The Relationship of Leadership Style to Employee Performance: A Schematic Literature Review

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Abstract. The purpose of writing this article is to conduct a literature review, on 6 (six) Articles related to leadership style on employee performance. The main supporting element in health services is Human Resources (HR). In order to create positive motivation that will lead to the maximum intention and effort (performance), supported by organizational facilities, a leader in the organization must be able to create a harmonious integration with his subordinates. This integration must also include fostering cooperation, directing, and encouraging the work passion of the subordinates. The analysis of the six articles revealed that five of them all came to the same conclusion—that a good leadership style influences employee performance—while only one claimed there was little to no effect. It is concluded that there is no one best leadership approach and that as long as you follow the reality of the situation and prioritize employee welfare, everything will work out well.

Keywords: Leadership Style · Schematic Literature Review · Employee Performance

1 Introduction

According to [1] Leadership is a person’s efforts to influence, encourage, guide, direct and encourage others to work with enthusiasm and self-confidence in order to achieve a common goal with all their abilities. There are several views of experts related to leadership, according to Yukl (2010:20) which collects the views of experts and experts on the meaning and significance of leadership, namely (1) Hemphil and Coons (1957) Leadership is individual behaviour directing group activities to achieve common goals; (2) D.Katz and Kahn (1978) Leadership is an additional influence that goes beyond the regular mechanical needs of running an organization; (3) Burns (1978) Leadership is exercised when a person mobilizes institutional, political, psychological and other resources to inspire, engage and fulfill the motivation of followers; (4) Ruch and Behling (1984) Management is the process of influencing the activities of organized groups to achieve goals; (5) Jacobs and Jacques (1990) Process management gives purpose (meaningful direction) to collective efforts so that efforts are used to achieve goals. It can be concluded that leadership is a conscious process in which a person emphasizes his

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The Relationship of Leadership Style

Leadership means influencing the behavior of others in an attempt to achieve desired goals. The role of management is the creation of innovations in the way organizations work, the transformation of existing structures and the processes taking place in them, and efforts to change the work culture and behavior of employees [3]. Transformational leadership changes the feelings of followers, raises moral expectations, and motivates them to do their best to achieve organizational goals, not because they are forced to, but because they want to [4]. Dynamic and effective leadership is the most basic resource and it is difficult to find, so every leader must understand the theory of leadership by understanding the talents or potential that his subordinates or himself possess [5]. Management is the most important part of management because management is the driving force behind the optimization of factors of production (people, capital, machines and methods) in an organization or company [6].

The leader in the organization must be able to create a harmonious integration with his subordinates, including promoting cooperation, directing and encouraging subordinates’ enthusiasm for work, creating positive motivation that leads to maximum intentions and effort (performance) also supported by the organization’s premises m.p.h. Improve performance. Achievement of organizational goals [19]. Leaders, as part of management, play an important role in influencing and promoting the attitudes and behaviors of individuals and groups, resulting in the development of leadership styles used by the leader [7, 8]. Several leadership styles can be practiced, including democratic leadership, authoritarian leadership, bureaucratic leadership, charismatic leadership, transformational leadership, and transactional leadership. Each of these aspects has advantages and disadvantages, but it should be noted that the application of the manager’s management style must be adapted to the existing conditions.

Research related to leadership styles is conducted every year, and one factor that stands out is its impact on employee performance. Employees or workers are one of the most important assets that an organization needs to carry out the production process. The next question is how to develop top performers. Optimum employee performance is one of the goals of the organization to achieve high productivity [9]. In this case the leader is not only tasked with directing and organizing his subordinates but also many things that need to be considered. According to [10], a leader must be able to motivate subordinates to achieve desired work results. This is because each member of the organization is unique physically and psychologically and develops based on a different learning process. Therefore, it is undeniably one of the most difficult tasks faced by any type of organization is to motivate employees to perform their work and successfully achieve predetermined standard work results. Therefore, these two things are important and need to be further explored in this paper using a literature review approach.
2 Theory and Hypothesis Development

2.1 Leadership

Kouzes and Posner (2007) state that leadership is the creation of ways for people to contribute to making something extraordinary happen [20]. Rivai and Mulyadi (2009) stated that leadership is a role and a process to influence others [21]. According to [22], leadership is a skill that involves motivating others to work toward a common objective. The process of influencing organizational goals, inspiring follower behavior to achieve goals, and influencing the group to better itself and its culture are all parts of leadership. According to [23], leadership is the capacity to positively influence others to work together to accomplish the planned goals.

The following conclusion can be drawn in light of these various descriptions:

1. All relationships can involve leaders, and leadership includes the use of influence.
2. Communication is a crucial component of leadership. Followers’ behavior and output are influenced by how well messages are communicated and accurate.
3. The accomplishment of goals is the focus of leadership. Effective leaders must relate to various individual, group, and organizational goals [2].

Leadership style is the respondent’s perception of his superiors about the behaviour patterns shown by his superiors when influencing the activities of subordinates. This variable is measured by indicators of adhering to 3 (three) leadership criteria from Lewin’s:

1. Autocratic leadership style
   a. Subordinates’ needs are given less thought by leaders
   b. The leader sets the rules for all policies
   c. When solving a problem, leaders do not involve their subordinates

2. Democratic leadership style
   a. Include workers in decision-making processes
   b. Encourage staff members to get involved in achieving organizational objectives
   c. Offer staff members chance to advance their positions

3. Laissez-Faire (Freedom)
   a. Leaders only set broad objectives and policies
   b. Subordinates have the authority to make pertinent decisions to carry out objectives in any manner they see fit

2.2 Democratic Leadership Style

According to [4], asserts that a democratic leadership style involves involving subordinates in the decision-making process. Using a democratic leadership style, decisions are
made in consultation with subordinates and after considering their suggestions and opinions. This leadership style is evident in the way he always consults with his staff before assigning tasks to ensure that they feel valued for their different ideas and viewpoints and have the knowledge necessary to solve the organization’s many complex problems [11].

2.3 Autocratic Leadership Style

According to [12], asserts that leaders avoid accountability, ignore followers’ needs, withhold feedback, and put off making decisions. The strongest force and ultimate decision-maker is autocratic leadership. The goal of autocratic leadership is to ensure that those in positions of power in the organization reap the greatest rewards from decisions and the development of the organization’s structure. The autocratic leadership style is used to describe leaders who tend to concentrate power in their own hands, dictate how tasks should be carried out, make decisions alone, and actively discourage employee input. The definition of autocracy is essentially complete self-rule. Leadership that is exercised in an autocratic manner is known as authoritarian leadership. Therefore, autocratic leaders believe that if they are in charge of everything, everything will go according to plan.

2.4 Bureaucratic Leadership Style

According to Azizah (2020) in organizations where employees perform routine tasks, a bureaucratic leadership style is advantageous because it typically demonstrates a high level of commitment and adherence to procedures. The bureaucratic leadership style develops and motivates those who are ignored by bureaucratic leaders; it is characterized by problem-solving and the strict application of procedures to their subordinates. A leadership approach that emphasizes rules is called bureaucratic. Procedural obedience is the most obvious indicator of a leader who uses a bureaucratic leadership style. This submission to his superiorship extends to the people under his leadership as well as to himself. Superiors who follow this bureaucratic leadership style are more rigid and inflexible, in addition to enforcing procedures. The bureaucratic leadership style can be identified by its superior-centered decisions. Typically, superiors will make all decisions that are made and have to do with work. In the meantime, it must be carried out by the subordinates. The superior also sets the requirements for how subordinates must perform their tasks. If the subordinate doesn’t follow the relevant standard operating procedures, the superior will also make clear sanctions.

2.5 Charismatic Leadership Style

This leadership style places an emphasis on symbolic leader behavior, motivating vision statements, nonverbal communication, appeals to ideological values, intellectual stimulation of followers by the leader, displays of self-confidence, and performance that goes above and beyond the call of duty [11].
2.6 Transformational Leadership Style

According to [1], asserts that effective leadership focuses on enhancing followers’ skill development, motivation levels, and value systems while also influencing followers’ behavior and motivating them to go above and beyond what is required of them for the benefit of the organization. A transformational leader is someone who seizes control of the situation by exuding a distinct vision of the group’s objectives, a love of their work, and the capacity to re-energize and energize the members of the group. Those who follow (followers) under a leader who practices transformational leadership experience positive changes. Leaders who transform organizations tend to be enthusiastic, energized, and passionate. The group’s leaders not only participate and pay attention to what is going on, but they also put a lot of effort into making sure that each individual succeeds. The goal of transformational leadership is to inspire followers to go above and beyond what they would normally do. It is a leadership style that aims to increase human resources and the relationship between leaders and followers. It measures this relationship with indicators of trust, admiration, loyalty, and respect for the leader. (Bass, 1994) A transformational leader is someone who, with the help of his team, works to overcome self-interest and inspires them to go above and beyond what is good for the company. According to the hierarchy of human needs, transformational leaders give priority to higher needs like appreciation, recognition, and self-actualization.

2.7 Transactional Leadership Style

According to [4], transactional leadership style uses rewards and penalties to motivate followers by outlining tasks and job requirements and providing a reward system once those goals have been met. The idea behind transactional leadership is that workers are hired to do their jobs and are compensated for their compliance and hard work. The leaders must be obeyed, and followers must do as they are told. Due to employees’ inclination to be less interested in performing tasks that fall outside of the strict confines of their employment contract or the official parameters of the job, transactional leadership models frequently fail to produce the desired results.

3 Methodology

This study uses a qualitative approach. This article aims to delve deeper into the leadership model and how it affects worker performance. A systematic literature review was used as the methodology to find and categorize various research findings on leadership models and their effects on worker performance. Its goal is to evaluate, communicate, and summarize the findings and implications of earlier research. To that end, a literature review methodology is used in this article (Table 1).

The research method conducted by [13], employed the quantitative approach, which is supported by the SPSS 23 application, to analyze data from a survey that was distributed to 34 KONI employees in Jambi City using a Likert scale model. The simple linear regression, correlation coefficient (r), and t Count data analysis techniques are used. In this study, it is hypothesized that employee performance at the Indonesian
### Table 1. Journal Articles Reviewed

<table>
<thead>
<tr>
<th>No</th>
<th>Author</th>
<th>Title</th>
<th>Method</th>
<th>Journal</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hario Tamtomo, Lusi Angraini, Suprihatin Lestari</td>
<td>The Influence of Leadership Style on Employee Performance During the Covid-19 Pandemic At the Indonesian National Sports Committee Jambi City</td>
<td>Quantitative</td>
<td><em>Jurnal Khazanah Intelektual</em></td>
</tr>
<tr>
<td>2</td>
<td>Tomy Sun Siagian, Hazmanan Khair</td>
<td>The Influence of Leadership Style and Work Environment on Performance Employees With Job Satisfaction As Intervening Variable</td>
<td>Quantitative</td>
<td>Maneggio: Jurnal Ilmiah Magister Manajemen <em>homepage</em>: Vol 1, No. 1, September 2018, 59–70</td>
</tr>
<tr>
<td>3</td>
<td>Juwita Sari dan Siti Rokhmi Fuadati</td>
<td>The Effect of Leadership Style on Performance: Job Satisfaction as an Intervening Variable</td>
<td>Quantitative</td>
<td>JIMBis: Jurnal Ilmiah Manajemen dan Bisnis</td>
</tr>
<tr>
<td>4</td>
<td>Muhammad Nurjaya, Mustafa, Tasmin Tanggareng, Adi Nawir</td>
<td>The Effect of Leadership Style on Cooperative Performance Employees of PT. Cement Bosowa Maros</td>
<td>Quantitative</td>
<td><em>Journal of Government Insight</em></td>
</tr>
<tr>
<td>5</td>
<td>Dwi Retnaningsih, Luky Dwiantoro</td>
<td>Factors That Improve Nurse Performance in Inpatient Rooms: Systematic Review</td>
<td>Qualitative</td>
<td><em>Jurnal Kesehatan Kusuma Husada</em></td>
</tr>
<tr>
<td>6</td>
<td>Uzma Sarwar, Samina Zamir, Kiran Fazal, Yang Hong, Qi Zhan Yong, Abroon Qazi</td>
<td>Impact of leadership styles on innovative performance of female leaders in Pakistani Universities</td>
<td>Quantitative</td>
<td><em>Plos one, 17</em>(5)</td>
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National Sports Committee (KONI) Jambi City is significantly and favorably impacted by leadership style.

The research method used by [14], is a quantitative approach that is correlational. The population in this study were all permanent employees who were not included in the positions of General Manager, Deputy Manager, and Field Manager who worked at PT. PLN (Persero) North Sumatra Development Main Unit with a total of 103 people. The
number of samples used in this study amounted to 103 people, where the entire population was used as a research sample using the saturated sample method. Primary data were used in this study, which refers to information that was collected by researchers directly from the subject of their inquiry through the distribution of questionnaires. The Likert scale is the measurement scale utilized in the measurement device to gauge the short interval’s length. This study’s data analysis method was a quantitative one that employed statistical techniques. The statistical technique employed is partial least squares (PLS). Because it is not predicated on many assumptions, partial least squares is a potent analytical technique (Noor, 2015). PLS utilizes the SmartPLS version 2.0.M3 software for data analysis.

According to [15], study employed a survey research methodology. An instrument used in survey research is a questionnaire that is used to collect information on indicators related to the research variables from a sample of a predetermined population. The collected data were examined, and the findings were presented in a descriptive manner. In order to examine how different variables relate to one another, this study employs quantitative analysis. This study used nurses as its research subjects and was carried out in a private hospital in Gresik Regency. As of January 2019, there were 215 nurses who worked in hospitals under heads of rooms or heads of units who made up the population of this study. Afterward, a sample of this amount is used for the study. There were 132 returned questionnaires, but many of them were incomplete, so they were not used. Finally, 100 samples made up the total valid data processed in this study. The following theories were put forth:

a. \( H_1 = \) The effectiveness of employees is significantly improved by leadership style.

b. \( H_2 = \) Leadership style significantly improves job satisfaction.

c. \( H_3 = \) Job satisfaction significantly improves worker productivity.

d. \( H_4 = \) Job satisfaction mediates between leadership style and employee performance.

Research conducted by [16], used a quantitative analysis method, and the population of this study was employees of the cooperative of PT Semen Bosowa Maros. The sample size of this study as respondents is 36 respondents and then Likert scale is used for analysis to make it easier for the respondents to answer the questionnaire questions, weighting level is 1–5 and hypothesis testing is done. The proposed hypothesis refers to the existence of a relationship between the variables of \((X)\) leadership style and \((Y)\) employee performance.

Research conducted by [17], used a systematic review through review of journals about leadership styles and nurse performance in inpatients. Data search strategies from Google Scholar and ProQuest. Research eligibility criteria for this study included empirical research and references on nurse leadership style and performance in hospital care. Based on the study plan, study quality was assessed using structured tools. The data extraction procedure was performed from article retrieval results in ProQuest, Google Scholar, and Sinta (Science and Technology Index) and 631 articles were obtained, then articles published in the last 5 years were standardized, and there were 201 duplicates. A full article search was then performed, yielding a total of 299, and incomplete articles were not used. Full text of 12 articles were selected based on the keywords leadership style and nurse performance.
According to [18], this study uses correlational investigations. Women working as deans, department chairs, directors and senior staff in public and private universities in Punjab, Pakistan constitute the population of this study. A sample of 100 female leaders was selected using a multistage sampling method. In the first stage, 10 universities (5 public and 5 private) were selected using a simple random method. In the second stage, using a targeted selection method, 10 female leaders were selected from each university (5 from the Department of Social Sciences and 5 from the Department of Basic Sciences). A questionnaire-based tool based on a five-point Likert scale was used to collect quantitative data on women managers. The questionnaire was divided into four parts: the first part was about demographic information, the second part was about the transaction management item, the third part was about the transformation management item, and the fourth part was about the innovation performance item. Thus, the questionnaire has a total of 33 items. Actual data was collected using research assistants and online technology using Google Sheets. Collected data were analyzed in SPSS (version 26).

4 Result and Discussion

According to [13], leadership style has an influence on employee performance. The study focused only on the leadership style used and how it impacted the results. The leadership style carried out in KONI refers to the free leadership style (Laissez Faire Leadership). The leadership mechanism with the Laissez Faire Leadership style that has been carried out so far needs to be improved so that the leadership's decisions are always in line with the attitude of the subordinates so that employees make work reports in accordance with the existing work results. With regard to employee performance, employees should always carry out and finish work on time according to plan and the results are good and employees must obey company regulations, so that employees can be more responsible for their work and ultimately the employee can continue to improve his work performance in the future. In this case, it is not studied further how the impact is, there are only suggestions and conclusions. Of course it is very unfortunate to see this research has the potential to continue to grow by adding other variables.

According to [14], Leadership style had no significant effect on employee performance. The direct effect hypothesis shows that the variable X1 (leadership style) has no significant effect on the variable Y (employee performance), where the effect of the variable X1 on Y has a P value - Values (0.171) > α (0.05)), so it is accepted H0, which means that the effect of X1 (leadership style) on Y (employee performance) is not significant. Therefore, the third hypothesis, which reflects the influence of leadership style on employee performance, is not supported. Testing this hypothesis can support previous research on the effect of leadership style on employee performance (Setiawan, 2015). From the results of hypothesis testing, it can be seen that an increase in the value of leadership style will be accompanied by an increase in the value of performance, but the increase in performance does not meet expectations or is too low. This problem can be seen in situations where the leadership style is not direct (acts as a motivator) to the employees and lacks a strong attitude (trust) in fulfilling the mandates of all employees. This situation affects employee performance in terms of better quality of work performance, quantity achievement, job responsibility, employee innovation and work initiative.
According to [15], leadership style has a significant positive impact on performance. The leadership style used in an organization has a direct impact on employee performance. This effect was positive and supported previous results (Ivana Ariyani, 2016; Yulianto et al., 2018). According to the theory discussed in the previous chapter, choosing an effective leadership style will greatly influence the performance of subordinates. Effective in the right sense and according to the conditions and needs of the organization in which it is performed.

According to [16], the regression coefficient of the leadership style variable (X) is 0.63, which means that if leadership style increases by 1 unit, then employee performance (Y) will increase by 0.63. There is a positive coefficient between management style and employee performance, the more suitable the management style is for the employees, the higher the final performance of the employee.

According to [17], found that there are several research styles that can be applied. In Roostyowati’s research, the majority of respondents stated that they were satisfied with democratic leadership while working as a nurse in a hospital. A leadership style that respects the nature and abilities of staff and is able to motivate staff and groups to achieve goals is democratic leadership (Roostyowati, 2015). The results of research conducted at RSJD Dr. Aminogondo Hutomo, Central Java Province in 2017, the authoritarian leadership style is widely used in inpatient rooms. Decision making with a leadership style both planning and one-way authority is authoritarian leadership. If there is a problem, the head of the room makes a plan, the head of the room makes decisions based on his own authority (Windi Yunita Siwi, Titik Suerni, 2017). Directive, consultative, participatory, and delegative leadership styles are all combined and used in this situation. Because the subordinates are motivated and skilled at handling a task, it can be inferred that the leader applies the consultative leadership style more frequently when interacting with them. This leadership style describes the support with high subordinates and high direction. To adapt to the circumstances and situations, leaders also combine the styles they employ (Harlen and Lousyiana, 2015).

In the consulting leadership style of providing nursing services there are discussion sessions with nurses who do, explain and direct more than instruct. The results of performance and communication are more effective and optimal (Alvin Nur Fadhilah, Ana Zakiyah, 2019). The study discovered that, depending on the circumstance, nurse managers employ all four leadership styles from the Leadership theory. The achievement-oriented leadership style, however, is the one that is most frequently employed. Nurse managers tended to use the directive and participatory leadership styles the least. This indicates that nurse managers employ a situational leadership approach rather than adhering to a specific leadership style (Asamani et al., 2016).

In Pakistani universities, most female leaders employ a transformational leadership style, while a smaller percentage employs a transactional leadership style, according to research findings by [18], According to the circumstances, it appears that the female leaders adjusted their leadership style. Women must adapt their leadership style while taking into account their institutional goals, just as in Pakistani culture, where men predominate. In their research, they found a significant link between innovative employee performance and transformational leadership style. This study shows that there is a
strong correlation between transformational leadership style and employee performance. Female leaders favor transformational leadership over transactional leadership.

5 Conclusion

From According to [13], there are several employee performance indicators that need to be adhered to. In this study, it is known that the Laissez Faire Leadership style in the scope of the work system is less supportive and needs to be improved so that the work report can be in accordance with the existing work results because the leader’s decisions are always in line with the attitude of the subordinates. So, in this case the leadership can be involved in decision makers and establish policies to improve employee performance in the future. The result of the research is that leadership style affects employee performance.

According to [14], The X1 variable (leadership style) has a positive and insignificant impact on the Y variable (employee performance), according to the findings of the testing of the direct influence hypothesis. It is therefore hoped that the company’s leadership will be able to further enhance the application of a better leadership style in terms of the ability to move or as a motivator for employees and be more assertive in carrying out any established regulations.

According to [15], leadership style affects employee performance. So the existing leadership style must be determined and even improved in order to have a good impact on employee performance.

According to [16], the conclusion that the results of the study indicate that respondents’ responses to the leadership style of the Cooperative PT. Semen Bosowa Maros can be done well, because the overall average value of 0.63 is in the interval 0.60 - 0.799, the leadership style that exists in the Cooperative PT. Semen Bosowa Maros is a democratic leadership style. Then the employee’s performance is very good, because the overall average value of 1.34 is in the interval 0.80–1.000. The influence of leadership style has a positive and significant contribution in improving the performance of the cooperative employees of PT. Semen Bosowa Maros obtained a correlation coefficient between the influence of leadership style on employee performance.

References

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