

A Review on the Effects of Leadership Styles in Shaping Organizational Culture and Employee Performance

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Abstract

Leadership is the process of persuading people to accomplish anticipated results. Leadership styles are those actions that a leader performs to influence the conduct of others. This research aims to conduct a review that seeks to assess the effects of leadership styles in shaping employee performance and overall organizational culture. This review has employed contingency theory for leadership, which believes there is not a single effective leadership style that is “fit-in-all”. To fulfill this aim, secondary data has been collected by reviewing 40 research articles from various databases. Eight in-depth interviews have been conducted with four non-profit organizations in Lahore for the primary data. Data has been analyzed under five significant models of leadership, i.e., Transformational, Transactional, Autocratic, Democratic, and Laissez-faire. A thematic analysis of data has been done to get an impartial and specific outcome. Results illustrate that the Autocratic leadership style has a strong negative correlation with employees’ performance as well as organizational culture. Transformational leadership positively impacts organizational culture and employees’ performance. Transactional leadership has a significant effect on organizational culture and an insignificant effect on employee performance. Laissez-faire leadership has a detrimental impact on employees’ job performance and organizational culture. The democratic leadership style has positive effects on employee performance, and it is significantly associated with organizational culture and employee performance.

Keywords: Autocratic, Culture, Democratic, Employee Performance, Leadership, Laissez-faire, Organization, Transformational, Transactional.

1. Introduction

Leadership and its importance in organizational structure have been a focal point of research for the last few decades. In this struggle, various leadership theories, as well as leadership styles such as Transformational, Democratic, Transactional, Autocratic, and Laissez-faire, have emerged (Khan et al., 2012). Leadership shapes the direction of enterprises, influencing both internal culture and employee performance (EP). In addition to defining the organization's direction and performance, the leadership style significantly impacts staff morale, motivation, and productivity. The organizational landscape continues to evolve, and understanding the nuanced effects of different leadership styles on EP and organizational culture (OC) has become increasingly important (Maamari & Saheb, 2018). The success of an organization is highly dependent on its leadership. If the leaders carry out their duties efficiently, the organization will likely achieve its goals. Leadership is considered a process of influencing people to get the desired outcomes (Asrar-ul-Haq & Kuchinke, 2016). Additionally, leaders also thoughtful towards their concerned leadership style, in order to fulfill the management requirements as well as influencing and directing the actions of their coordinating workers’ and teams’ goals and organizational goals for the subtle attainment of both. Fry (2003) highlighted that these styles directly impact EP. Leadership is important in organizational contexts since leaders are mainly responsible for giving instructions, directions, and guidance to employees (Rathore et al., 2017). Leadership styles are vital in creating a supportive work environment and developing a positive culture in an organization (Sarwar et al., 2022). Leadership theories comprise multiple leadership models, including

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“democratic, paternalistic, autocratic, transactional, transformational, and laissez-faire leadership styles” (Maamari & Saheb, 2018). These various leadership models impact OC and EP differently, depending on the nature of the task. For instance, transformational leadership is minimally associated with the performance of employees, whereas transactional leadership has a more significant positive effect (Rathore et al., 2017). Generally, leadership style is considered the most prominent determinant of any organization's success or failure. Furthermore, Pawirosumarto et al. (2017) discussed that leadership style is an individual's ability to provide constructive feedback to teammates to ensure collaborative efforts in the attainment of desired goals. Moreover, an effective leadership style is a prerequisite to improve EP in achieving planned targets within an organization.

Leadership of organizations can promote positive organizational culture, as the OC directly affects the EP that is necessary to achieve organizational goals. Organizational culture (OC) is referred to the values and beliefs, held by the organizational members (Sarros et al., 2002). Mainly, four distinct types of OC are *“networked culture, mercenary culture, fragmented culture, and communal culture”*. Moreover, leadership performs an important role in establishing organizational culture. Organizational culture fosters unity and order within an organization; it is the culture of an organization that ensures harmony in all the factors and wings of it. While protecting against internal and external dangers (Sürücü & Yeşilada, 2017). OC determines how employees interact with each other in the structure of the organization (Purnomo et al., 2020; Narayana, 2017). OC and leadership are interrelated and interconnected within a hierarchical organizational structure, thus is considered a symbolic value, shared by all organizational members, binds them together as one unit, and provides direction for mutual growth (Pawirosumarto et al., 2017). Sarros et al. (2002) affirmed that the Culture of an organization cannot be deftly manipulated; culture depends on the leadership style. Strong organizational cultures are associated with strong and competent leadership, comprising a combination of symbols, values, beliefs and rituals, governing the community's operation within a particular organization.

Inuwa (2016) emphasized that the efficiency and effectiveness of an organization depend on employee performance. Hence, the leader or an employer should keep employee satisfaction in view. The organizational culture and leadership styles have a major impact on employee performance (Khuwaja et al., 2020). Therefore, employee performance also needs attention in an organizational structure. An employee's performance is somehow based on his organizational commitment; such types of employees are more beneficial for the organization (Setiawan et al., 2019). Human resources (employees) have a very significant and effective part in the development of an organization, as continuously involved in the execution of the organizational activities for mutual goal attainment (Purnomo et al., 2020). Organizations ought to uphold positive organizational culture as the culture of the organization directly affects employee performance. Employee performance affects organizational development and profitability to some extent because it has a direct impact on the organization's goals, growth, and policies (Salman et al., 2016). It is essential to understand that multiple determinants such as job satisfaction, the organization's work environment, competency, and communication influence the performance of employees in any organization.

Leadership styles have a multifaceted and profound impact on OC and EP. Hence, it is inevitable to review the effects of leadership styles in shaping OC and EP by examining various styles of leadership that affect EP and OC. This review paper aims to assess the significance of varied leadership styles in shaping the OC and EP. Specifically, it has defined the following research question: How do various leadership styles affect OC and EP within the organization?

2. Review of Literature

Seeking insights from existing available scholarly literature, the following section provides a comprehensive overview of the leadership styles, OC, and EP.

Leadership is the art of influencing people to get the desired outcomes and engaging with a team, subordinates, or employees to achieve a mutual objective (Asrar-ul-Haq & Kuchinke, 2016; Maamari & Saheb, 2018). Fry (2003) discussed that leadership plays a pivotal role in an organization, and it is a fact that leadership styles directly affect the performance of employees. Leadership holds a primary value in an

organizational setting because all the instructions, directions, and guidance to the employees and team are primarily provided by the leader (Rathore et al., 2017). It is also considered a behavior that a person or a leader uses while being in a leadership position to influence the behavior of subordinates. A leader chooses different models of leadership to motivate his team-mates (Pawirosumarto et al., 2017; Purnomo et al., 2020). Moreover, leadership style is used or followed to develop a constructive influence on others to promote collaborations for the attainment of desired collective outcomes (Efendi & Graduate, 2020). Leadership styles, the culture of the organization, and EP are critical to enhance performance indicators as well as organizational effectiveness (Khuwaja et al., 2020). Leadership design plays a vital role in determining the performance of employees and building an inclusive work environment in the organization (Sarwar et al., 2022). Various leadership models like democratic, paternalistic, autocratic, transactional, transformational, and laissez-faire leadership are incorporated into the leadership theories (Maamari & Saheb, 2018; Shahid & Din, 2021).

These different leadership models differently affect the OC and EP according to the nature of the task, as the transformational leadership style is insignificantly linked with EP, while the transactional leadership style behaves in contrast to it (Rathore et al., 2017). As per a common perception, laissez-faire leadership usually negatively affects organizational culture and employee performance simultaneously, likewise, transactional leadership has an insignificant impact, and Transformational leadership has a noteworthy association with EP (Baig et al., 2019). However, in certain circumstances, a laissez-faire style is considered needful, similarly, a transactional leadership style will be more productive in growing organizations. Thus, leaders ought to change their leadership styles as per the needs of the situation and task (Khan & Adnan, 2014). Hence, various leadership styles facilitate resource mobilization efficiently and effectively, using management principles, task completion, and attainment of the collective goals (Purnomo et al., 2020).

The OC is embedded in the norms, values, and beliefs, followed by the members of a particular organization (Sarros et al., 2002). Organizational culture determines how employees interact with each other in the structure of the organization (Purnomo et al., 2020; Narayana, 2017). It ensures harmony, unity, and order within the organization to protect it against internal and external dangers (Sürücü & Yeşilada, 2017). Moreover, organizational culture represents the values, owned by all organizational team members. Its purpose is to establish a bond between leadership and employees, enabling them to strive for the growth of themselves and their organization (Pawirosumarto et al., 2017). Khan et al. (2020) claimed that OC has a significant impact on employee performance and job satisfaction, but all the components of culture do not affect the performance of employees in a similar way. Culture – a profound organizational structure – is often derived from the principles, convictions, and presumptions of their constituents (Aktas et al., 2011). The organizational culture cannot be deftly manipulated; strong OC is sustained by competent leadership. Transformational culture promotes a sense of belongingness and purpose.

Furthermore, in transactional cultures, the longstanding contributions of employees are not valued and appreciated (Sarros et al., 2002). In this contemporary era of competition, organizations are required to build and sustain an efficient and effective culture that is supposedly employee-friendly (Khan et al., 2020). An organization's culture is important in determining organizational development and success as well as employee performance (Muhammad et al., 2022). It is widely considered the essential predictor for various organizational outcomes such as employee performance, commitment, satisfaction, and leadership (Abdul Rashid et al., 2004). Organizational culture positively plays a role in organizational development (Duan et al., 2022). In terms of organizational culture, transformational leadership is more supportive than transactional leadership (Khan et al., 2020). In addition to this, the national culture affects as well as influences organizational culture (Maamari & Saheb, 2018). The culture of an organization represents those values, beliefs, norms, and attitudes that determine individual behavior toward the organization (Aktaş et al., 2011). Organizational culture distinguishes an organization from others. It must be flexible and adaptive to navigate dynamic conditions, allowing it to manage both internal and external transformations. Adaptability is vital for satisfying the varying needs of various community backgrounds (Muhammad et al., 2022). Thus,

the culture of an organization decides the do's and don'ts of it. It is a guideline to execute organizational activities and works to unite all individuals to carry out mutual activities to achieve a mutual goal (Purnomo et al., 2020).

Employees are the most valuable asset for any organization, and they need to be motivated efficiently to get good performance in return. There is no doubt that employees can perform well under an ethically strong leadership structure in a positive and healthy organizational culture (Khan et al., 2020). Employee performance is defined as acts, formally recognized requirements for any job/task, and adding value to the company's goals. Performance has two dimensions: the behavioral aspect, which is the dimension of behavior, and the performance aspect, which is the dimension of outcome (Maamari & Saheb, 2018). Moreover, Sheraz (2012) described that employee performance is significantly and favorably correlated with transformative leadership. Employee performance is evaluated in six areas; quality, quantity, effectiveness, independence, timeliness, and job commitment. Leadership style and organizational culture are significant factors that have a big impact on how well employees perform (Ilham, 2017; Paracha et al., 2012).

A strong association between transformational leadership, organizational culture, and employee performance is mediated by ethical leadership (Sheraz, 2012). Employees conform to norms and values identified by management, which helps to improve employee performance. It is considered the foundation of any organization because it effectively contributes to its development. The company culture helps to identify hurdles to performance evaluation. Given how poorly culture influences employee performance, the constraints support a negative relationship between culture and performance. Employee loyalty is based on their awareness of organizational culture and how it affects their behavior (Awadh & Saad, 2013). Good employee performance includes completing assigned responsibilities on time, maintaining competence, and working effectively and efficiently. When employees feel empowered and competent in carrying out their duties and making independent judgments, participative leadership has a positive impact on their performance. Furthermore, leaders who take an autocratic style can only make decisions that make their subordinates feel incapable of carrying out their responsibilities. Because individuals have some discretionary influence over their work, people perform better in democratic organizations than in authoritarian ones (Iqbal et al., 2015). Employee performance determines an organization's efficacy and efficiency (Inuwa, 2016). Khuwaja et al. (2020) expanded on this perspective that an organization's culture and leadership styles both have a major impact on employees' performance and productivity. Employee performance is central to an organizational ability to expand, maintain a strong public image, and be profitable since workers are perceived as the major resource that makes daily operations and activities possible for an organization (Yang & Hang, 2014). Employees' performance in the organization is measured by organizational policies and practices.

Literature has shown that leadership styles have a multifaceted and profound impact on an organization's culture and the performance of its employees. However, the literature has not addressed the effects of various modes of leadership in shaping organizational culture and employee performance. Thus, it is inevitable to infuse this gap in this paper under the framework of contingency theory to enhance the productivity of the subject of organizational behavior.

3. Theoretical Framework

This paper will be analyzed through the lens of "Contingency theory", which believes that effective leadership should be dependent on the circumstances and nature of the task. There is no standard universal strategy for leadership which is "fit-in-all". In this regard, leadership style ought to vary as per the need of time. For instance, a leader may need to be more authoritative in a critical situation, but on the other hand, he needs to be hands-on and more participative in a creative discussion session. Therefore, according to the Contingency Theory, leaders who are capable of evaluating the situation and altering their leadership approach according to the requirement of the scenario are more likely to achieve positive outcomes and get the support of their subordinates. The contingency theory features the significance of adjusting a leadership

style to fulfill the requirements of the scenario. Moreover, this theory emphasizes the significance of situational awareness and flexibility in the leadership style.

4. Methodology

This research reviewed the effects of leadership styles in shaping organizational culture and employee performance. To formulate this study, primary data and secondary data have been collected, which are based on in-depth interviews and Desk Reviews, respectively.

4.1 Primary Data

For the primary data, four renowned non-profit organizations were selected in Lahore, Pakistan, through random sampling. However, representation of both the public and private sectors was ensured. Detailed interviews were taken with the leadership and employees of all organizations; eight interviews were conducted in total, with a ratio of two from each organization: one from the leadership and one from the workers/employees. A semi-structured interview guide was formulated for this purpose. To ensure the authenticity of the data, the researcher went to the organizations physically and conducted in-person interviews, and notes were taken as well.

4.2 Secondary Data

According to the research strategy, secondary data was collected from multiple databases and Journals (Google Scholar, Research Gate, Academia, Scrip.org, scholarly, JSTOR, and Journal of Organizational Behavior) by reviewing and analyzing 40 research articles. Only those articles selected that were aligned to the research objectives, incorporated leadership styles, and their effects on employee performance and organizational culture. To scrutinize or filter out the relevant and reliable articles from these sources, the following search terms have been used: Organizations, Institutions, Role of Leadership, Types of Leadership, Effects of Leadership, Impact of Leadership Styles, Organizational culture, Culture of organization, Employee performance, and Subordinates' performance.

4.3 Data Synthesis Approach

To keep this research paper impartial and free from biases, the technique of Data Source Triangulation was employed; multiple data sources were consulted and different organizations were visited to get a brief overview of the existing literature and contemporary leadership styles which are in practice in organizations respectively to identify the essentiality of various leadership styles in shaping organizational culture and employee performance. Relevant data has been synthesized by reviewing the 40 research articles and also with the aid of semi-structured interviews which have been conducted from the leadership and employees of four different non-profit organizations. Furthermore, a matrix has been formulated based on the similarities and dissimilarities of the key findings of the articles of the literature review for alignment as well as for the thematic analysis of the entire data (see table A1 in Appendix). For analysis purposes, data has been divided into five themes, which have been identified from the reflection of field interviews and also after exploring literature.

5. Results and Discussion

This research paper is fragmented into five following themes for the comprehensive discussion as it is the finest way to attain the targeted aim.

Theme 1: Transformational Leadership

Transformational Leadership is often referred to as charismatic leadership. Bass has affirmed, "Transformational leadership is not a rare phenomenon, neither it is limited to a few extraordinary leaders, but, on the contrary, it can be found in various degrees in all types of organizations" (Memon, 2014). Leaders acquire a transformational leadership technique to stimulate employees and promote their perspective in the organization, as this style is exclusively performance-oriented (Ashfaq & Ahmad, 2023). The transformational leadership style concentrates on those abilities that assist in sustaining the organization's competitive environment. Transformational leaders entirely invest themselves in the organization; they persuade employees and also help them in the transformation procedure while encouraging them to perform their tasks and projects (Duan et al., 2022; Zeb et al., 2015). They persuade others by leveraging their unique

ability to discern what is truly important. This trait defines them and makes them charismatic leaders (Memon, 2014). The Australian Institute of Management conducted research that revealed a direct proportional relationship between organizational culture and leadership styles. When CEOs adopt transformational leadership behaviors, they are more likely to achieve targeted and desired results consistently (Sarros et al., 2002). It was found that transformational leadership had an insignificant impact on EP in the telecom sector of Lahore, Pakistan (Rathore et al., 2017). Additionally, a noteworthy and affirmative correlation between transformational leadership styles and employee performance was revealed in multinational firms operating in Malaysia (Dastane, 2020).

Transformational leadership has ethical skills, which leads to praising leadership (Khan et al., 2020). The research overseen by the banking sector of Pakistan revealed the positive impacts of transformational leaders on employee benefits and leads to their effectual performance as they both have the same task to acquire surpassing or motivation. (Asrar-ul-Haq & Kuchinke, 2016); Sürücü & Yeşilada, 2017). These leaders form an effective relationship with their employees by making use of their directional qualities, influential aims, and presenting skills. It is highlighted from the primary source of data of this research that transformational leadership techniques are pragmatic in three organizations out of four. In-depth interviews reveal that it positively affects organizational culture. Moreover, employee performance is closely tied to leadership in these three organizations, as employees rely on their bosses or leaders for guidance; thus, leaders somehow shape their performance. Therefore, transformational leadership techniques are considered as most influential because these have beneficial imprints on employees' conducting skills and corporate atmosphere as these address the employees' working demands and pay attention to their conceptual growth (Tasneem & Quresh, 2020).

Theme 2: Transactional Leadership

The transactional leadership style follows a social exchange process in which the leader clarifies what the followers must do as part of a transaction (complete the task successfully) to receive a reward or avoid punishment that is conditional on the transaction's completion. Transaction means "exchange" because it deals with the interchange between the leader and his followers. Hence, in Transactional leadership, leaders identify and communicate the needs and goals of employees that will be addressed in exchange for their performance (Memon, 2014; Zeb et al., 2015). A leader is classified as a transactional leader if he is constantly eager to give something in exchange. That is why the primary problem with this style of leadership is the expectations that may encompass promotions, wage raises, performance reviews, additional duties, and so forth (Ashfaq & Ahmad, 2023). Likewise, transactional leadership can be defined as the trade of ambitions and rewards between leaders and employees. Transactional leadership is deemed insufficient to have a direct impact on organizational performance (Hasan & Al Khajeh, 2018). It does not stimulate novelty and invention in workers' performance, therefore, they do not meet the organization's expectations. Transactional styles of leadership have a favorable impact on organizational performance (Khuwaja et al., 2020). Transactional leadership stresses formulating goals, establishing the link between performance and reward, and delivering constructive feedback to keep employees engaged in the organization. Transactional leaders provide comprehensive job descriptions with the rules and regulations of the organization as well as subordinates' duties and responsibilities (Sürücü & Yeşilada, 2017). Research conducted on the textile organizations of Pakistan has shown that transactional leadership optimizes employee performance by moderating the impact on human capital, resulting in an advantageous relationship (Baig et al., 2019). The research undertaken in the telecom sector of Lahore, Pakistan, has revealed that transactional leadership has a substantial influence on employee performance (Rathore et al., 2017). Moreover, the study has revealed that in the FMCG industry of Pakistan, the effectiveness and productivity of employees are highly correlated with a transactional leadership style (Kalsoom et al., 2018).

Transactional leaders do not cater to the needs and concerns of their subordinates nor prioritize their personal growth; they exchange valuable ideas and pieces of advice with employees to advance both their own and their subordinates' objectives to maximize employee performance and the organization's growth (Alsabbagh & Khalil, 2016). Saeed et al. (2022) identified a significant correlation between transactional

leadership and employee performance as transactional leaders can keep their subordinates or employees committed, motivated, and engaged in a short period by employing a rewards and punishment approach. Job performance of employees is positively correlated with transactional leadership style. On owing to this, Transactional leaders are goal-oriented, pragmatic, and most importantly they are committed to rewarding and punishing employees legitimately (Donkor, 2021). The data that is collected from the southern region's higher educational institutions of Khyber Pakhtunkhwa illustrates that transactional leadership has an insignificant impact on an organization's culture (Khan et al., 2020). Sarwar et al. (2022) found a moderate and somewhat favorable relationship between the transformational 2 transactional leadership styles. However, it is assumed that the culture of the organization and employee performance are insignificantly connected with transactional leadership because the transactional style of leadership is rules-oriented and more concerned about the organization's laws and regulations (Khan et al., 2020).

According to the primary data, only one organization is following the Transactional leadership style. As per the unbiased review of the interviews (which were conducted by the leadership and employees); transactional leadership has positive implications on organizational culture, but weak emotional relationships among employees as well as between employee and leader have been observed that will ultimately affect employee performance and organizational commitment.

Theme 3: Laissez-Faire Leadership

The primary emphasis of the laissez-faire leadership style is on the philosophical assumption that "humans are inherently unpredictable and unmanageable and that attempting to comprehend people is a waste of time and effort". Laissez-faire leadership always hurts employee performance. This leadership style is only implemented and used when supervisors are hesitant to make choices, act, or accept responsibility. This type of leadership style has a detrimental impact on employees' job performance (Baig et al., 2019). So, the leader attempts to keep a low profile and avoid causing waves of disruption, and he depends on the few remaining workers to complete the task. Laissez-faire leaders work within whatever system is in place without making suggestions or complaints. Goals and objectives are set just if needed and required (Fiaz et al., 2017). The research on the textile organizations of Pakistan found that laissez-faire leadership has a detrimental impact on employee performance (Baig et al., 2019).

The boss is not command-frisk and delegates power to employees. Such leaders avoid decision-making to the greatest extent possible, intending to communicate only when it is inevitably necessary. Thus, laissez-faire leaders are unconcerned about employees' professional growth and performance because they believe that employees can look after themselves. It is worth noting that in Pakistan, the laissez-faire leadership style demonstrated a negative link with employee performance outcomes (Fiaz et al., 2017). The laissez-faire model encourages employees' independence but rarely contributes to output-generating processes. Moreover, leaders who follow a laissez-faire leadership style, prefer workers over performance (Maamari & Saheb, 2018). Employees have entire control over the decision-making process, whereas leaders only accept responsibility for the decisions and actions taken. Leaders are passive and hands off by nature. One of the disadvantages of laissez-faire leadership is a lack of knowledge about job descriptions. Various difficulties are managed in this manner, which leads to poorly defined duties for everyone in the group (Asrar-ul-Haq & Kuchinke, 2016). The research conducted by banking sector of Pakistan has revealed that Laissez-faire leadership exhibited a negative correlation with employee satisfaction and effectiveness in terms of performance outcomes (Asrar-ul-Haq & Kuchinke, 2016).

Furthermore, the task is to be completed with limited supervision from the leaders, which causes them to question their place in the group and their ability to complete the actual assignment within their capabilities (Dastane, 2020). According to data collected from WAPDA, a laissez-faire leadership style correlates favorably with staff performance (Fiaz et al., 2017). They impose more obligations on subordinates without articulating any explicit or defined goals, and they do not provide any form of assistance in making decisions (Khan & Adnan, 2014). In addition to this, poor involvement and weak association of group members are common in a common Laissez-Faire system since leaders are frequently perceived as uninvolved and distant from the rest of the group, potentially leading to a lack of cohesion. Furthermore,

employees' perceptions of less worried leaders about whatever is going on in the firm may inspire them to show less care and concern as well because their leaders have already done so (Iqbal et al., 2015). The laissez-faire leadership style exhibited an adverse impact on employee performance in terms of effectiveness and satisfaction (Asrar-ul-Haq & Kuchinke, 2016).

While collecting primary data, the researcher has not seen the practice of a laissez-faire leadership style in any organization. Hence, it is perceived that it might be used in certain types of projects where direct involvement of leadership is not necessarily needed.

Theme 4: Autocratic Leadership

A leader employing an authoritarian leadership style (AL) puts performance over people. All interactions among people have their sights on the leader, who possesses the preponderance of authority. The leader has completed decision-making control over job responsibilities, relationships, rules, reward and punishment systems, and techniques for achieving goals (Fiaz et al., 2017). The autocratic approach is distinguished by its "I tell" philosophy. Autocratic leaders tell their employees what to do. This might provide a corporation with a clear direction, but it can also lead to management undervaluing or ignoring team opinion. However, an authoritarian attitude may be beneficial under certain situations. It is useful when a firm is in crisis or when an urgent situation emerges that requires immediate attention (Iqbal et al., 2015).

Every group encounter in autocratic leadership focuses on the leader, who is the center of authority. It is an exploitative authoritarian system in which authority and direction are delegated from above, punishments and threats are utilized, communication is poor, and teamwork is nonexistent, resulting in an autocratic leadership style (Fiaz et al., 2017). However, research shows that authoritarian leaders are less creative. Autocratic leadership fosters one-sided conversations, which restricts employees' creativity. This approach limits workplace communication and socialization. Leaders have power, which opens the door to employee exploitation and distortion (Dastane, 2020). Autocratic leaders are classic and bossy (Hasan & Al Khajeh, 2018). They want their subordinates to carry out their orders. Subsequently, the research conducted by the multinational corporations operating in Malaysia has statistically found an insignificant relationship between employees' performance and authoritarian leadership (Dastane, 2020).

Autocratic leaders typically retain decision-making power. This leadership style is more appropriate and effective when projects must be finished within specified timelines (Bhargavi & Yaseen, 2016). Iqbal et al. (2015) investigated the impact of leadership styles on organizational performances, which illustrates that Autocratic leaders are less creative and merely encourage one-sided conversations. Research on the development sector of Pakistan has revealed that Autocratic leaders lack organizational ethics (Sheraz et al., 2012). Autocratic leadership hinders workplace socialization and communication. Autocratic leadership also causes organizational conflicts, which severely impact overall performance. It is referred to as the masculine leadership style (Maamari & Saheb, 2018). Employee dissatisfaction may be exacerbated by the leader's autocratic approach. Likewise, such a domineering attitude may lead to resentment and conflict among group members because autocratic leaders frequently make crucial choices without discussing them with their team members (Dastane, 2020). The data that is collected from an autonomous organization of Pakistan, WAPDA, has revealed in research that autocratic leadership undermines employee performance and motivation (Fiaz et al., 2017).

According to the primary data, only one organization is following the Autocratic leadership style. As per the unbiased review of the interviews (which were conducted by the leadership and employees), the culture of an organization is negatively affected by the autocratic leadership, and employees feel suffocated over there, but in contrast, the retention rate is very low due to the job security.

Theme 5: Democratic Leadership

The democratic leadership style is defined by the "I share" philosophy; every employee equally contributes to the decision-making process (Iqbal et al., 2015). In democratic leadership, the team is allowed to make its own democratic decisions, which are subsequently "rubber-stamped" by the leader. Employees have some discretionary power to accomplish tasks in democratic leadership, which improves their

performance compared to an authoritarian style (Muhammad et al., 2022). The democratic approach encourages the sharing of responsibilities, delegating, and ongoing consultation. Managers do give suggestions and recommendations on all significant topics and make decisions eventually, but they delegate responsibilities to employees and give them complete ownership of their tasks and encourage people to become good leaders (Khan et al., 2012). This resulted in increased staff dedication to department goals, as well as improved performance and deadline compliance (Iqbal et al., 2015). In a democratic leadership style, all individuals are trustworthy and self-motivated, and democratic leadership promotes followers' productivity and satisfaction (Fiaz et al., 2017). Hasan and Al Khajeh (2018) examined that the democratic leadership approach encourages people to perform better because their ideas and opinions are respected. Democratic leadership empowers employees to make decisions and share with their team. It shows a substantial and positive correlation between democratic leadership styles and employee performance (Dastane, 2020). According to statistics obtained from Pakistan's independent company, WAPDA, a democratic leadership style has a significant relationship with employees' performance (Fiaz et al., 2017).

This form of leadership style provides objective praise and criticism while also instilling a sense of responsibility in employees. Maamari and Saheb (2018) referred to the democratic leadership style as a feminine leadership style. Furthermore, all team members have an equal opportunity to participate in idea-generation procedures, as well as group debates and brainstorming; the most effective ideas are voted on using a democratic model. Democratic leaders respect group equality and free-flowing ideas, and they will typically encourage their team members to express themselves. Employees participate in the decision-making process under democratic leadership, but their influence is retained, and the leader has the final say following employee discussion at every meeting or brainstorming session (Dastane, 2020). Hasan and Al Khajeh (2018) demonstrated that democratic leaders emphasize group discussion and participation, which positively improves the performance of the followers.

Primary data (interview's reflection) has shown that the Democratic leadership style is the most favorite one of contemporary leaders as it is in practice in maximum organization. Democratic leadership has a positive effect on both organizational culture and employee performance.

6. Limitations

This paper aimed to conduct a review, but a mixed-methods approach can also be employed to examine the same issue as it can enrich or enhance the data by merging qualitative and quantitative insights, leading to a more thorough understanding of how different models of leadership affect organizational culture and employee performance in various contexts.

7. Conclusion and Recommendations

In general, based on the results and discussion of the data that has been done, the conclusions that can be drawn from this study are that different leadership styles differently affect the organizational culture and employee performance as the Autocratic leadership style has a negative association with organizational culture and employee performance. Transformational leadership enhances employee performance and has a positive impact on organizational culture. Transactional leadership has a major influence on an organization's culture but a negligible effect on employee performance. Laissez-faire leadership has a negative impact not just on employee job performance but also on the culture of an organization. Democratic leadership optimizes employee performance and also positively influences organizational culture. Research findings have revealed that the mode of leadership works as the backbone that sustains the structure of an organization by directly influencing employee performance and organizational culture.

Additionally, it has been observed that employees' performance is directly dependent on leadership; however, culture is not solely dependent on leadership. To some extent, leadership style forms the Culture of the organization, but somehow, the espoused values of the organization always remain the same. Furthermore, this research has only reviewed one aspect of Organizational Behavior (OB), therefore, it still can be reviewed by future researchers from several other perspectives such as the impact of leadership styles on job satisfaction, the relationship between employees' organizational commitment with different leadership

mechanisms, which leadership styles hinder employee performance and how. They can do the same study on the large sample size as well. Moreover, organizations should arrange training sessions for Leaders at least once in six months. Leaders ought to analyze their leadership style on their own after getting feedback from employees. A leader must adopt diverse leadership styles as per the task's need, rather than stick to any one particular style.

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Appendix

Table A1: Literature Review Matrix

Author & Year of Publishing	Research Type	Geographical Setting	Key Findings
Shahid & Din (2021)	Quantitative Research	Pakistan	“Findings show that the transformational leadership style is reliable in fostering psychological safety in teachers”
Tasneem & Quresh (2020)	Quantitative Research	Pakistan	“The transformational leadership style encourages knowledge sharing that directly influences the productivity of the organization. As well as its culture. It also determines employees’ performance.”
Sheraz et al. (2012)	Quantitative Research	Pakistan	Findings show that transformational leadership style influences productivity.
Amina et al. (2021)	Quantitative Research	Pakistan	“Transformational leadership positively affects the performance of workers”
Duan et al. (2022)	Quantitative Research	Pakistan and china	“The results illustrate that the Transformational leadership style helps women leaders to cope with the emotional intelligence and fostering a healthy culture in an organization.”
Ashfaq & Ahmad (2023)	Quantitative Research	Pakistan	“Findings show that the transactional leadership style is usually followed to ensure the rewards and incentives of employees”.
Saeed et al. (2022)	Qualitative Research	International	“The efficiency and effectiveness of an organization depends on the efficiency of workers’ performance. Hence, the leader or an employer should keep employee satisfaction in view”.
Alsabbagh & Khalil (2016)	Quantitative Research	International	“Transformational leadership style directly influences the productivity and performance of the organization and culture of the organization. Moreover, it also determines employees’ performance.”

Author & Year of Publishing	Research Type	Geographical Setting	Key Findings
Sarwar et al. (2022)	Quantitative Research	Pakistan	The study revealed that in universities, female leaders mostly practice the transactional leadership design, which has a positive relationship with the performance of workers around.
Khan et al. (2020)	Quantitative Research	Pakistan	“The organizational culture plays a role in constructing the norms and values of any organization, and the culture of the institution is formed by the leaders”
Memon (2014)	Qualitative Research	Pakistan	“The findings of the research show that leadership style directly influences the efficiency and performance of employees. Hence, the leader or an employer should keep employee satisfaction in view as the effectiveness of an organization depends on it.”
Paracha et al. (2012)	Quantitative Research	Pakistan	“Leadership design has an important part in employee performance. Findings suggest transactional leadership design positively affects job satisfaction”
Kalsoom et al. (2018)	Quantitative Research	Pakistan	“Results show that transactional leadership design positively affects employee performance than transformation leadership style, comparatively”
Rathore et al. (2017)	Mixed method	Pakistan	“Findings show that the transformational leadership style is reliable in fostering psychological safety in teachers”
Sürücü & Yeşilada (2017)	Quantitative Research	International	“The study revealed that the transformational/charismatic leadership style influences the culture of the organization”
Asrar-ul-Haq & Kuchinke (2016)	Quantitative Research	Pakistan	“Findings show that transformational leadership style influences productivity.”
Sarros et al. (2002)	Quantitative Research	International	“The study revealed that the culture of the organization cannot be deftly manipulated. However, it depends on the leadership styles at a broader level.”
Khuwaja et al. (2020)	Quantitative Research	Pakistan	“The findings of research show that leadership style directly influences the attitude and performance of employees. Hence, the leader or an employer should keep employee satisfaction in view as the effectiveness of an organization depends on it.”
Hasan & Al Khajeh (2018)	Quantitative Research	International	“Leadership styles have significant relationship with the organizational performance”
Donkor (2021)	Qualitative Research	International	“Transformational leadership positively affects the performance of workers”
Dastane (2020)	Mixed method	International	“Leadership style directly influences the productivity and performance of the organization and culture of the

Author & Year of Publishing	Research Type	Geographical Setting	Key Findings
			organization. Moreover, it also determines employees' performance."
Baig et al., (2019)	Quantitative Research	Pakistan	"The efficiency and effectiveness of an organization depends on the employee performance. Hence, the leader or an employer should keep employee satisfaction in view"
Khan & Adnan (2014)	Mixed-method	Pakistan	"The study revealed that the transformational/charismatic leadership style influences the culture of the organization"
Maamari & Saheb (2018)	Quantitative Research	International	"The topic of leadership and its importance in organizational structure has been a focal point of research for the last few decades. In this struggle, various leadership theories and styles have emerged. Various leadership designs are obliged to bring novelty to the work."
Fiaz et al. (2017)	Quantitative Research	Pakistan	The results of this study show that laissez-faire leadership design negatively affects employee performance while transactional leadership is significantly related to the employee performance.
Iqbal et al. (2015)	Qualitative	Pakistan	Democratic and autocratic leadership styles are opposite of each other. Autocratic style has liability in short-term tasks and vice versa. Results show that the democratic style positively affects the performance of employees.
Hasan & Al Khajeh (2018)	Quantitative Research	International	"Organizations ought to opt for the leadership design according to the nature of the task. Key findings illustrate that democratic leadership style has a positive impact on organizational performance."
Ilham (2017)	Quantitative Research	International	"The performance of employees was evaluated on the basis of leadership style and the culture of the organization. Results show that both have a positive correlation with the performance of employees."
Muhammad et al. (2022)	Quantitative Research	International	"Leadership style and the culture of the organization are essential determinants that determine the progress of the organization, and these two determinants also influence the employees' performance"
Pawirosumarto et al. (2017)	Quantitative Research	International	"Multiple leadership styles are followed to motivate the subordinates and to sustain a healthy environment within the organization. Results show that the democratic style positively affects the performance of employees".

Author & Year of Publishing	Research Type	Geographical Setting	Key Findings
Khan et al. (2012)	Qualitative	Pakistan	“The topic of leadership and its importance in organizational structure has been a focal point of research for the last few decades. In this struggle, various leadership theories and styles have emerged. Various leadership designs are obliged to bring novelty to the work.”
Purnomo et al. (2020)	Quantitative Research	International	“Organizational commitment of employees depends on the leadership style and culture of the organization”
Inuwa (2016)	Quantitative Research	International	“The efficiency and effectiveness of an organization depends on the employee performance. Hence, the leader or an employer should keep employee satisfaction in view”
Bhargavi & Yaseen (2016)	Quantitative Research	International	“Leadership style directly influences the productivity and performance of the organization and culture of the organization. Moreover, it also determines employees’ performance.”