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An Analysis of Leadership Styles and Their Influence On Employee Motivation In Contemporary Work Environments

AUTHOR(S): KAOJE, Bello Sani (Ph.D), ADENIYI, Sarafadeen Diran (Ph.D),

Abstract

Effective leadership styles are crucial in today's changing workplace because they affect employee motivation and, in turn, organizational success. The effects of several leadership philosophies on worker motivation, such as transformational, transactional, servant, and democratic leadership, are discussed. 'This research analyzes how each leadership style appears in modern firms and evaluates how well it promotes employee engagement, satisfaction, and performance based on actual data and current literature contextual elements, including labor demographics, industry conventions, and company culture that may affect the applicability and efficacy of certain leadership philosophies'. This study advances our knowledge of the intricate relationship between employee motivation and leadership styles in the varied and dynamic workplaces of today by fusing theoretical frameworks with practical findings.

Keywords: Leadership styles, employee motivation, transformational leadership, transactional leadership, servant leadership, democratic leadership,

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About Author

Author(s):

KAOJE, Bello Sani (Ph.D)
Lincoln University College, Malaysia

ADENIYI, Sarafadeen Diran (Ph.D)
Lincoln University College, Malaysia

Introduction

In the quickly changing corporate environment of today, which is marked by globalization, technology breakthroughs, and shifting employee expectations, successful organizational performance depends heavily on competent leadership. Motivating teams is one of a leader's main duties, as inspired workers are more involved, effective, and dedicated to reaching company objectives. 'As a result, both scholars and practitioners are now focused on comprehending the connection between employee motivation and leadership styles. the effect that various leadership philosophies have on workers' motivation in the contemporary workplace. With the ultimate objective of offering insights that might guide leadership practices and improve organizational results, the study attempts to clarify the ways in which different leadership philosophies affect employee attitudes, behaviors, and performance'.

Leadership philosophies have a significant impact on how the workplace is shaped and how employees behave. While more recent paradigms like transformational and servant leadership place more emphasis on inspiring vision, empowerment, and service to others, traditional leadership models like transactional leadership concentrate on using incentives and penalties to inspire staff. 'Democratic leadership also promotes teamwork and participatory decision-making, which instills a sense of dedication and ownership in team members. several leadership philosophies and how they affect worker motivation in the contemporary workplace. We want to determine the advantages and disadvantages of each leadership style and comprehend how they appear in various organizational contexts by combining the best available research and actual data. the part played by contextual elements, including worker demographics, industry standards, and corporate culture, in determining how effective certain leadership philosophies are'. We may gain a better understanding of why some leadership styles could be more appropriate or effective in particular circumstances by taking these contextual subtleties into account. We hope that this comparative analysis will give management practitioners, HR specialists, and organizational leaders useful information. 'Organizations can better meet the needs and expectations of their workforce by adjusting their leadership strategies in light of the diversity of leadership styles and how they affect employee motivation. This will ultimately promote an innovative, high-performing, and resilient organizational culture'.

OBJECTIVES OF THE STUDY

i. To study the Transformational leadership style and its impact on Employee Motivation.
ii. To study the Transactional leadership style and its impact on Employee Motivation.

RESEARCH QUESTION

i. What is the effect of Transformational leadership style on Employee Motivation.
ii. What is the effect of Transactional leadership style on Employee Motivation.

II. LITERATURE REVIEW

According to 'Burns (1978), leadership is the least understood concept in the world. It turns out that the concept of leadership has been defined by many scholars in almost the same number of ways. Stogdill (1974) observed this ambiguity when he observed that the number of different interpretations of authority is almost equal to the number of individuals who have attempted to define the concept. Due to the concept's complexity and nuance, it is imperative that there be several definitions for leadership. According to Fiedler and House

(1988), transformational leadership theory attempts to address the actions of a leader who persuades followers to alter their characteristics, needs, goals, and aims'.
Barbuto (1997). saw these leadership styles as independent metrics for distinguishing between transformational and transactional leadership. Laissez-faire style leaders were portrayed as being passive or idle, 'whereas leaders with transactional and transformational leadership attributes were portrayed as dynamic leaders (Yammarino and Bass, 1990).
According to Bartol and Martin (1994), it is the forces that cause a behavior to occur, give direction to a certain conduct, and emphasize the desire to persist'. According to Williams (2009), motivation is the configuration of forces that initiates, coordinates, and attempts to keep people going in their pursuit of goals.

The Importance of Leadership in Employee Motivation

Encouraging employee motivation at work requires effective leadership. Leaders impact their team members' attitudes and behaviors by acting as inspiration, guidance, and support catalysts. Leaders foster an atmosphere where people feel appreciated, involved, and encouraged to put out their best efforts by offering a clear vision, direction, and acknowledgment. 'Leadership establishes the tone for performance and organizational culture, influencing how staff members view their jobs and their dedication to reaching common objectives. Team members may develop a feeling of purpose and belonging that fuels intrinsic motivation when a successful leader instills confidence, trust, and loyalty in them'. Additionally, leaders are essential in helping workers understand how their contributions fit into the larger mission and vision by coordinating individual and corporate goals. (Jain, 2017)
In line with Jain (2017)Leaders may encourage people to take initiative, be creative, and strive for excellence in their job by fostering a feeling of ownership and accountability via effective communication, coaching, and feedback. 'Effective leadership is more crucial than ever in the fast-paced, cutthroat corporate world of today, when retaining and engaging staff is crucial. Organizations may build a pleasant and inspiring work environment that attracts, retains, and maximizes the potential of their people by investing in leadership development and cultivating a culture of leadership excellence'. Leadership affects employee motivation in ways that go beyond individual achievement to corporate success. Leaders can unlock their teams' full potential and promote creativity, productivity, and long-term sustainable growth by fostering a culture of trust, cooperation, and continuous improvement.

III. Theoretical Framework

Traditional Leadership Approaches

Conventional leadership focuses on preserving efficiency, stability, and order in the workplace and is based on existing organizational structures. 'These methods usually place a strong emphasis on control, authority, and following rules and guidelines. Even while they have worked well in some situations, conventional leadership approaches might not be as well-suited to handling the varied and ever-changing demands of the contemporary workplace. Transactional leadership is a well-known conventional leadership style that is predicated on exchanging incentives and sanctions for worker performance'. Clear expectations, performance goals, and rewards for achieving them are all set by transactional leaders, who also enforce penalties for poor performance. (Dave, Banerjee and Patel, 2020)
This strategy emphasizes compliance and job completion while motivating staff through a system of incentives and penalties. Autocratic leadership is another conventional leadership

style in which team members are tightly controlled and decisions are made by the leader alone. Autocratic leaders may not ask for input or feedback from their subordinates and usually have a centralized decision-making power. 'In the long term, this strategy may hinder innovation, creativity, and employee morale, even while it may work well in circumstances that call for prompt action or unambiguous guidance. Another conventional strategy is bureaucratic leadership, which is defined by rigorous adherence to policies, guidelines, and processes'. Organizational stability and structure are given top priority by bureaucratic leaders, who rely on codified procedures and systems to guarantee consistency and predictability (Greenleaf and Robert, 2013).

Within businesses, bureaucratic leadership may bring clarity and order, but it can also impede responsiveness to change, agility, and adaptation. 'All things considered, conventional leadership techniques have advantages and disadvantages. In certain situations, they could be useful in fostering efficiency and order, but they can also stifle employee liberty, engagement, and innovation'. Leaders must be prepared to modify their approaches in order to accommodate the changing demands and expectations of their workforce as firms change and encounter more complicated problems.

Contemporary Leadership Paradigms

Within businesses, bureaucratic leadership may bring clarity and order, but it can also impede responsiveness to change, agility, and adaptation. All things considered, conventional leadership techniques have advantages and disadvantages. In certain situations, they could be useful in fostering efficiency and order, but they can also stifle employee liberty, engagement, and innovation. Leaders must be prepared to modify their approaches in order to accommodate the changing demands and expectations of their workforce as firms change and encounter more complicated problems (Stogdill, 1948).

Peter (2018) Another modern model that stresses humility, empathy, and service to others is servant leadership. 'Servant leaders put their followers' welfare and development first, working to encourage and enable them to reach their objectives. They actively listen to others, ask for input, and help their teams feel like they belong. Strong, cohesive teams that are driven to achieve may be created by servant leaders who prioritize the needs of others and lead with compassion and integrity. Participatory management techniques and collaborative decision-making are hallmarks of democratic leadership. Democratic leaders include staff members in decision-making by asking for their opinions, suggestions, and involvement in order to make better organizational choices'.

According to Peter (2018) 'Democratic leaders can leverage the collective expertise and creativity of their teams and increase buy-in, dedication, and innovation by cultivating an inclusive, collaborative, and empowered culture. Additionally, as businesses negotiate more complicated and unpredictable settings, adaptable leadership is becoming more and more popular. Adaptive leaders can lead their teams through periods of transition and change because they are quick, adaptable, and sensitive to change'. They embrace failure as a normal component of the innovation process and promote experimentation, learning, and ongoing progress.

Empirical Review

'A substantial body of data, according to Deci et al. (1999), supports the idea that when extrinsic motivational incentives are offered, intrinsic motivational benefits are seriously damaged. They cite 128 studies that show free choice intrinsic incentives are significantly diminished when engagement-, completion-, and performance-contingent benefits are

provided. The carrot-and stick strategy, popularized by McGregor in 1960, holds that employees can be managed so long as they require compensation'. 'According to this view of motivation, a worker's ability to earn a living and receive benefits depends entirely on their employment. Fear serves as the primary motivator in the carrot-and-stick strategy. Employees will worry that their perks and pay will be reduced if they don't maintain performing in the manner that management wants, according to McGregor (1960). The tale of a donkey being compelled to move since a carrot was dangling ahead of him or to be struck by a stick that lay behind him inspired the name of this hypothesis (Riedle, 2015). Incentives are another source of motivation that the carrot-and-stick strategy uses. This strategy won't be as effective unless the employee thinks the rewards are alluring and worthwhile of their time'. According to McGregor (1960), many of the traditional methods for inspiring employees are ineffective and of little use to businesses. When it comes to receiving incentives like compensation, employees of today tend to become disinterested much more rapidly. Many executives have looked for fresh approaches to employee motivation after realizing how dated this strategy is. Bowen (2016) asserts that extrinsic rewards are connected to performance bonuses, project manager approval, and functional manager support in a project context. According to Lee et al. (2010), a person's response to an extrinsic incentive is generally determined by socially acceptable values that are associated with rewards. It can be indicated that the brains tend to be more active in the regions wherein actions are motivated when extrinsic rewards have high social values, such as celebrity, prestige, money, etc. 'This idea is consistent with earlier studies that show people who identify a significant extrinsic incentive before taking an activity are more likely to create objectives, plan ahead, and use strategy to reach those goals (Moos, 2010). With the right incentives provided by their transformational or transactional leaders, this technique would support the idea that workers may readily become more motivated. Extrinsic motivation, which emerged as a field of study in the middle of the 1950s, was primarily the focus of research at that time (Cannon, 2015)'. The other major group of motivational theories is called intrinsic motivation, according to which people are naturally driven to start and complete particular tasks only because they are worthwhile (Cannon, 2015).

RESEARCH METHODOLOGY

Data was gathered via a questionnaire. (1995 Bernard Bass & Bruce J. Avolio) A standard MLQ Leadership Style Questionnaire was employed. The sort of research was descriptive and exploratory.

DATA ANALYSIS

Reliability Test

The Cronbach's Alpha coefficient, which was used to assess reliability in this study, was 0.929. Our result, 0.929 >.6, indicates that the study questionnaire is valid and dependable.

CORRELATION

Motivation and transformational leadership are positively and significantly correlated, as indicated by the computed sig. value (0.000), which is lower than the projected p-value (0.05).

Motivation is positively and significantly correlated with transactional leadership, as indicated by the computed sig. value (0.000), which is lower than the projected p-value (0.05).

Correlations				
		Motivation	Transformational leadership	Transactional leadership
Motivation	Pearson Correlation	1	.698**	.363**
	Sig. (2-tailed)		.000	.000
	N	98	98	98
Transformational leadership	Pearson Correlation	.698**	1	.446**
	Sig. (2-tailed)	.000		.000
	N	98	98	98
Transactional leadership	Pearson Correlation	.4**	.463**	1
	Sig. (2-tailed)	.000	.000	
	N	98	98	98
**. Correlation is significant at the 0.01 level (2-tailed).				
*. Correlation is significant at the 0.05 level (2-tailed).				

The validity of motivation, 'transactional leadership, transformational leadership, and laissez-faire leadership is supported by the connection, as anticipated. While motivation has a negative and substantial correlation with laissez-faire leadership, it has a positive and significant correlation with transactional and transformational leadership'.

The table makes it evident that there is a strong and noteworthy association between the transformational and transactional scales. 'This can be linked to several research as well. Highly favorable relationships between the transformative scales and transactional leadership were anticipated, according to Avolio and Bass (2004). Three explanations for this occurrence were proposed by Avolio and Bass (2004). First, they pointed out that both transformational and transactional leadership are proactive, constructive styles of leadership. Second, several studies have demonstrated that leaders are both transactional and transformative. Third, Lussier (2010) contends that regular observance of transactional agreements fosters dependability, trust, and followers' views of consistency with leaders all of which serve as foundations for transformative leadership'. Overall, the findings indicated that regression techniques might be used to the data.

REGRESSION ANALYSIS

TRANSFORMATIONAL LEADERSHIP

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.753[a]	.476	.357	1.96141

a. Predictors: (Constant), TRANSFORMATIONAL LEADERSHIP

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	375. 395	1	375.395	176.102	.000[b]
	Residual	489.415	97	2.847		
	Total	464.811	98			
a. Dependent Variable: MOTIVATION						
b. Predictors: (Constant), TRANSFORMATIONAL LEADERSHIP						

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.479	.759		4.333	.000
	TRANSFORMATIONAL LEADERSHIP	.370	.036	.792	09.241	.000
a. Dependent Variable: MOTIVATION						

'A Sig. Value of 0.000, which is smaller than the p-value of 0.05, indicates that transformational leadership has an impact on motivation, according to the research. Thus, it may be inferred from a research that the H1 hypothesis has been accepted based on the first hypothesis. Given the substantial influence transformative leadership has on leadership'

TRANSACTIONAL LEADERSHIP

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.326[a]	.158	.843	3.36490
a. Predictors: (Constant), TRANSACTIONAL LEADERSHIP				

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	257.683	1	368.843	24.900	.000[b]
	Residual	386.503	97	5.022		
	Total	700.362	98			
a. Dependent Variable: MOTIVATION						
b. Predictors: (Constant), TRANSACTIONAL LEADERSHIP						

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.483	0.139		6.392	.000
	TRANSACTIONAL LEADERSHIP	.303	.178	.302	2.793	.000
a. Dependent Variable: MOTIVATION						

'It was determined after the investigation that transactional leadership affects motivation since the computed Sig. Value is 0.000, which is less than the p-value of 0.05. Because transactional leadership significantly affects motivation, we may conclude that the second hypothesis supports the H1 hypothesis'.

Conclusion

The comparative analysis of employee motivation and leadership styles in the contemporary workplace has shed important light on the intricate relationships that influence organizational performance and behavior. 'Several important conclusions may be made by examining both conventional and modern leadership paradigms and how they affect worker motivation. First of all, the study emphasizes how crucial leadership is in affecting worker engagement and motivation. Setting the tone for company culture, giving guidance, and motivating their colleagues to achieve greatness are all crucial tasks performed by leaders. It has been demonstrated that effective leadership techniques, including transformational, servant, and democratic leadership, provide workers a feeling of empowerment, purpose, and belonging', which boosts motivation and output.

Second, 'the research emphasizes how leadership must be flexible and adaptable to different workforce demographics and corporate situations. Leaders must be able to modify their approach to fit the particular requirements and expectations of their teams, even if some leadership philosophies may work better in particular contexts, such as transactional leadership in highly structured settings or democratic leadership in collaborative settings. The study also highlights how company culture shapes employee engagement and leadership effectiveness'.

To foster cultures where workers feel appreciated, respected, and inspired to put up their best efforts, 'leaders must match their leadership philosophies with the standards, values, and expectations of their companies. All things considered, management practitioners, HR specialists, and organizational leaders looking to improve employee engagement and organizational performance can benefit from the comparison study's practical conclusions. Organizations may establish more successful leadership practices and foster cultures of high performance, creativity, and resilience in the contemporary workplace by acknowledging the advantages and disadvantages of various leadership philosophies as well as their effects on employee motivation. Going forward, further investigation is required to examine the complex connections among corporate culture, employee motivation, and leadership styles in many situations and industries'. We can enable leaders to promote positive change and

establish work cultures where workers flourish and businesses achieve success by further honing our understanding of these dynamics.

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