership is essential in influencing and maintaining organizational culture. Leaders shape organizational culture by their conduct, principles, and methods of communication. Transformational leaders can establish a culture of creativity, openness, and continuous improvement by communicating a compelling vision and promoting trust and collaboration among team members. Transactional leaders can foster a highly organized culture focused on achieving results, with a strong emphasis on efficiency and responsibility (Schein, 2010). Nevertheless, autocratic leadership has the potential to inhibit creativity and innovation, creating an environment characterized by fear and reluctance to embrace change. Leaders who advocate for genuineness, openness, and moral behavior foster a favorable organizational culture with elevated trust, involvement, and flexibility (Jerab & Mabrouk, 2023).

5.3 Innovation and Creativity:

Leadership substantially influences the level of innovation and creativity in organizations. Transformational leaders foster a culture of creativity and innovation among employees, urging them to question conventional practices and seek novel approaches to address organizational challenges. Transformational leaders cultivate an environment that encourages experimenting and taking risks, motivating people to accept change and adjust to unfamiliar obstacles readily. Transactional executives may offer rewards for meeting specific innovation goals but may not necessarily create an environment that encourages creativity. The autocratic leadership style, characterized by a hierarchical approach, can impede creativity by suppressing employee autonomy and inhibiting the expression of differing viewpoints. When used wisely, laissez-faire leadership may encourage innovation by granting staff the autonomy to explore novel ideas and methods. In general, leadership styles prioritizing empowerment, cooperation, and transparency foster organizational innovation and creativity (Hughes, ET AL.2018).

5.4 Organizational Change and Development:

The impact of leadership styles on the capacity to effectively handle change and propel organizational growth is substantial. Transformational leaders demonstrate exceptional skills in effectively managing intricate change efforts by motivating and mobilizing staff to adopt new visions and methods enthusiastically. Their proficiency in conveying a captivating vision, establishing trust, and enabling people play a crucial role in achieving successful organizational transformation initiatives. Transactional leaders may encounter difficulties in implementing

change management projects that necessitate more flexible and cooperative methods, as their emphasis on incentives and penalties may not adequately address the fundamental reluctance to change (Mansaray, 2019). While effective in imposing change aggressively, autocratic leadership sometimes faces resistance and hostility from employees, resulting in implementation issues and unfavorable outcomes. The laissez-faire leadership style, characterized by its non-interfering approach, may not provide the necessary guidance and coordination to promote organizational development effectively. In dynamic and uncertain contexts, leadership styles that prioritize adaptability, collaboration, and employee involvement are more effective in managing change and promoting organizational progress (Meirinhos, ET AL.2023).

6. The Challenges and Limitations of Leadership Styles:

Leadership styles significantly impact organizational outcomes, but they also have obstacles and constraints that might affect their effectiveness. Several primary obstacles and constraints include:

6.1 One-Size-Fits-All Approach:

Not every situation or organizational context is compatible with all leadership styles. The effectiveness of a particular approach can vary depending on the context. Leaders must modify their leadership styles to align with the particular requirements and obstacles of their organization, team, or circumstances.

6.2 Resistance to change:

can arise when new leadership styles are introduced or old ones are altered, particularly if employees are accustomed to a specific leadership approach. Resistance to change can impede organizational performance and restrict the efficacy of leadership initiatives (Hubbart, 2023).

6.3 Employee Diversity:

Contemporary organizations exhibit a growing diversity in demographic characteristics, cultural origins, and work inclinations. Leaders need help managing diversity and adapting their leadership styles to meet the needs and preferences of various personnel.

6.4 Overemphasis on Leadership Styles:

Although leadership styles play a significant role, they are merely one of several factors that impact organizational outcomes. Additional elements, such as organizational culture, structure, and the external environment, can have substantial influences. Placing excessive

importance on leadership styles may disregard the wider organizational context and dynamics (Hughes et al., 2018).

6.5 Ethical:

Considerations arise when leadership styles, such as authoritarian or manipulative leadership, employ coercion, exploitation, or show disrespect for the well-being of employees. Leaders must carefully evaluate the ethical ramifications of their actions and decisions on the organization's overall results.

6.6 Insufficient Research and Evidence:

Despite the thorough investigation into various leadership styles, there remains to be more agreement regarding their efficacy and influence on organizational results. Several studies possess methodological constraints, and outcomes may differ based on the circumstances and variables examined.

6.7 Misalignment with Organizational Goals:

Leadership styles may sometimes be incongruent with the organization's strategic aims and objectives, resulting in misalignment. For instance, a leadership style characterized by a strong hierarchy and strict authority may hinder the ability to innovate and be agile in an always-evolving industry (Uhl-Bien & Arena, 2018).

6.8 Employee Burnout and Turnover:

Specific leadership styles, such as micromanagement or laissez-faire, can contribute to employee fatigue, unhappiness, and turnover. Leaders must be cognizant of the potential adverse effects of their leadership styles on staff well-being and retention (Puni et al., 2016).

7. Improve the impact of Leadership Styles:

Enhancing the influence of leadership styles on organizational outcomes necessitates a comprehensive and diverse strategy. Leaders must adapt their leadership styles to align with their organization's specific environment and requirements. That entails cultivating situational awareness and the flexibility to adjust their leadership approach in response to changing circumstances (Bill, 2022).

Cultivating a favorable organizational culture is of utmost importance. Leaders should actively foster inclusivity and cooperation, prioritizing recognizing and appreciating varied perspectives while promoting a culture of teamwork. Granting staff autonomy and providing them with

resources enhances their motivation and engagement. Transformational and democratic leadership styles effectively establish an environment that promotes empowerment. Efficient and open communication is crucial. Leaders must establish and uphold transparent communication channels to cultivate trust and guarantee alignment with the organization's objectives. Regular feedback systems enable leaders to adapt their leadership approaches based on employee input, enhancing overall effectiveness (Bill, 2022).

8. Conclusion:

Leadership styles have a crucial role in determining an organization's success since they significantly impact employee performance, contentment, innovation, and the general work environment. This theoretical inquiry emphasizes the importance of customizing leadership strategies to align with particular organizational settings and requirements. Influential leaders can adjust their leadership styles, such as transformational, transactional, democratic, autocratic, or laissez-faire, to fit various circumstances. That enables them to cultivate a favorable and efficient organizational culture. In order to optimize the beneficial effects of leadership, leaders must develop a keen understanding of the current circumstances and be flexible in their approach. They should also encourage a sense of inclusiveness and empowerment among their team members while ensuring that communication channels remain open and transparent. Consistent cultivation of leadership skills and ensuring they align with the organization's objectives are also essential. Tackling obstacles such as opposition to change, effective management of diversity, and ethical considerations necessitates a thorough and systematic methodology.

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