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A Systematic Review of Leadership Styles and Employee Behaviour: Theoretical Perspectives, Key Findings, and Research Gaps

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Abstract- ***The relationship between leadership styles and employee behaviour remains one of the most extensively studied yet continuously evolving domains in organizational psychology and management research. This systematic review synthesizes empirical and theoretical literature published over the past three decades to examine how various leadership paradigms – transformational, transactional, servant, authentic, ethical, and leader–member exchange influence critical employee outcomes including organizational citizenship behaviour, counterproductive work behaviour, job performance, creativity, and turnover intention. Drawing on the Full Range Leadership Model, Social Exchange Theory, and Self-Determination Theory as anchoring frameworks, this review identifies consistent patterns in the literature while highlighting significant heterogeneity in effect sizes, boundary conditions, and contextual moderators. Key findings indicate that transformational and ethical leadership demonstrate the most robust positive associations with constructive employee behaviours, whereas passive and laissez-faire leadership consistently predict negative outcomes. However, the review also reveals persistent research gaps: an over-reliance on cross-sectional designs, insufficient attention to cultural boundary conditions, limited integration of follower-centric perspectives, and a nascent understanding of how digital and hybrid work environments reshape leader–follower dynamics. The paper concludes with a research agenda advocating for longitudinal, multi-level, and context-sensitive approaches to advance both theoretical precision and practical applicability in leadership research.***

Index Terms- ***employee behaviour, leadership styles, organizational citizenship behaviour, research gaps, systematic review, transformational leadership***

I. INTRODUCTION

The question of how leaders influence the behaviour of those they lead has occupied scholars and practitioners for the better part of a century. From the early trait theories of the 1920s to the contemporary emphasis on authentic and servant leadership, the field has undergone several paradigm shifts, each promising a more nuanced understanding of the leader–follower dynamic (Avolio & Gardner, 2005; Yukl, 2012). Despite this long intellectual history, the relationship between leadership styles and employee behaviour continues to generate vigorous debate, in part because the contexts in which leadership is enacted have become increasingly complex – globalized, digitized, and, more recently, fundamentally altered by the shift toward remote and hybrid work arrangements.

Employee behaviour, as a construct, is multifaceted. It encompasses not only the in-role performance formally required by job descriptions but also a range of discretionary behaviours that can either facilitate or undermine organizational effectiveness. Organizational citizenship behaviour (OCB), voice, creativity, and proactive behaviour represent the constructive end of this spectrum, while counterproductive work behaviour (CWB), absenteeism, and turnover intention constitute the destructive pole (Rotundo & Sackett, 2002). Understanding which leadership styles cultivate the former and mitigate the latter is not merely an academic exercise; it carries profound implications for organizational design, human resource management, and employee well-being.

The purpose of this systematic review is threefold. First, it aims to map the theoretical landscape that has guided empirical inquiry into leadership and employee behaviour, identifying the dominant conceptual frameworks and their respective strengths and limitations. Second, it synthesizes the key empirical findings that have emerged from this body of work, attending to both the main effects of leadership styles and the moderating conditions that qualify these effects. Third, and perhaps most importantly, it critically evaluates the current state of knowledge to identify substantive and methodological gaps that future research must address if the field is to move beyond well-established associations toward causal and contextually grounded understanding.

II. THEORETICAL PERSPECTIVES

A. The Full Range Leadership Model

Bass and Avolio's (1994) Full Range Leadership Model (FRLM) remains the most influential theoretical framework in leadership research. It conceptualizes leadership along a continuum from laissez-faire (the absence of leadership) through transactional leadership (contingent reward and management-by-exception) to transformational

leadership, which comprises four dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. The model predicts a hierarchy of effectiveness, with transformational leadership producing the most favourable employee outcomes and laissez-faire leadership the least.

The theoretical mechanism posited by the FRLM is that transformational leaders elevate followers' needs from lower-level concerns (security, compensation) to higher-order needs (self-actualization, collective purpose), thereby fostering intrinsic motivation and discretionary effort. Meta-analytic evidence broadly supports this hierarchy, though the magnitude of transformational leadership's effects varies considerably across outcomes and contexts (Judge & Piccolo, 2004).

B. Social Exchange Theory

Social Exchange Theory (SET; Blau, 1964) provides the dominant explanatory mechanism for why leadership influences employee behaviour. According to SET, leader–follower relationships develop through a series of reciprocal exchanges in which followers' perceptions of leader support, fairness, and trust determine their willingness to engage in behaviours that exceed formal role requirements. High-quality exchanges generate felt obligations to reciprocate, manifesting as OCB, loyalty, and enhanced performance. Conversely, low-quality exchanges or perceived leader mistreatment trigger negative reciprocity, increasing the likelihood of CWB and withdrawal behaviours.

Leader–Member Exchange (LMX) theory (Graen & Uhl-Bien, 1995) operationalizes SET within the leadership domain, distinguishing between high-quality dyadic relationships characterized by mutual trust and obligation and low-quality relationships governed by formal employment contracts. LMX theory has proven particularly useful for explaining why the same leader might elicit markedly different behaviours from different followers.

C. Self-Determination Theory

Self-Determination Theory (SDT; Deci & Ryan, 2000) has gained traction in leadership research as scholars have increasingly recognized the importance of followers' psychological needs. SDT posits that human flourishing and optimal functioning depend on the satisfaction of three innate needs: autonomy (experiencing volition in one's actions), competence (feeling effective in one's activities), and relatedness (feeling connected to others). Leadership styles that support these needs particularly those emphasizing empowerment, developmental feedback, and relational warmth are hypothesized to foster autonomous motivation, which in turn predicts sustained proactive behaviour, creativity, and well-being.

Recent integrative work has positioned SDT as a mediator between leadership styles and employee outcomes, with particular utility in explaining why some forms of transformational leadership may fail to produce desired effects if they are experienced as controlling rather than autonomy-supportive (Kovjanic et al., 2012).

D. Conservation of Resources Theory

Conservation of Resources (COR) theory (Hobfoll, 1989) offers a complementary lens, especially relevant for understanding negative employee behaviours. COR theory suggests that individuals strive to acquire, retain, and protect resources (e.g., energy, self-esteem, social support). Leaders who facilitate resource accumulation buffer employees against stress and reduce CWB and burnout. Conversely, leaders who deplete resources through incivility, unpredictability, or excessive demands trigger resource loss spirals that manifest in withdrawal and deviance.

III. METHODOLOGY OF THIS REVIEW

This systematic review adopts an integrative approach, drawing on peer-reviewed empirical studies, meta-analyses, and theoretical articles published primarily between 1995 and 2025. The focus is on research examining the direct and indirect effects of leadership styles on individual-level employee behaviours in organizational settings. While the review prioritizes quantitative findings, it incorporates qualitative insights where these illuminate mechanisms or boundary conditions not captured by survey-based designs.

Studies were selected based on three criteria: (a) explicit measurement of at least one recognized leadership style; (b) assessment of at least one behavioural outcome at the individual employee level; and (c) publication in a peer-reviewed journal or edited volume. The review is organized thematically rather than chronologically, grouping findings by leadership paradigm and then by behavioural outcome.

IV. KEY FINDINGS

A. Transformational Leadership and Employee Behaviour

Transformational leadership has been the most frequently studied predictor of employee behaviour over the past two decades, and the accumulated evidence paints a largely positive picture. Meta-analyses by Judge and Piccolo (2004) and Wang et al. (2011) report corrected correlations between transformational leadership and job performance in

the range of .30 to .40, with somewhat stronger associations for follower-rated than objective performance measures.

With respect to OCB, transformational leadership demonstrates robust effects across cultures and industries. The mechanism appears to operate partly through affective commitment and identification with the leader; when followers internalize the leader's values and vision, discretionary helping behaviour toward coworkers and the organization becomes intrinsically rewarding rather than burdensome (Podsakoff et al., 1990). Transformational leadership also predicts creativity and innovative behaviour, particularly when the intellectual stimulation component is pronounced. Leaders who challenge assumptions and encourage experimentation create psychological safety, which reduces the perceived risk of proposing novel ideas (Amabile et al., 2004).

However, the literature also reveals important boundary conditions. The effectiveness of transformational leadership appears attenuated in highly bureaucratic or rigidly structured organizations where employees have limited discretion to act on inspirational appeals. Additionally, some scholars have raised concerns about the "dark side" of transformational leadership when idealized influence veers into narcissistic self-promotion or when inspirational motivation becomes manipulative (Tourish & Vatcha, 2005). Under such conditions, followers may exhibit compliance behaviours that mimic OCB but lack genuine commitment.

B. Transactional and Passive Leadership

Transactional leadership, particularly the contingent reward dimension, shows moderate positive associations with in-role performance and compliance behaviours. It is effective in stable, routine environments where goals are clear and rewards are valued by employees. However, contingent reward leadership demonstrates weaker and less consistent relationships with OCB, creativity, and proactive behaviour compared with transformational leadership. Management-by-exception, especially the passive form (intervening only after problems arise), correlates negatively with most constructive outcomes and positively with CWB and turnover intention.

Laissez-faire leadership consistently emerges as the most detrimental style across virtually all behavioural outcomes. Meta-analytic evidence indicates that laissez-faire leadership is more strongly related to dissatisfaction and stress than active negative leadership styles, perhaps because the absence of guidance and support creates ambiguity and perceived abandonment (Skogstad et al., 2007).

C. Ethical, Authentic, and Servant Leadership

The proliferation of "positive" leadership constructs since the early 2000s has enriched the literature but also introduced conceptual overlap. Ethical leadership, defined as the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers (Brown et al., 2005), demonstrates strong negative associations with CWB and positive associations with OCB. The moral person and moral manager components appear to operate through distinct mechanisms: the former builds trust and relational identification, while the latter clarifies behavioural expectations and consequences.

Authentic leadership, emphasizing self-awareness, relational transparency, balanced processing, and internalized moral perspective, predicts follower well-being and engagement (Walumbwa et al., 2008). Its effects on task performance are generally positive but more modest than those of transformational leadership, suggesting that authenticity may be particularly consequential for attitudinal and relational outcomes rather than pure productivity.

Servant leadership, with its explicit prioritization of follower development and community building, shows the strongest associations with OCB directed toward individuals (OCB-I) and team cohesion. The paradox of servant leadership placing followers first while remaining organizationally effective has generated debate about whether it is genuinely distinct from transformational leadership or represents a sub-dimension emphasizing follower-centricity (van Dierendonck, 2011).

D. Leader–Member Exchange and Dyadic Behaviour

LMX research has consistently demonstrated that high-quality exchanges predict enhanced in-role and extra-role performance, reduced turnover intention, and greater voice behaviour. The dyadic nature of LMX is both its strength and its limitation: while it captures the reality that leaders do not treat all followers identically, it complicates efforts to characterize a leader's overall style. Recent developments have moved beyond the single-dyad focus to examine LMX differentiation the variability in relationship quality within a team and its consequences for team dynamics and individual behaviour (Henderson et al., 2009).

E. Destructive Leadership and Negative Behaviours

Abusive supervision, toxic leadership, and petty tyranny have garnered increased attention as scholars have recognized that understanding positive leadership is insufficient without attending to its antithesis. Abusive supervision – sustained display of

hostile verbal and non-verbal behaviours predicts CWB, deviance, and withdrawal through mechanisms involving emotional exhaustion, reduced self-efficacy, and displaced aggression (Tepper, 2007). Interestingly, the effects of destructive leadership on negative behaviours are often stronger than the effects of constructive leadership on positive behaviours, consistent with negativity bias in social cognition.

V. RESEARCH GAPS AND CRITICAL EVALUATION

A. Methodological Limitations

Despite the volume of research, several methodological limitations constrain the field's ability to draw causal inferences. The overwhelming majority of studies rely on cross-sectional, single-source survey designs in which employees rate both their leader's style and their own behaviour. Common method variance inflates observed relationships, and the direction of causality remains ambiguous. Does transformational leadership foster OCB, or do employees who engage in OCB prompt more transformational behaviours from their leaders? Longitudinal and experimental designs remain rare, though they are essential for disentangling these reciprocal dynamics.

B. Cultural Boundary Conditions

Leadership does not occur in a cultural vacuum, yet much of the foundational theory and measurement originates in Western, individualistic contexts. The implicit assumption that transformational leadership, with its emphasis on individual consideration and intellectual stimulation, will translate equivalently across collectivist, high-power-distance, or Confucian cultures has been challenged by comparative research. For instance, paternalistic leadership, which combines benevolence, morality, and authoritarianism, predicts positive employee outcomes in East Asian contexts but is often viewed negatively in Western settings (Aycan, 2006). The field requires more indigenous leadership research and less reliance on exported Western constructs.

C. Follower-Centric and Relational Gaps

The literature remains disproportionately leader-centric, treating followers as relatively passive recipients of leadership influence. Emerging perspectives such as follower-centric leadership, shared leadership, and complexity leadership challenge this asymmetry, arguing that leadership is co-constructed through ongoing social interaction (Uhl-Bien et al., 2007). How followers' characteristics (personality, values, attachment styles) shape their receptivity to different leadership styles remains understudied. Similarly, the dyadic interdependence between leader and follower affects, cognition, and behaviour over time is poorly understood due to the scarcity of intensive longitudinal and experience-sampling studies.

D. The Digital and Hybrid Work Context

The COVID-19 pandemic accelerated a structural shift toward remote and hybrid work that shows no signs of reversing. Leadership enacted through screens, mediated by technology, and distributed across time zones differs qualitatively from face-to-face leadership. Yet the implications for employee behaviour remain poorly theorized. How do transformational behaviours such as individualized consideration translate when leaders and followers interact primarily via asynchronous communication? Does digital supervision increase perceptions of monitoring and reduce autonomy, undermining the benefits of empowering leadership? These questions demand urgent empirical attention.

E. Integration Across Leadership Constructs

The proliferation of leadership labels – authentic, ethical, servant, spiritual, humble, compassionate has created a construct proliferation problem. Many of these styles correlate highly with one another and with transformational leadership, raising questions about discriminant validity and whether the field is fragmenting into redundant micro-constructs rather than building cumulative knowledge. A more parsimonious approach that identifies core underlying dimensions (e.g., task-oriented vs. relational-oriented; autonomy-supportive vs. controlling) may advance theoretical clarity more effectively than the continued invention of new leadership brands.

F. Behavioural Nuance and Dark Outcomes

Most research dichotomizes employee behaviour into positive (OCB, performance) and negative (CWB, withdrawal) categories. This simplification overlooks the complexity and context-dependence of behaviour. OCB, for instance, can become compulsory citizenship – pressure to engage in extra-role work that breeds resentment and burnout (Vigoda-Gadot, 2006). Similarly, voice can be constructive or destructive depending on its framing and timing. Leadership styles that promote one form of positive behaviour may inadvertently encourage another form of negative behaviour. The field needs more nuanced outcome measures and greater attention to curvilinear and trade-off relationships.

VI. DISCUSSION

This review confirms that leadership style is a significant predictor of employee behaviour, but it also reveals that the relationship is far more contingent,

reciprocal, and contextually embedded than early theories suggested. Transformational and ethical leadership generally promote constructive behaviour, while passive and abusive leadership predict destructive outcomes. Yet these main effects are qualified by organizational culture, industry, national context, team composition, and the evolving nature of work itself.

The theoretical frameworks guiding this research – SET, SDT, COR – have proven heuristically valuable but are not mutually exclusive. An integrated framework might posit that leadership styles influence employee behaviour through multiple pathways simultaneously: cognitive (expectations of reciprocity), motivational (satisfaction of basic psychological needs), and emotional (resource accumulation or depletion). Future research would benefit from testing competing mediational models rather than assuming a single dominant mechanism.

Practically, organizations should avoid searching for a single "best" leadership style. Instead, leadership development programs should emphasize behavioural flexibility – the capacity to draw on transactional, transformational, and ethical behaviours as situational demands dictate. Moreover, given the evidence that destructive leadership has disproportionately harmful effects, organizations must prioritize the identification and remediation of abusive supervision, as its damage may outweigh the benefits of even highly transformational leadership.

VII. CONCLUSION AND FUTURE RESEARCH AGENDA

The study of leadership styles and employee behaviour has generated a rich and largely coherent body of knowledge, but it stands at a crossroads. The traditional paradigm of studying leader traits and styles as static predictors of follower outcomes is increasingly inadequate for capturing the dynamic, relational, and technologically mediated realities of contemporary organizations.

A future research agenda should prioritize the following directions:

- **First,** methodologically rigorous designs – longitudinal, multi-source, experimental, and experience-sampling are essential to establish causality and capture temporal dynamics.
- **Second,** greater attention to cultural and contextual boundary conditions will prevent the uncritical exportation of Western leadership models and foster indigenous theoretical development.
- **Third,** integrating follower characteristics and dyadic processes will produce a more balanced, less leader-centric understanding of how influence actually operates in organizations.
- **Fourth,** research must explicitly address how digitalization and hybrid work arrangements reshape the behavioural manifestations and effectiveness of different leadership styles.
- **Fifth,** theoretical integration across the proliferating leadership constructs is needed to restore parsimony and cumulative progress to the field.

Leadership remains one of the most consequential social phenomena in organizational life. Understanding its effects on employee behaviour is not merely an academic pursuit but a practical imperative for building workplaces that are simultaneously productive, ethical, and humane. The gaps identified in this review represent not deficiencies to be lamented but opportunities for the next generation of scholars to advance the field with greater precision, inclusivity, and relevance.

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