

# THE INFLUENCE OF LEADERSHIP STYLE ON ORGANIZATIONAL SUCCESS

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## ABSTRACT

*Leadership style is a critical determinant of an organization's culture, performance, and overall success. Different styles of leadership, including autocratic, democratic, transformational, transactional, laissez-faire, and servant leadership, impact employee motivation, engagement, and productivity in unique ways. This article explores the various leadership styles, their effects on organizations, and strategies for leaders to adapt their style to maximize effectiveness. Understanding and implementing the appropriate leadership style can foster a positive work environment, enhance employee performance, and drive organizational growth.*

**Keywords:** Employee Engagement, Autocratic Leadership, Transactional Leadership, Laissez-Faire Leadership, Organizational Success

## INTRODUCTION

Leadership style is a fundamental aspect that significantly shapes the culture, performance, and overall success of an organization. It encompasses the methods and approaches leaders use to guide, motivate, and manage their teams. Understanding different leadership styles and their impacts can help leaders tailor their approach to suit their organization's needs and objectives, thereby enhancing effectiveness (Baldwin, & Schultz 1983). Leaders make decisions unilaterally without seeking input from team members. This approach can be effective in situations requiring quick decision-making or in crises where clear direction is needed (Clyne, 1987). However, it can also lead to low employee morale and limited creativity as team members may feel undervalued and disengaged.

Also known as participative leadership, this style involves leaders actively seeking input and feedback from their team members before making decisions. This approach fosters a sense of collaboration and inclusion, leading to higher employee satisfaction and innovation (Grönroos, 2004). However, it can be time-consuming and may not be suitable for all situations. Transformational leaders inspire and motivate their teams by creating a compelling vision and fostering an environment of enthusiasm and commitment (Joy & Kolb, 2009). They focus on personal development and encourage employees to exceed their own expectations. This style can lead to high levels of engagement and productivity but requires a leader who is charismatic and able to build strong, trusting relationships (Mathews, 1983). This style is based on a system of rewards and punishments (Sirmon & Lane, 2004). Transactional leaders set clear goals and expectations, and employees are rewarded or penalized based on their performance. This approach can be effective for achieving short-term goals and maintaining order, but it may not foster long-term loyalty or innovation.

Laissez-faire leaders take a hands-off approach, giving employees the freedom to make decisions and manage their own tasks (Tessem, 2017). This style can lead to high levels of creativity and autonomy but can also result in a lack of direction and accountability if not

managed properly. Servant leaders prioritize the needs of their team members, focusing on their growth and well-being (Varnum, et al., 2010). This style promotes a positive organizational culture and strong team relationships but requires a leader who is genuinely committed to the development of others. Leadership style is a major determinant of organizational culture (Vaughan, 1995). Leaders who foster open communication, trust, and collaboration contribute to a positive and inclusive work environment. Conversely, autocratic or transactional leadership can create a culture of fear and compliance rather than innovation and engagement.

Democratic and transformational leadership styles are often linked to higher levels of employee performance and satisfaction. These styles encourage involvement and recognition, which can boost morale and productivity. On the other hand, autocratic and laissez-faire styles can result in disengagement and inconsistency in performance. Effective leadership is crucial during times of change. Transformational leaders are particularly adept at guiding organizations through transitions by inspiring and motivating their teams. In contrast, autocratic leaders might enforce change quickly but could face resistance and low morale. Leadership styles that encourage participation and autonomy, such as democratic and laissez-faire, can foster a culture of innovation and creativity. When employees feel valued and empowered, they are more likely to contribute new ideas and solutions.

The best leaders adapt their style to the needs of their organization and team. Here are some strategies for adapting leadership styles: Leaders should evaluate the specific circumstances and challenges they face (Yang, et al., 2010). For instance, in a crisis, an autocratic style might be necessary, whereas, in a stable environment, a democratic approach could be more effective. Understanding the strengths, weaknesses, and motivations of team members allows leaders to tailor their approach. For example, highly skilled and autonomous employees may thrive under a laissez-faire style, while less experienced teams might need more guidance and structure.

## CONCLUSION

Effective leaders are flexible and can shift their style as needed. This might involve blending elements of different styles, such as using a transformational approach to inspire long-term vision while applying transactional methods to achieve immediate goals. Leaders should regularly seek feedback from their teams to understand how their leadership style is perceived and its impact on the team's performance and morale. This feedback can guide adjustments and improvements. Leadership is an evolving skill. Leaders should engage in continuous learning and development to refine their style and adapt to new challenges and opportunities. Leadership style is a crucial component of organizational success. By understanding and adapting their leadership style, leaders can create a positive work environment, enhance employee performance, and drive organizational growth. Effective leadership is not about rigidly adhering to one style but about being flexible and responsive to the needs of the organization and its people. As the business landscape continues to evolve, so too must the approaches of those at the helm, ensuring that they are leading in ways that foster resilience, innovation, and sustained success.

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