Exploring the Relationship Between Leadership Styles and Employee Motivation in the Context of Contemporary Management

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Abstract

The objective of this research is to examine the relationship between leadership styles and employee motivation in the context of contemporary management. This research employs a literature review approach to analyse various leadership theories, including transformational, transactional, autocratic, democratic, laissez-faire, and servant leadership. Each leadership style is evaluated in relation to employees' intrinsic and extrinsic motivation. The findings indicate that transformational and democratic leadership styles have the most significant influence on employees' intrinsic motivation, whereas transactional and autocratic leadership styles emphasize extrinsic motivation. This study contributes to contemporary management literature by providing insights into the importance of tailoring leadership styles to employees' motivational needs to achieve optimal performance.

Keywords: leadership style, employee motivation, contemporary management, transformational leadership, intrinsic motivation.

INTRODUCTION

The ability of a leader to adapt their style to suit the needs of their team is crucial to the success of an organization. Leadership style refers to the approach used by the leader in providing direction, setting strategies, and interacting with their team. Those who are able to adapt their style to suit the needs of the organization and their employees are more likely to create a conducive and productive work environment. Employee motivation is influenced by a number of factors, both internal and external, which drive individuals to achieve goals and optimal performance at work (Paracha, Irshad and Chughtai, 2022).

In the context of contemporary management, where technology, globalization, and changes in the business environment are occurring at a rapid pace, it is becoming increasingly important to understand how leadership styles influence employee motivation. In order to maintain relevance in light of these changes, leaders must possess the ability to adapt their leadership style. A flexible, effective, and appropriate leadership style is one that can engage and motivate employees within the context of their organization. Furthermore, employee motivation is becoming increasingly complex, as the need for a balance between professional and personal life, as well as the increasing demands for individual recognition and rewards for achievements, presents unique challenges.

Effective leaders must possess the capacity to inspire their employees through the articulation of a compelling vision, exert a positive influence on them, and offer motivation that enables the realization of optimal performance. In a dynamic and often uncertain context, where employees may confront a multiplicity of challenges originating from internal and external sources, this capacity is invaluable. Leaders who have a profound understanding of the manner in which different leadership styles impact motivation will be better positioned to navigate these challenges and enhance team productivity and overall organizational success (Santana-Martins et al., 2024).

This research employs a literature study approach to investigate the impact of various leadership styles on employee motivation. The aim of this study is to establish the relationship between specific leadership

styles—including, but not limited to, transformational, transactional, autocratic, democratic, and laissez-faire leadership—and their impact on employee motivation, both intrinsic and extrinsic. By elucidating this relationship, this research can make a significant contribution to the management literature, particularly in light of the continued changes brought about by globalisation and digitalisation in modern organisations.

Literature Review

In order to comprehend the relationship between leadership style and employee motivation, it is crucial to conduct a thorough review of previous research that has sought to establish a correlation between these two variables in the context of modern management practices. A comprehensive understanding of the various theories pertaining to leadership and motivation will facilitate the development of a robust theoretical foundation, thereby enabling a deeper comprehension of the complex dynamics that exist within organizations (Bernath Pardede *et al.*, 2022).

The most commonly researched leadership styles in the field of management are those that may be broadly categorised as transformational, transactional, autocratic, democratic, and laissez-faire leadership. Each of these styles has a distinct approach to the management and motivation of employees, with differing effects on employee motivation, both intrinsic and extrinsic.

Employee motivation plays a pivotal role in influencing workplace productivity, engagement, and retention. Herzberg (1968) postulated the two-factor theory, which distinguishes between motivator factors (e.g., achievement, recognition, responsibility) that drive intrinsic motivation and hygiene factors (e.g., pay, working conditions) that are more related to extrinsic motivation (Rachmawati *et al.*, 2024).

A review of contemporary management literature reveals a strong consensus that effective leadership styles should be tailored to the specific organizational context and the characteristics of the employees in question. For instance, leaders in the technology industry may find success with democratic or transformational leadership styles, where innovation and creativity are highly valued. Conversely, in situations that require strict compliance and operational efficiency, such as in manufacturing, a transactional or even autocratic leadership style may prove to be more suitable.

Research by Alhadi (2021) indicates that leaders who are flexible in modifying their leadership style in response to situational demands demonstrate a higher degree of success in motivating employees and achieving organizational objectives. In the context of globalization and digitalization, the capacity of leaders to navigate these dynamics is becoming increasingly crucial, as the rapidly evolving work environment necessitates a more dynamic and adaptive approach (Alhadi, 2021).

METHODS

This study employs the methodology of literature review to identify and analyze a variety of theoretical perspectives and empirical studies pertaining to the interconnection between leadership styles and employee motivation. The research draws upon a diverse array of sources, including academic journal articles, books, and reports from reputable academic databases like Google Scholar, Scopus, and ProQuest. To select the literature, we applied criteria based on the relevance to the topic, the soundness of the methodology, and a focus on contemporary organizations.

The literature was classified according to the types of leadership styles (transformational, transactional, autocratic, democratic, laissez-faire, and servant) and the effects of these styles on employees' intrinsic and extrinsic motivation.
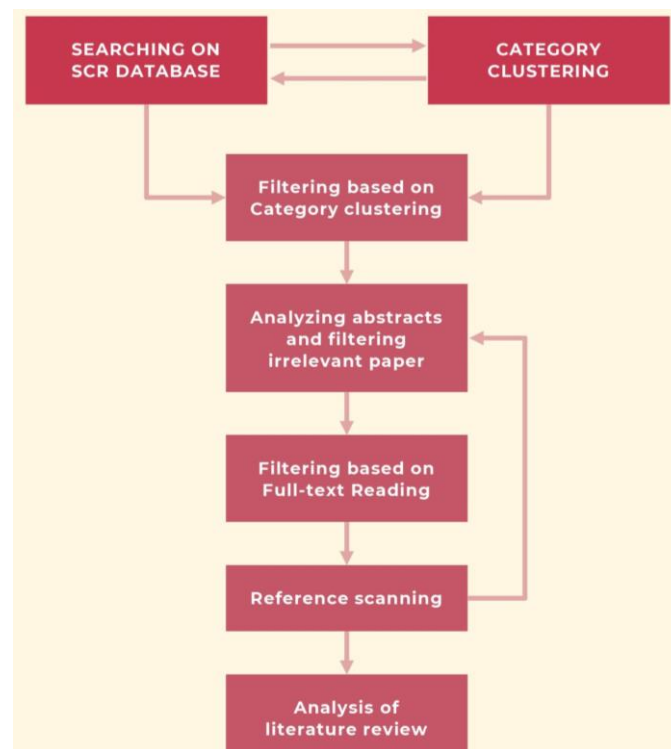
Figure 1. Literature Research

RESEARCH RESULTS AND DISCUSSION

Transformational leadership

Transformational leadership is a style of leadership characterized by an individual leader striving to inspire, motivate, and empower their employees. This is achieved through the creation of a compelling and meaningful vision, encouraging the individual to transcend personal interests in order to achieve common goals. Transformational leaders prioritize not only the achievement of organizational goals, but also the advancement of the potential of individuals within their team.

Transformational leaders can be defined by four main components, which are collectively known as the "4 I's."

1. Inspirational Motivation: The capacity to articulate a compelling vision and set of objectives in a manner that elicits enthusiasm and commitment from employees
2. Idealized influence refers to the capacity of leaders to serve as role models, inspiring respect and trust through the demonstration of integrity and alignment with core values.
3. Intellectual stimulation refers to the practice of encouraging creativity, innovation, and critical thinking among employees by providing them with the opportunity to seek new solutions and engage in the decision-making process.
4. Individualized Consideration: Leaders demonstrate individualized attention to employees' individual needs and professional development, providing guidance and support in both areas (Thomas, 2024)..

The term "intrinsic motivation" denotes the drive that arises from within an individual's inherent disposition to pursue an activity for the intrinsic satisfaction and meaning that it offers, rather than for external rewards. In a workplace context, intrinsically motivated employees are engaged in their work due to a sense of satisfaction, personal growth, and a feeling of being challenged and energized by their tasks. This concept has been extensively studied within the field of psychology, particularly in the context of Self-Determination Theory (Janah, Herawati and Sulistiyowati, 2024). This theory postulates that intrinsic motivation is influenced by three fundamental psychological needs:

1. The Need for Competence: The aspiration to develop proficiency and engage with tasks that require a certain degree of skill.
2. The need for autonomy is the desire to have control over one's work and to make independent decisions.
3. The need for social connection can be defined as the desire to form connections with others and to be part of a group.

Transformational leadership exerts a direct influence on employees' intrinsic motivation through a number of mechanisms.

1. Inspiration and a Meaningful Vision

   Transformational leaders establish and disseminate a transparent and meaningful vision, which imbues employees with a sense of purpose beyond the attainment of material objectives. When employees perceive their contributions as part of a larger endeavor, such as social impact, innovation, or progress, they tend to exhibit greater intrinsic motivation. This compelling vision provides a goal that they can pursue with dedication. For example, in innovative technology companies such as Tesla or Google, transformational leaders frequently inspire employees with a vision of the future that challenges the status quo, thereby fostering a sense of involvement in a mission that has the potential to impact the world on a grand scale.

2. Rewarding Creativity and Innovation

   Transformational leadership fosters intellectual stimulation, wherein leaders encourage employees to engage in creative thinking, challenge the status quo, and explore novel approaches to problem-solving. By providing avenues for employees to express novel ideas and take intellectual risks, leaders facilitate employees' fulfillment of their need for competence. When employees perceive rewards for their ideas and innovations, intrinsic motivation increases as they experience challenge and recognition for their abilities.

3. Empowerment and Autonomy

   Transformational leaders provide employees with autonomy, thereby affording them control over their work and the decision-making process. This is consistent with the fundamental need for autonomy in intrinsic motivation. When employees are entrusted with the responsibility of making independent decisions, they experience heightened motivation as they witness the tangible outcomes of their efforts and creativity.

   Such autonomy not only enhances the sense of responsibility but also elevates employee engagement, as they perceive that the leader has confidence in their capabilities.

4. Individualized Support

   Transformational leaders demonstrate individualized consideration by attending to the personal needs of each employee, offering support for their professional and personal development. When leaders provide customized guidance and support, employees feel valued as individuals, not just as part of a system. This fosters a profound sense of connectedness and personal fulfillment, which is essential for intrinsic motivation (da Silva Lessa and da Silva, 2024).

By acknowledging individual achievements and offering constructive criticism, leaders assist employees in feeling valuable and appreciated, which subsequently motivates them to pursue continuous improvement.

For example, leaders who dedicate time to offering individualized feedback or assisting employees in achieving their long-term career objectives have been observed to enhance intrinsic motivation, as employees perceive a sense of support and guidance in their professional development.

Transformational leadership affects intrinsic motivation not only in the short term but also in the long term. When employees feel intrinsically motivated, they tend to:

They are more proactive, seeking out opportunities for growth and assuming initiative in new projects.

Furthermore, intrinsic motivation engenders a sense of commitment to the organization. This is because the individual feels emotionally connected to the organization's vision and mission.

Furthermore, intrinsic motivation encourages employees to think in novel ways, thereby generating new ideas and creative solutions to the challenges faced by the organization.

Furthermore, intrinsically motivated employees demonstrate greater resilience to stress and challenges. This is due to the fact that they perceive a deeper meaning in their work, which enables them to better cope with and overcome obstacles.

While transformational leadership is widely acknowledged as an efficacious approach to enhancing intrinsic motivation, it is important to consider the potential challenges associated with this style.

Contextual Inappropriateness: It would be erroneous to assume that a transformational leadership style is always appropriate in any given situation. In environments that are highly structured or bureaucratic, for example, the application of autonomy and creativity may prove challenging, which could render this style less effective.

The capacity of a leader to inspire and serve as a consistent role model is not a universal attribute. It requires

exceptional communication skills, strong integrity, and the ability to adapt to change.

A discrepancy may be observed between the motivational approaches that are effective for certain employees and those that are not. Some employees may be more motivated by external factors, such as material compensation or recognition, and may not respond positively to transformational approaches.

Transactional Leadership

A transactional approach to leadership is one that emphasizes the establishment of a clearly defined system of rewards and punishments between leaders and subordinates, which serves as the basis for their interactions and is designed to achieve specific organizational goals. This concept is closely related to the concept of extrinsic motivation, which posits that employees are driven to work hard due to external factors such as salary, bonuses, or recognition, rather than due to intrinsic motivation that arises from inner satisfaction or personal aspirations for development.

Transactional leadership, as outlined by Lama, et al (2024), is characterized by the establishment of clear goals, hierarchical structures, and reward systems that align with employee performance. Leaders provide specific and structured directives to employees, who are expected to adhere to these guidelines in exchange for rewards. This leadership approach is transactional in nature, as there is a clear transaction: employees work as ordered, and in return, they receive compensation or recognition (Bahadur Lama, Prasad Aryal and Shrestha, 2024).

This leadership style is characterised by several key features such as contingent reward. This key means Leaders provide direct incentives to employees based on the achievement of predetermined targets. These incentives may include bonuses, promotions, or recognition. Management by exception is a leadership style in which leaders will typically intervene if there are deviations or failures in achieving targets. This can be either active, whereby leaders proactively anticipate problems before they occur, or passive, whereby leaders wait until mistakes occur and then take corrective action.

A clear hierarchy is in place, with a distinct delineation of roles and responsibilities between leaders and subordinates. Communication is predominantly unidirectional, with leaders issuing instructions that employees are expected to adhere to.

Transactional leadership is more effective in situations that require the achievement of short-term targets. This is because employee motivation is directed by short-term rewards that are immediately visible .

Extrinsic motivation can be defined as motivation that emanates from factors external to the individual, such as financial remuneration, social recognition or punishment. In the context of transactional leadership, extrinsic motivation plays an integral role, influencing employees' drive to work diligently and achieve set goals. These factors are often shaped by the prospect of rewards or the threat of negative repercussions (Aljumah, 2023).

1. Financial Incentives: Transactional leadership frequently employs bonuses or commissions as the primary motivating factor. For instance, employees who meet or exceed sales targets are eligible to receive bonuses based on their performance.
2. In addition to financial incentives, leaders may also provide formal recognition, such as designating an employee of the month or offering promotions as a form of reward.
3. Punishment or Negative Consequences: The application of penalties may take the form of warnings, reductions in bonuses, or even demotions in the event of failure to meet pre-established targets (Attaallah, 2024).

This leadership style offers several advantages, including:

1. Transactional leadership is particularly effective in organizations with a clear structure and routine or repetitive tasks, such as manufacturing industries, call centers, or military institutions. In such contexts, employees understand what is expected of them and know exactly what they will get in return for their performance.
2. This style of leadership is conducive to improved short-term performance, as it motivates employees to achieve immediate rewards in line with pre-defined targets.
3. The transactional leadership style facilitates the making of quick decisions due to the strict hierarchical system and the rapid operational procedures that it allows for.

This leadership style is not without its disadvantages, which include:

1. A further disadvantage of this style of leadership is that it lacks the capacity to motivate employees over the longer term. This is because the focus on external rewards means that employees tend to lose motivation once the rewards are no longer relevant or when they no longer feel threatened by

punishment. In the long run, employees may experience a lack of intrinsic motivation, which can manifest in various ways, including a lack of job meaning or personal development.

2. The stifling of creativity and innovation is a further consequence of this leadership style. The emphasis on compliance and the achievement of targets set by superiors has the effect of discouraging the kind of initiative and innovation that could lead to the development of new ideas and solutions.

3. The reliance on rewards inherent to this leadership style may foster an unhealthy dependence on external incentives among employees. When these incentives are discontinued, their performance may decline significantly. Without the internal drive to perform that rewards provide, employees may lose the motivation to excel.

In the manufacturing industry, transactional leadership is frequently employed in highly structured work environments where each employee's role is clearly defined. Performance-based reward systems are an effective means of enhancing productivity in contexts where tasks are repetitive. In the context of sales and customer service, the transactional style has been demonstrated to be an effective approach, particularly in situations where employees are evaluated based on their ability to achieve specific sales targets. The provision of substantial sales bonuses has been identified as a key motivator for sales professionals.

In military and police organizations, where strict discipline and obedience to orders are paramount, transactional leadership is often the most effective approach, as it allows for quick decisions and decisive action. In the modern business environment, transactional leadership retains its utility, particularly in sectors where immediate results and well-defined objectives are paramount. However, as an increasing number of organisations place a premium on creativity, innovation and employee development, it is imperative that this approach is complemented by alternative leadership styles that foster intrinsic motivation, such as transformational or democratic leadership.

Autocratic Leadership

Autocratic leadership is defined as a leadership style in which the leader has complete control over decision-making and task execution within the organization. This style is characterized by the absence of employee involvement in the decision-making process and the unilateral issuance of instructions and policies by the leader. The communication in this context is often unilateral and directed from the top down, allowing little opportunity for feedback or contributions from subordinates. The hallmark characteristics of this leadership style are a rigid, centralized structure and a high degree of authority (Motsamai Modise, 2024).

The characteristics of autocratic leadership can be defined as follows:

1. The leader makes all strategic and operational decisions unilaterally, without consultation or discussion with employees.

2. The leader exercises complete control over the work process and expected outcomes, with minimal or no delegation of responsibility to employees.

3. Clear and Firm Instructions: Leaders provide specific and unambiguous instructions, expecting employees to adhere to them without deviation.

4. A further characteristic of autocratic leadership is the lack of employee participation. Employees are merely executors and are often not involved in conversations related to planning, development, or decision-making.

5. A rigid organizational structure is typically observed, wherein a strict hierarchy with a clearly defined chain of command and unquestionably adhered-to rules prevail.

The impact of autocratic leadership on employee motivation varies depending on the context of the organization and the individuals being led. However, in general, the effects are more detrimental than beneficial. The following section will describe these impacts in greater detail (Shrestha *et al.*, 2024).

1. A reduction in intrinsic motivation
   Intrinsic motivation refers to an individual's internal drive to engage in a task due to a personal sense of excitement, satisfaction, or challenge. In an autocratically led work environment, employees' intrinsic motivation tends to diminish. This is because employees perceive a lack of control over their work and feel excluded from the decision-making process, which reduces their sense of ownership and commitment to the task.
   Those who merely comply with directives without the chance to innovate or contribute suggestions will likely experience a decline in emotional engagement with their work. Consequently, employees are more prone to merely execute tasks without enthusiasm or initiative, which ultimately diminishes creativity

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and productivity over time.

2. Increased Extrinsic Motivation with Limits

   Autocratic leadership can encourage extrinsic motivation in the short term, particularly when the leader employs a strict reward and punishment system. Extrinsic motivation refers to the drive to perform work based on external factors such as wages, bonuses, or the threat of punishment.

   In an autocratic context, employees may be driven to work hard out of fear of sanctions or hope for incentives. However, this motivation is often fragile and short-lived. Employees will feel driven only as long as the reward or punishment remains in place. Once the threat of punishment or the lack of attractive incentives is removed, motivation levels may drop again.

3. Job Dissatisfaction and Stress

   Autocratic leadership is often associated with job dissatisfaction, particularly among employees who value recognition, inclusion, and a sense of contribution. When employees perceive a lack of control or influence over their work, it can lead to feelings of frustration and boredom.

   Furthermore, autocratic leadership is associated with elevated stress levels. Autocratic leaders often issue strict instructions and demand unquestioning compliance, which can result in employees feeling pressured to consistently meet demanding expectations without sufficient flexibility or support. Such high-stress environments can have adverse effects on employees' mental and physical well-being, which in turn can lead to decreased productivity and increased turnover rates.

4. Insufficient Attention to Self-Development and Innovation

   Autocratic leadership frequently impedes the growth and advancement of employees' abilities and potential. By exerting complete control and precluding employee involvement in decision-making, leaders effectively deny employees the chance to cultivate essential skills such as leadership, problem-solving, and initiative-taking.

   Furthermore, autocratic environments are inimical to innovation. When employees are not afforded the latitude to experiment or propose novel ideas, creativity within the team tends to wane. Innovation typically necessitates an environment that fosters collaboration, discourse, and tolerance for failure, which is seldom observed in autocratic leadership styles.

5. Effectiveness in Crisis Situations

   While autocratic leadership is typically associated with numerous adverse effects on employee motivation, this style can prove effective in crisis situations or when prompt and decisive action is required. In emergency contexts, such as natural disasters or financial crises, autocratic leadership enables expedient decision-making without the necessity for protracted consultation processes.

   In such circumstances, employees may feel more at ease following explicit instructions from a resolute leader, given that crisis situations frequently necessitate prompt action and strict adherence to established protocols. Nevertheless, this efficacy is typically transient and not conducive to fostering sustained employee motivation over an extended period (Rosing, Boer and Buengeler, 2022).

Democratic Leadership

The term "participative leadership" refers to a specific style of leadership in which the leader engages employees in the processes of decision-making and policy determination. In this leadership model, the leader assumes the role of a facilitator, encouraging collaboration and participation rather than unilateral decision-making.

The tenets of democratic leadership are predicated on the assumption that decisions made through a collective process are more likely to yield creative, innovative and efficacious solutions. Leaders who employ this style are generally inclined toward receptivity to feedback, receptivity to ideas from their subordinates and the promotion of transparent discourse among team members. This engenders an environment of inclusivity, wherein each individual is valued and empowered to contribute to the organization's overall success (Hikmat and Ghorbandi, 2024).

The following are the principal characteristics of democratic leadership:

1. Active Participation: Employees are encouraged to engage in the decision-making process in a proactive manner.
2. The leader demonstrates openness to feedback by welcoming suggestions and inputs from all levels of the organization.

3. Two-Way Communication: Leaders engage in reciprocal communication, providing direction while also listening to and responding to the needs and ideas of employees.
4. Collaboration: Leaders facilitate collaborative discourse, wherein all team members are afforded the opportunity to express their perspectives.
5. Task Delegation: Leaders assign responsibility to employees, thereby affording them the opportunity to manage projects independently with minimal direction.

The concept of employee empowerment is a fundamental tenet of democratic leadership. In this context, empowerment entails the conferral of authority, responsibility, and resources upon employees, thereby enabling them to make decisions autonomously and to contribute optimally to their work. In a democratic leadership environment, employee empowerment manifests in various forms, including:

1. Decentralized Decision-Making: In a democratic leadership environment, leaders typically delegate the majority of decision-making authority to employees. This practice affords individuals the autonomy to express opinions and take responsibility for their assigned tasks or projects.
2. Increased Engagement and Commitment: When employees are involved in the decision-making process, they tend to demonstrate a higher level of commitment to the outcome of the decision. Research findings indicate that involvement in decision-making has a positive impact on employee loyalty, job satisfaction, and intrinsic motivation.
3. The development of potential and skills is facilitated by democratic leaders who encourage employees to take on new challenges and opportunities for learning. They provide the necessary support while allowing employees to take the initiative in their tasks, which helps them develop problem-solving, critical thinking, and leadership skills.
4. An environment that is open to ideas and innovation from all employees is conducive to increased creativity and innovation in democratically led organizations. Employees are more likely to express new ideas without fear of rejection or excessive criticism when they feel safe to do so.
5. Increases Trust and Transparency: In a democratic leadership structure, transparency is a crucial element. When employees are engaged in strategic discussions and have a clear understanding of the decision-making process, it fosters trust between leaders and employees. This trust, in turn, contributes to the development of healthier and more harmonious working relationships (Mackenzie, 2023).

The implementation of employee empowerment in a democratic leadership context yields a multitude of beneficial outcomes for both the individual and the organization. These include the following:

Empowerment has been demonstrated to enhance intrinsic motivation, as employees experience a sense of value and autonomy in their work. This, in turn, has been linked to increased productivity, creativity, and commitment to organizational goals.

1. Improved Decision Quality: The involvement of a greater number of individuals in the decision-making process enables the utilisation of diverse perspectives and expertise, thereby facilitating the attainment of superior decisions. This mitigates the potential for inaccuracies that may result from an excessively narrow perspective.
2. A decreased turnover rate is another consequence of employee empowerment. When employees feel valued and empowered, they tend to be more loyal to the organization and less likely to seek employment elsewhere.
3. The development of future leaders is facilitated by democratic leadership practices, which involve employees in decision-making and afford them greater responsibility. This approach cultivates leadership skills in employees, creating a pipeline of potential leaders who are prepared to assume managerial roles in the future.

While democratic leadership has numerous advantages, it is important to be aware of the potential challenges it may present, including:

1. A slower decision-making process is another potential drawback of democratic leadership. This is because it often involves multiple parties in discussions and decisions, which can result in a more protracted decision-making process than that observed in more authoritative leadership styles. This can be problematic in situations that require quick action.
2. The application of democratic leadership may prove challenging in contexts where the members of the team lack the requisite skills and experience to make well-informed decisions. In such situations, it may be necessary to provide employees with more structured guidance before they can be empowered.

3. The potential for conflict exists when open discussions and active participation occur, as differences of opinion may arise. Leaders must possess effective conflict management skills to prevent disagreements from impeding team productivity (Ansari and Mochammad Isa Anshori, 2024).

Laissez-Faire Leadership and Employee Independence
Laissez-faire leadership is a style of management that is often regarded as the most passive. In this style, leaders provide employees with complete autonomy to make decisions and execute tasks without offering substantial direction, supervision, or intervention. The underlying premise is that employees possess the necessary competence, skills, and motivation to self-organize and work independently (Robert and Vandenberghe, 2022). The following are among the most salient characteristics of laissez-faire leadership:

1. Minimal Intervention: Leaders who utilize this style tend to refrain from involvement in day-to-day activities or operational decision-making. They permit employees to manage their own work.
2. The degree of autonomy afforded to employees is considerable. They are permitted to devise, determine, and execute their own work strategies without seeking approval or input from the leader.
3. The application of this style is typically reserved for situations where the leader has considerable confidence in the competence and capability of the employees to assume responsibility for their own work.
4. A further characteristic of laissez-faire leadership is the lack of supervision and feedback. Leaders often refrain from providing regular direction or feedback to employees, who are not required to report their progress on a regular basis.

Laissez-faire leadership provides optimal conditions for employees who possess a high degree of autonomy and are capable of functioning effectively without significant direction. Individuals with advanced skills, robust intrinsic motivation, and exemplary responsibility are particularly well-suited to flourish under this leadership style (Jin and Men, 2023).

The relationship between laissez-faire leadership and employee independence is influenced by a number of factors.

1. Enhanced Creativity and Innovation: As employees are permitted to determine the optimal methodology for task completion, they are more inclined to explore novel concepts and innovate. Absent constraints or rigid directives, they are able to devise creative solutions that may not have materialized under alternative leadership approaches.
2. The development of decision-making skills is facilitated by the freedom to make decisions. This can enhance an individual's sense of responsibility and foster independence in the face of challenges.
3. Increased Job Satisfaction: Employees who are permitted to manage their own time and workload frequently report greater job satisfaction. They tend to feel a sense of ownership over their tasks, which can enhance intrinsic motivation.
4. A sense of recognition and value is another key factor. When a leader places complete trust in their employees to manage their own work, it conveys a message of appreciation and respect for their abilities. This can foster a stronger sense of loyalty and commitment to the organization.

While this style provides a great deal of freedom, it is not universally applicable. Some of the challenges that may arise include:

1. A lack of structure and direction may result in confusion and frustration among employees who are less experienced or require guidance. In the absence of clear direction or goals, employee performance may suffer.
2. A further disadvantage of the laissez-faire approach is that it can result in a lack of accountability on the part of employees. In the absence of strict supervision, there is no clear line of responsibility for the results of their work, which can lead to a decline in performance and productivity.
3. The absence of strong leadership may result in the emergence of conflicts between employees, particularly in instances where there is a lack of clarity regarding job responsibilities or priorities. The lack of direction from the leader can further exacerbate this issue.
4. The absence of feedback from leaders may result in employees being unable to assess whether their work is meeting expectations. This can lead to subpar performance without prompt intervention from the leader.

Laissez-faire leadership is frequently employed in industries that prioritize creativity, innovation, and independence. Some examples of industries or situations where this style is conducive include:

1. In creative and technology-oriented industries, such as design, software development, and media, employees are frequently afforded considerable autonomy to explore novel concepts and methodologies. A laissez-faire approach can facilitate a dynamic and innovative work environment.
2. In the context of research and development, highly independent employees are frequently more effective in exploring innovative solutions without the constraints imposed by leaders.
3. Startups: In startup environments, where organizational structures are often still flexible, a laissez-faire approach to leadership can facilitate the development of ideas without the constraints of bureaucracy (Lundmark, Richter and Tafvelin, 2022).

Servant Leadership and Employee Commitment

The concept of servant leadership posits that leaders should prioritize the needs of their followers, acting as servants to them. Servant leaders focus on the well-being and personal development of their employees, rather than on personal or organizational interests. This model was first proposed by Robert K. Greenleaf in Sapta, et al (2023) and has since become an increasingly accepted approach in contemporary management (Sapta, Wiadnyana and Wijana, 2023).

The following principles form the foundation of servant leadership:

1. Prioritizing the Needs of Employees: Servant leaders endeavor to comprehend and fulfill the requirements of their employees. Their primary objective is to facilitate individual growth, encompassing both personal and professional development, as well as the physical and mental well-being of their employees.
2. Empathy and Active Listening: Servant leaders demonstrate active listening skills and strive to comprehend the sentiments, perspectives, and necessities of their employees. This fosters a work environment where employees feel esteemed and supported.
3. The concept of employee empowerment and growth is a fundamental tenet of servant leadership. Servant leaders not only delegate tasks but also provide opportunities for employees to learn new skills, develop their careers, and achieve personal goals.
4. Servant leaders frequently establish a work environment that emphasizes collaboration and equality. This culture fosters a sense of belonging among employees, enhances interpersonal relationships, and encourages participation in decision-making.

The Effect of Servant Leadership on Employee Commitment

The term "employee commitment" encompasses an employee's dedication, loyalty, and emotional involvement with the organization. There are three main dimensions of employee commitment: affective commitment (emotional attachment), normative commitment (sense of responsibility), and continuance commitment (decisions based on cost-benefit calculations). Servant leadership has a significant influence on these three dimensions, particularly in increasing affective and normative commitment ('A Conceptual Framework of Servant Leadership, Authentic Leadership and forgiveness on Employee Affective Commitment', 2022).

1. Affective Commitment: Emotional Attachment to the Organization
   a. Increased Engagement and Job Satisfaction: Servant leaders proactively promote employees' well-being, which enhances their emotional attachment to the organization. Employees who perceive that their needs are met, that they are valued, and that they are cared for tend to have a stronger sense of belonging to their workplace. They feel that their work is meaningful and that they are contributing to a greater cause, thus increasing affective commitment.
   b. The significance of trust: Trust between leaders and employees serves as a crucial foundation for affective commitment. Servant leaders cultivate this trust through a transparent and empathetic approach, prioritizing the interests of employees. Research indicates that high levels of trust in servant leaders are directly associated with increased job satisfaction and intrinsic motivation.
2. Normative Commitment: A Sense of Obligation to Remain in the Organization
   a. Loyalty and Sense of Responsibility: Servant leaders demonstrate genuine concern for the needs and growth of employees, which fosters a strong sense of responsibility towards the organization among those they lead. Employees perceive that the organization has invested heavily in their development, and thus feel a sense of obligation to repay it with dedication and loyalty.

b. A collaborative culture is fostered in organizations led by servant leaders, wherein employees feel a greater sense of involvement in decision-making processes. They experience a heightened sense of ownership over the collective outcomes of the organization, which in turn engenders a stronger sense of responsibility for its continued success.

3. Continuing Commitment: An Examination of Costs and Benefits
   a. Relational Benefits: While the primary impact of servant leadership is on intrinsic motivation and emotional commitment, continuance commitment may also be influenced. Employees who perceive support for their career development from servant leaders may view their relationship with the organization as a valuable long-term investment. With this support, employees may be more inclined to remain with the organization, even as they consider external job offers.
   b. Long-term Satisfaction: Employees who perceive the positive impact of this leadership style over an extended period are likely to conclude that the benefits of working in an organization led by a servant leader outweigh the potential risks or losses they may experience if they transition to another organization. This also enhances employee loyalty.

The Application of Servant Leadership in Modern Organizations

1. In the contemporary business environment, particularly in organizations where innovation, well-being, and employee engagement are of paramount importance, servant leadership has been demonstrated to be an efficacious approach. The following are illustrative examples of its implementation:

2. In the context of technology companies, servant leadership is a particularly pertinent concept.
   A considerable number of prominent technology companies, including Google and Microsoft, have incorporated elements of servant leadership into their organizational structures. In these companies, leaders serve as mentors and facilitators for employees, encouraging them to develop their own ideas, provide them with autonomy, and support their efforts in pursuing innovation. Leaders in these companies prioritize assisting employees in reaching their full potential, rather than solely focusing on immediate outcomes.

3. The education and healthcare industries
   In the fields of education and healthcare, servant leadership is particularly beneficial as both industries place a strong emphasis on the well-being of others. Leaders who adopt a servant approach demonstrate a greater concern for the emotional and physical well-being of educators or healthcare workers, which in turn enhances engagement and commitment to serving the community.

4. Non-profit organizations
   A significant number of non-profit organizations espouse servant leadership principles due to their orientation towards social goals and service to the community. Non-profit leaders frequently act as servants to the organization's mission and their employees, ensuring that every individual within the organization is provided with the requisite tools, resources, and support to succeed (Jackson *et al.*, 2022).

CONCLUSIONS

The findings of this study indicate that different leadership styles have a significant impact on employee motivation, both intrinsic and extrinsic. Transformational and democratic leadership have been observed to promote intrinsic motivation through the empowerment and engagement of employees, whereas transactional and autocratic leadership have been found to focus more on extrinsic motivation through reward systems and compliance. In the contemporary management context, the most effective leadership style is one that is capable of adapting to the needs of individual employees and the specific circumstances of the organizational situation..

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