



International Journal of Research in Management

ISSN Print: 2664-8792
ISSN Online: 2664-8806
Impact Factor: RJIF 8
IJRM 2025; 7(1): 26-29
www.managementpaper.net
Received: 26-10-2024
Accepted: 30-11-2024

Raghav Bansal
K.R. Mangalam World School,
Panipat Class-12, Haryana,
India

Bharti Bhatia
MBA, M.Com, B.Ed., NET
Qualified, K.R. Mangalam
World School, Panipat,
Haryana, India

Priyanka
Ph.D. Scholar, Geeta
University, Panipat, Haryana,
India

Exploring the influence of leadership on organizational success and performance

Raghav Bansal, Bharti Bhatia and Priyanka

DOI: <https://doi.org/10.33545/26648792.2025.v7.i1a.263>

Abstract

Transformational, transactional, servant, and autocratic leadership styles affect organisational success, staff productivity, job happiness, engagement, culture, and long-term sustainability. The study explores how these leadership styles affect performance metrics and organizational culture. Findings reveal that transformational and servant leadership styles enhance productivity and engagement while fostering a healthy organizational culture for long-term success. In contrast, transactional leadership, while effective for short-term performance, has a lesser impact on shaping organizational culture.

Keywords: Leadership styles, transformational leadership, servant leadership, employee engagement, organizational culture, organizational success

1. Introduction

Leadership plays a crucial role in driving organizational success, influencing productivity, employee engagement, and business performance ^[1]. Transformational, transactional, and servant leadership affect these results differently ^[2]. In today's dynamic environment, effective leadership is essential for fostering innovation, adaptability, and long-term sustainability. Leadership styles will be examined in this study on organizational success, particularly focusing on productivity, employee engagement, and sustainability.

1.1 Background and Rationale for the Study

Leadership drives organisational success in the competitive business world ^[3]. Various leadership styles, including the impact of transformational, transactional, and servant leadership on employee motivation and work satisfaction, and overall performance. However, the precise effects of leadership on productivity, employee engagement, and long-term sustainability remain unclear ^[4]. This research examines how leadership styles affect organisational culture to close that gap success, providing insights into their role in driving long-term success.

1.2 Objectives and Scope of the Research

The primary objectives of this study are:

1. To examine how different leadership styles affect organizational success indicators, including employee productivity, job satisfaction, and engagement.
2. To investigate the role of leadership in shaping organizational culture and its contribution to long-term success and sustainability.

2. Theoretical Framework

2.1 Leadership Theories Overview

Different philosophies define leadership. Distributed Leadership Theory emphasises teamwork, while Charismatic Leadership Theory prioritises how followers perceive leaders' actions toward group goals ^[5]. The Affiliated Leadership Theory highlights adaptability and co-creation with others ^[6], while Emotional Intelligence Theory stresses the leader's ability to manage emotions and stress. Ethical Leadership fosters moral actions by promoting trust and selflessness.

Leader-Member Exchange (LMX) Theory explores the relationship between leaders and followers through three stages: stranger, acquaintance, and adult partnership. Participatory

Corresponding Author:
Raghav Bansal
K.R. Mangalam World School,
Panipat Class-12, Haryana,
India

Leadership Theory describes decision-making styles ranging from autocratic to democratic [7]. Transformational Leadership, introduced by Bass (1985), emphasizes motivation, individual care, and inspiration. Situational Leadership Theory, by Bonebright *et al.* (2012), suggests leaders should adapt their style based on follower maturity. Finally, Servant Leadership prioritizes the needs of others and fosters personal growth.

2.2 Leadership Styles and Their Impact on Organizations: Leadership is a key driver of organizational success, shaping morale, performance, efficiency, and innovation. Democracy, laissez-faire, servant, transactional, and transformational leadership affect organisational culture effectiveness differently [8]. Autocratic leadership centralizes authority, often limiting creativity, while democratic leadership fosters collaboration and enhances employee satisfaction. Laissez-faire leadership grants autonomy, which can yield positive results if managed effectively. Transformational leadership inspires employees with vision and motivation, promoting innovation and commitment. Transactional leadership uses rewards and penalties

performance, achieving short-term gains but potentially hindering long-term growth [9]. Servant leadership, focused on empathy and employee empowerment, nurtures trust, teamwork, and job satisfaction, creating a supportive environment for high performance. Each style has unique implications, with collaborative and empowering approaches often leading to sustained success.

3. Leadership and Organizational Performance

3.1 Relationship between leadership styles and key performance indicators (KPIs)

As we move into 2025, leadership will need to be more adaptive and data-driven, with KPIs playing a key role in measuring leadership effectiveness [10]. These KPIs assess factors like employee engagement, innovation, and team alignment with organizational goals, helping leaders identify areas for improvement [11]. Emphasizing team and self-development metrics, leadership development programs, like those from Jaro Education, can support leaders in refining their skills to meet these demands [12]. Ultimately, KPIs provide insights into a leader's ability to retain talent and navigate challenges effectively.



Fig 1: Leadership KPIs

Businesses are facing new problems and chances as we move into 2025. To make sure leaders don't miss out on the right Key success Indicators in 2025, they need to be able to

measure both team success and leadership measures include Soft skills, adaptability, and computer proficiency.

Table 1: Leadership KPIs for Team Leadership

Leadership KPIs	Description	2025 Target
Employee Retention Rate	Rate of employee retention over time	85-90% retention rate
Employee Engagement Score	Measures employee engagement and enthusiasm.	Target score of 80-85%
Customer Satisfaction (CSAT)	Customers' satisfaction with the team's products or services	Average score of 85%
Team Productivity	Total team output in a specific timeframe	Target 95% project completion rate
Innovation Index	Assesses the team's creativity and innovation.	70-80% engagement in innovation

Source: By Author

3.2 Leadership's impact on productivity and employee engagement

Leadership significantly influences productivity and employee engagement by shaping the way teams are managed, motivated, and supported. Key factors include:

1. Leadership Style: Transformational leaders motivate empower employees, boosting engagement and productivity through alignment with organizational goals. Transactional leaders enhance productivity by setting clear expectations, though their impact on

engagement may be limited. Servant leaders prioritize employee growth and trust, fostering involvement and efficiency.

- 2. Communication:** Transparent communication builds trust and clarity, while regular feedback and recognition enhance engagement and improve performance.
- 3. Motivation and Empowerment:** Leaders who provide autonomy and encourage skill development increase employee ownership, morale, and productivity.

4. **Supportive Leadership:** Emotional intelligence and a focus on work-life balance create a supportive environment, reducing burnout and promoting long-term engagement and output.
5. **Organizational Culture:** Leaders cultivating an inclusive, innovative culture with clear expectations empower employees to perform effectively, driving engagement and productivity^[14].

4. Leadership and Organizational Culture

4.1 Leadership's role in shaping organizational culture

1. Influence of Leadership on Organizational Culture

Leadership is particularly important in shaping organizational culture because it dictates the work culture, values, and worldviews. Effective leadership builds a positive climate and research has shown that companies with strong leadership perform better financially, employee engagement and satisfaction rise when leaders are perceived as being transparent, trustworthy and caring.

2. Leadership's Role in Crafting Organizational Values

Efficient leadership guarantees definition and incorporation of organizational values. Effective leadership guarantees alignment between the organizational values communicated and exhibited within the company and, in turn, greater employee engagement and performance. The more one aligns himself or herself to the organizational values, the more likely an employee is going to be engaged.

3. Influence of Excellent Leadership on Culture

Good leadership plays an important role in creating a favorable organizational culture, as this is thought to contribute to lower turnover and greater employee commitment. It is established from studies that strong leadership influences employee satisfaction and performance; When workers involved, employees are more likely to remain and perform well.

4. Leadership for Creating a Positive Organizational Culture

Leadership behaviors that foster open communications, transparency, and collaboration support a positive organizational culture. Leaders can drive engagement, retention, and performance by creating an environment that promotes creativity and lifelong learning.

5. How Leadership Styles Shape Organizational Culture

Transformational, autocratic, and servant leadership styles affect organisational culture. Transformational leadership shapes the positive and creative culture of an organization as does the autocratic type, but it can also create fear among the employees, and at lowest bring down morale of the staff. This is a direct effect of styles on staff involvement and organizational performance.

6. Leadership Cultivating Supportive Organizational Environment

A supportive work environment is one of the key roles of leadership, and can be translated into employee engagement and hence productivity. Managers who are attuned to transparency, trustworthiness and employee well-being are associated with higher retention and motivation, a factor contributing to organizational success.

7. Leadership Practices Driving a Cohesive Organizational Culture

Organizational culture is built by leadership behaviours, the presentation of a consistent vision, the demonstration of open communication, and openness. Highly committed employees having a vision of what the company is aiming to achieve are most likely to perform the best, with good effect on the organization^[15].

4.2 Impact of Culture on Long-Term Success and Sustainability

Organizational culture is a driving force for proper operation and sustainability of companies. A solid, positive culture creates a way of behaving in employees, enhances the engagement level, and can create a sense of belonging among workers; as a sequence, such conditions lead to an increase in output and retention of employees. A culture that aligns with the organization's values and objectives leads to increased job satisfaction, greater innovation, and better teamwork. Companies endowed with a firm culture are basically in a better position to deal with the situation, embrace change, and survive through unstable periods. Culture shape decision making processes, customer relations and general business process, guaranteeing employees feel engaged and cost-effective for reaching long-term goals.

In addition, a flexible and inclusive culture can enable organizations to attract and retain the best talent, which is necessary for sustainable growth. A culture of continuous learning and innovation, led by a manager that encourages it, keeps the organisation competitive and adaptable. Ultimately, a positive organizational culture is an engine of sustainability that enables the organization to expand within dynamic business environments^[16].

5. Case Studies and Practical Insights

1. Steve Jobs and Apple Inc

Though an excellent visionary leader within himself, Jobs is purported to share a few qualities with the characteristics that gave rise to Apple's success during the economic recession of 2008. His visionary leadership was, in essence, the foundation for building a long-term outlook on innovation with the backing of the economy. Jobs consistently funneled hundreds of millions into R&D through the ups and downs of the process, demonstrating his unusual commitment to innovation and enabling Apple to continue to maintain its industry eminence. His courage during the lean times kept him steering company operations without lowering employee fixings. Jobs also projected a people-centered leadership style through not laying off employees but taking care of them in times of crisis, thus engendering loyalty and a sense of commitment among the employees towards his vision. In the end, sound financial management assured continued financial health during the crisis, a very strong cash reserve, and no debt, and allowed both growth and prosperity to continue. Combined, these qualities all positioned Apple superbly for a resurgence into even higher standing.

2. Google's Management Approach

Management colloquially refers to democratic, transformational, servant, and laissez-faire leadership approaches, thereby providing an umbrella of an innovative and empowering culture of organization. While transformational leaders at Google inspire employees to see

beyond convention to implement innovative actions, the practice of democratic leadership creates participative decision-making processes whereby input from all levels is encouraged. Servant leaders nurture employees' developmental and well-being needs, while laissez-faire leaders allow the highest degree of autonomy, allowing for creative autonomy in projects. This combination of leadership styles creates a trust-based team environment that encourages innovation, job satisfaction, and employee retention, thus allowing Google to maintain its position as a tech leader.

6. Discussion

6.1 Key Findings of the Research

Leadership styles drive sustainable organisational growth and success, according to the study. Transformational leadership, focused on inspiration, vision, and empowerment, boosts motivation, productivity, and job satisfaction. Servant leadership, emphasizing empathy and support, improves organizational performance and workplace positivity. Transactional leadership, though less impactful, still plays a role through rewards and punishments. Effective leadership also fosters a culture of trust, confidentiality, and open communication, which encourages creativity, innovation, and enhances organizational competitiveness.

6.2 Suggestions for Organizational Leaders and Practitioners

Leadership styles must adapt to organisational needs, focusing on training in emotional intelligence and decision-making. A positive culture enhances employee engagement and performance, while KPIs and feedback systems help assess leadership effectiveness. Leaders must also tackle challenges like digitalization and globalization with flexible strategies to stay competitive.

7. Conclusion

7.1 Summary of Insights

According to the report, leadership is crucial to organisational performance. Specific leadership behaviors, such as transformational or servant leadership, drive increased employee engagement, job satisfaction, and productivity. Effective leadership is also essential for cultivating an organizational mind-set that promotes growth and sustainability. Case studies of Apple Inc. and Google highlight how different leadership styles-particularly visionary leadership-are key drivers of innovation and organizational expansion.

7.2 Recommendations for Future Research

Identifying key leadership traits in various environments is essential for organizational success. Longitudinal studies can explore the link between leadership and sustainability in turbulent contexts. Understanding leadership in remote and hybrid teams, along with digital transformation on leadership and communication, is also crucial.

References

1. Eduzor NC. Leadership Styles and Organizational Performance: Examining the Impact of Transformational Leadership on Employee Engagement and Business Success. *Leadership Styles and Organizational Performance: Examining the Impact of Transformational Leadership on Em. International Journal of Development, Sustainability and Environmental Management*. 2024 Jan;1:16-24.
2. Brown S, Marinan J, Partridge MA. The moderating effect of servant leadership on transformational, transactional, authentic, and charismatic leadership. *Journal of International Business Disciplines*. 2020 Nov 1;15(2):67-86.
3. Pasmore W, Lafferty K, Spencer S. Developing a leadership strategy: A critical ingredient for organizational success. Center for Creative Leadership. 2014, 1-28.
4. Brad Shuck M, Rocco TS, Albornoz CA. Exploring employee engagement from the employee perspective: Implications for HRD. *Journal of European Industrial Training*. 2011 May 10;35(4):300-325.
5. D'Annunzio-Green N, Francis H. Human resource development and the psychological contract: Great expectations or false hopes?. *Human Resource Development International*. 2005 Sep 1;8(3):327-344.
6. Cummings TG, Cummings C. Appreciating organization development: A comparative essay on divergent perspectives. *Human Resource Development Quarterly*. 2014 Jun;25(2):141-154.
7. McWhorter RR, Lynham SA, Porter DE. Scenario planning as developing leadership capability and capacity. *Advances in Developing Human Resources*. 2008 May;10(2):258-284.
8. Borden LR. Millennial Employees Perception and Lived Experiences Regarding Followership, Autocratic, Transformational and Servant Leadership Styles in a Centralized Business Setting (Doctoral dissertation, University of Charleston-Beckley).
9. Dong B. A systematic review of the transactional leadership literature and future outlook. *Academic Journal of Management and Social Sciences*. 2023 May 3;2(3):21-25.
10. Howard E. Balancing Workplace Flexibility and Responsive Service Models in a Post pandemic Learning Services Department.
11. Aladwan SA, Forrester P. The leadership criterion: challenges in pursuing excellence in the Jordanian public sector. *The TQM Journal*. 2016 Mar 14;28(2):295-316.
12. e Silva RD. A content analysis of social media usage by local governments in New Zealand.
13. Moffatt E. Beyond KPIs to KIIs: Impact development planning for school leaders. *Australian Educational Leader*. 2024 Dec;46(4):36-41.
14. Setiawan R, Cavaliere LP, Navarro ER, Wisetsri W, Jirayus P, Chauhan S, *et al*. The impact of leadership styles on employees productivity in organizations: A comparative study among leadership styles (Doctoral dissertation, Petra Christian University).
15. Jones M. Leadership's role in shaping organizational culture: the key to the future. The opinions and statements expressed throughout this volume are those of the individual authors and contributors and should not be considered an endorsement or a reflection of the official position of the Federal Bureau of Investigation, the Society of Police Futures International, or any other institution or organization for any policy. 2010, 53.
16. Galpin T, Whittington JL, Bell G. Is your sustainability strategy sustainable? Creating a culture of sustainability. *Corporate Governance*. 2015 Feb 2;15(1):1-7.