Theoretical Approaches to Diverse Leadership

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Editor
Ildikó Rudnák

Authors
AHMED MOHAMED AL-HORR, PETAR ANGELOVSKI, DIÁNA ESZTER BUJDOSÓ, TÍMEA CSIZMADIA,
ALEMU ALEMSHET GEBREWOLD, GUTU TESFAYE GINBARE, SZILVIA GÖLÖNCSÉR,
ROLAND HOMOKI, BOUKELOUA IHEB, EVELIN FATIME LIBER, ANDRÁS NAGY, ATTILA TAMÁS NAGY,
ÁDÁM PFEIFFER, JOHANNA SIPOS, ZSUZSANNA SURINYÁNÉ KIS, ÁDÁM SZALAI,
OTTÓ TAKÁCS, AIBAR TANGATOV, JIEQIAN ZHANG

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Preface

Human relationships in the workplace, whether between subordinates or superiors, have undergone significant changes in the first quarter of the 21st century. This phenomenon has also been observed in the study of leadership styles. However, it is becoming increasingly challenging to define a particular leadership style due to the numerous factors that influence it and the fundamental changes being undergone by the norms of everyday behaviour, primarily because of digitalisation and revolutionary innovations in information and communication technology. Simultaneously, the workplace retains its function as a site of employment, wherein managers and subordinates are present to achieve the objectives of the organisation.

This volume contributes to navigating this thoroughly disrupted business environment by offering a comprehensive overview of contemporary leadership styles.

As the authors are young doctoral students, the studies reveal a new generation's perspective, a research mindset and a commitment to the subject, presenting various theories of management science from a contemporary perspective.

The text is characterised by an emphasis on the exchange of knowledge and critical thinking, as well as the cultivation of diverse connections stemming from the varied backgrounds of the doctoral students. This aspect lends the volume its status as a product of multicultural collaboration.

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Dr. habil. Ildikó Rudnák PhD
editor

MÁTÉ SZALAI

Authentic Leadership in the 21st Century

Abstract: This literature review examines authentic leadership, a significant theory since the early 2000s and now considered one of the most important contemporary leadership models, with focus on its effects on fostering employee well-being and psychological safety. Our goal was to summarize the key definitions of authentic leadership and its core elements to understand the strengths and weaknesses of the model. This paper examines the origin and development of the theory and provides a synthesized overview of different definitions to identify the key characteristics of authentic leaders. We put emphasis on implication of the principles within the workplace context by briefly examining areas such as knowledge sharing, decision-making, and strategic agility. Although the positive influence of the model is highlighted in most of the analysed research papers, criticisms and the limitations of related research are also presented in this study. Authentic leadership is a modern, positive, and people-focused theory that should be interpreted within specific organizational contexts. Further detailed research in this area could lead to a more comprehensive developmental pathway for new leaders, which could become an organizational priority especially because of its positive effects at both individual and organizational levels.

Keywords: Authenticity, Authentic Leadership, Conceptual Background, Leadership Characteristics, Workplace Application, Challenges

1 Introduction

Authentic leadership is one of the most popular and frequently discussed leadership theories of the 21st century. This paper will analyse authentic leadership, focusing on its background, definition, connection to authenticity, and potential utilization opportunities in various work-related situations.

The concept of authentic leadership gained significance in the early 2000s, appearing as a response to the growing interest in more trustworthy and supportive leadership (Jiewen et al., 2024). To provide a comprehensive overview, we will analyse the principles and the different models of authentic leadership from various perspectives to understand the concept and its limitations. As part of this analysis, we will examine modern criticisms of authentic leadership and propose modifications that could lead to a more contemporary, extensive, and widely accepted leadership concept.

This paper is practically a systematic literature review. As the first step, we identified key search phrases: "authentic leadership," "attributes of authentic leadership," "authentic leader," "authenticity in general," and "history of authentic leadership theory." Searches were conducted in Scopus and Web of Science, most of the sources used have been published after 2020 (Gardner et al., 2024).

In 2025, nearly 400 Open Access articles were found on these sites, indicating that authentic leadership is a popular and frequently analysed topic among researchers in the fields of leadership and organizational theory. At this point, it is worth noting that

the number of publications focusing on authentic leadership from Hungary is relatively low (Cserháti et al., 2021).

2 Literature Review

2.1 Roots and Development of Authentic Leadership Theory

Authentic leadership has its roots in philosophy, but the topic can also be approached from the perspective of social psychology. The history of this concept dates to ancient Greek thinkers, most notably Socrates. While Socrates did not focus on authentic leadership directly, his works focused on authenticity itself (Jiewen et al., 2024). The research topic came back later in the Enlightenment and Romantic eras, highlighting the importance of emphasizing harmony between the inner self and outward actions. Jean-Jacques Rousseau, for example, pointed out the "inner nature" within people, reflecting on the idea that morality comes from inner sense rather than from the influence of society (Damman et al., 2021).

Heidegger (1994) in his work, highlights that normally the "self is lost in the they," which reflects to the fact that individuals, from birth, become connected to other people in an unreflected way. While this was not immoral based on his thoughts, it was problematic, as it could lead to inauthenticity. To be authentic, individuals need to distance themselves from others, which can result in the feeling of anxiety in the long run. Heidegger suggests that the anxiety of truly authentic leaders cannot be resolved, nor should it be wished away, as this is, from his perspective, integral part of authenticity (Villesèche et al., 2023). As part of existential philosophy, not only Heidegger but also Jean-Paul Sartre paid special attention to the topic of authenticity. Sartre's thinking was based on the idea of the freedom of the self, rejecting the phenomenon of predetermination that was highly influential before him (Damman et al., 2021). The impact of existential psychology transformed the leader image to the concept of "being for others" (Ayaz et al., 2023).

Naturally, the definition of authenticity has evolved in the modern era, and the current authentic leadership theory differs from the original thoughts of the philosophers. However, the basic underlying ideas are connected. Later, prominent researchers such as George (2003), Luthans & Avolio (2003) delt with the question and developed several different leadership models, which will be discussed later in this article. Their models involved significantly more components than the ones mentioned previously (Walumbwa et al., 2007).

Authentic leadership is a phenomenon present not only in the workplace but also in the world of politics. Populist leaders often embody the core attributes of an authentic leader. Leaders who choose to lead authentically usually focus on fulfilling the expectations of different groups in a way that aligns with collective thinking. This leadership style is often seen as a positive phenomenon and is supported by many. While these leaders typically do not wish their followers to follow them at all costs, it is a common observation that they often work for a specific group at the expense of others

or the wider population, even while speaking of universal development. Literature sources indicate that issues like this have recently caused problems in India (Sinha, 2025).

2.2 Definition of Authenticity and Authentic Leadership

Authenticity can be approached from a truly interdisciplinary standpoint, as psychology, philosophy, and aesthetics have delt with its question in several research papers and studies. Today, it is usually mentioned in the context of leadership studies and organizational psychology (Ayaz et al., 2023). These fields define authenticity from different aspects. From the viewpoint of psychology, authenticity is considered a connection between the true self and public presentation, describing how someone feels versus how they present themselves (Bunjak et al., 2024).

Based on another interesting viewpoint, we should define authenticity as a congruous connection between the external attributes of an individual and their internal values. According to this concept, authenticity needs to be viewed through a four-components model that includes consistency, conformity, connection, and continuity. Consistency refers to being true to oneself; conformity highlights the importance of accepting and integrating rules; connection refers to integration into a community; while continuity suggests the development focus of authenticity (Damman et al., 2021). Authenticity can be observed not only from an individual perspective but can also be seen from the aspect of cultures or groups (Ayaz et al., 2023).

As the above-mentioned sources clearly confirm, authenticity can be interpreted from several aspects, however, the harmony between inner beliefs and outward behaviour forms the basis of all (Bunjak et al., 2024).

As we know, the topic of authentic leadership gained popularity in the early 2000s, leading to higher research interest than before. Finding a definition that describes authentic leadership is equally difficult as in the case of authenticity. Currently, there is no unified and widely accepted explanation. The reason for this is that many of these descriptions lack the conceptual clarity. It would be necessary to effectively evaluate the efficiency of authentic leadership (Almutairi et al., 2024).

The most typical part of often-cited descriptions highlights that authentic leadership is an approach focusing on openness, prioritizing ethical conduct and the well-being of employees. The concept itself includes role modelling, leading by example is a key element of the concept. Connected scientific sources highlight that being authentic cannot be learned from books or training materials, as these types of leaders are largely inspired by individual life experiences (Almasradi et al., 2024).

Most of the analysed research papers refer to Walumbwa's definition of authentic leadership, which describes this approach as "a pattern of leader behaviour that draws upon and promotes both positive psychological capacities and a positive ethical climate, to foster self-awareness, an internalized moral perspective, balanced processing of information, and relational transparency on the part of leaders working with followers, fostering positive self-development" (Walumbwa et al., 2008, p. 94).

The concrete attributes of authentic leaders will be presented in detail in the next chapter of this study. Another viewpoint introduces the topic of values and morale. Based on this, authentic leaders should be seen as people who know who they are, what they think, how they behave, and how they are seen by others. In addition, they also understand their own internal values as well as the values of other people (Ayaz et al., 2023).

Another research suggests that authentic leadership is manifested in demonstrating and setting high moral standards. To do this, intra-psychological competencies are needed, such as being able to make moral decisions or motivate others to act morally (Olsen & Espevik, 2017).

The different approaches listed above see authentic leadership from different angles, but openness, a focus on well-being, role modelling, moral conduct, and transparency appear in most of them. However, these descriptions are heavily criticized. The main criticism comes from the fact that effective leaders can select which of their personality traits they need to use depending on the circumstances (Ayaz et al., 2023).

In the context of atypical leaders, being authentic is even more challenging. Atypical leaders are those who differ from the usual public image from a traditional, conventional, or stereotypical standpoint (Ayaz et al., 2023).

2.3 Attributes of an Authentic Leader

The definition of authentic leadership brings us to the conclusion that leaders considered as authentic have several unique attributes which make them different from other leaders. Various research papers focus on these main characteristics, and their results make it possible for us to understand the basics of a generic authentic leader profile.

Almutairi et al. (2024) identified seven main attributes of authentic leadership: self-awareness, transparency, internalized moral perspective, balanced processing, caring, shared decision-making, and moral ethical courage. As it is clearly visible, most these have already been mentioned in the previous chapter, but shared decision-making and balanced processing are new perspectives from the standpoint of authentic leadership. Balanced processing refers to data-driven decisions, shared decision-making highlights the importance of involving team members in the processes. The famous research of Walumbwa (2007) in this matter identified similar attributes, but he listed only four elements: self-awareness, relational transparency, balanced processing, and internalized moral perspective (Almutairi et al., 2024). As it can be seen, there are no major differences between the analysed concepts, though Walumbwa's list is shorter than the other one.

As we defined in the previous chapters, authentic leaders have a clear understanding of who they are and have a clear picture of their values, strengths, and vulnerabilities, which helps the continuous self-development. Clear communication and transparency play an important role in their leadership, leading to a good connection with their followers characterized by trust and openness (Postula, 2024; Alshaabani et al., 2021). A study submitted in 2022 highlights the clear and transparent communication

demonstrated by authentic leaders when discussing personal goals and values with others. This approach encourages team members to be open and feel safe to speak up (Utomo et al.,2025). By demonstrating these and creating a supporting environment, authentic leadership contributes to the psychological safety and well-being of followers, which can make the bond between employees and leaders strong and sometimes unique (Postula, 2024). Furthermore, authentic leaders show appreciation to their team members, making them feel respected (Utomo et al., 2025). An analysed study highlights the observation that authentic leadership boosts employees' work engagement and productivity as well (Maunz et al., 2024). Continuing with the positive influence of authentic leadership on followers, we can mention its positive effect on knowledge management, which is connected to the fact that increased productivity can positively affect the willingness of colleagues to share and develop others (Khalid, 2024).

It is important to examine what in authentic leadership can cause such motivation for team members. Based on related research papers, this can be caused by employees trying to personally identify with their leaders and feeling a strong bond, sometimes not only with the leader but through them with the entire organization. Hope, optimism, and positive emotions towards the workplace are common results of this approach (Wong et al., 2010). Authentic leaders are usually able to reduce the fear of uncertainty as well. Their transparent, fair, and sometimes data-based decision-making creates a sense of justice among followers, which is needed for mutual trust, that is important in the current labour market (Avolio & Gardner, 2005).

Avolio & Gardner (2005) emphasizes the question of morale, noting that authentic leaders demonstrate high moral standards, which is an important from the aspect of trust-building (Howard, 2023). Christensen et al. (2013) emphasize these thoughts and highlights that ethical and moral standpoints are immensely important in their decision-making as well. Authentic leaders have internalized moral perspectives, which is essential when they make decisions. These perspectives can appear in these leaders' daily self-regulation which is even more important if they work as civil servants (Utomo et al., 2025).

The internalized values are important because these create a strong connection between the behaviour and the values of (Utomo et al., 2025). Although the connection between the self and values is strong, it does not mean that authentic leaders are not flexible. Leaders following this approach can also be adaptable, but due to their people-focus, they prefer sustainable growth (Postula, 2024).

As Nelson-Brantley (2016) mentions, the sources of authentic leadership can be divided into two groups, personal and organizational. The personal ones must be owned by the leader, such as optimism, empathy, or confidence, these can be summarized as positive psychological capacities. On the other hand, he highlights that these are not enough to become authentic, as there are various organizational requirements. This perspective refers to the fact that authentic leadership cannot be demonstrated under unpleasant circumstances, when the organization does not encourage this behaviour.

The authentic leadership concept is also in use in Hungary, however, the number of Hungarian articles on this matter is very low compared to other countries. Cserháti

et al. (2021) examined the life stories of Hungarian CEOs in their research. The result confirms that becoming an authentic leader is a process motivated by the inner self. Their study aligns with the generic concept of authentic leadership, no significant differences were detected between Hungary and other countries, but to create a complete picture, significantly higher number of studies would be needed.

The analysed resources do not review the phenomenon of authentic leadership from the same standpoint, but many of the attributes listed are connected. Authentic leadership has any advantages, such as mutual trust, openness, strong bond with the leader, even improved work performance (Bajkai-Tóth et al., 2025). However, the concept cannot be used under every circumstance, its success depends very much on the personality of the leaders and the followers.

2.4 The Application of Authentic Leadership Theory in Various Organizational Contexts

In this chapter, we will closely examine the effect of authentic leadership on followers from the standpoints of psychological safety and well-being. Additionally, we will take a closer look at the influence of this approach on teams and organizations through important phenomena like knowledge sharing, social responsibility, and agility.

2.4.1 Psychological Safety and Decision-making

Zhang et al. (2021) divides the positive effects of authentic leadership into two groups: job attitudes, for example, psychological safety, commitment, and behaviours, like team performance, leader-member exchange, and creativity. Most of the analysed research papers support this differentiation and highlight the direct connection between psychological safety and authentic leadership. Artinger (2025) suggests that leaders' behaviour significantly influences psychological safety by reducing the constant fear of uncertainty, defensive attitudes, especially in decision-making situations.

Authentic leadership can also be beneficial from an organizational perspective, as it contributes to creating an ethical and positive climate that boosts trust and the willingness for self-development and improvement (Ayaz et al., 2023).

As we previously highlighted, not all organizational backgrounds enable authentic leadership, as mentioned in a study by Bendersky & Brocker (2020), problematic peer relationships, as well as strong centralization and formalization, can block its efficiency. Overall, we can declare, that psychological safety can be in the company's interest. A study examining the effects of authentic leadership on nurses demonstrated that it not only boosted job autonomy and satisfaction but also clearly improved staffing levels and led to significant improvements in professional practice (Almutairi et al., 2024).

Defensive decisions are also analysed in the context of psychological safety. Psychological safety and authentic leadership together contribute to less regular defensive decision-making, especially because such decisions are a usually the consequence of uncertainty avoidance, which is less widespread in psychologically safe environments.

Defensive decisions decrease the level of authenticity and psychological safety. A related study from Artinger et al. (2025) highlighted that there are situations where authentic leadership can compensate for a lack of psychological safety. It can be reached by reducing the number of defensively made decisions and decreasing the volume of whistleblowing. However, these results were not proved to be validated in the reverse scenario.

"Cover your ass" is a phrase often used by managers, referring to behaviour where decision-makers choose a personally safer option over one that would benefit their teams. This can be considered as a typical form of defensive decision-making. Artinger's (2025) article proved that psychological safety and authentic leadership can significantly decrease the frequency of this behaviour.

Beghetto & Corazza (2019) highlight that leading authentically not only implies a transparent and ethical way of leading but also brings employees closer to their values and self-concept and provides extra motivation not only in their roles but also in extracurricular activities.

Speaking of decision-making, we must highlight that authentic leaders usually involve others in decisions, this way they contribute not only to their own but also their employees' authenticity, improving psychological capital and creating a psychologically safe work circumstance (Almutairi et al., 2024).

The literature review made it clear that authentic leadership and psychological safety are connected, and together they result in less defensive decision-making within teams. Authentic leaders support and encourage shared decision-making, which makes employees more authentic, and can bring positive impact for the company as well.

2.4.2 Knowledge Sharing

Knowledge-sharing behaviour refers to the practice of sharing concrete information on tasks to be performed at the workplace between coworkers (Khalid, 2024). This behaviour boosts process, policy, and procedure building, fosters connections, and promotes a problem-solving way of working (Swanson et al., 2019). This is also significantly dependent on organizational culture (Tran, 2019).

Knowledge sharing is an important activity among employees to ensure business continuity and cooperation. Various studies have explored the factors that explain the connection between authentic leadership and knowledge sharing, often highlighting a trusting team environment and a feeling of psychological security as key mediators (Yagi et al., 2024). From a leader's perspective, knowledge sharing is crucial, authentic leaders prefer and support an objective, unbiased, and fair way of sharing knowledge without hidden agendas (Khalid, 2024). A truly authentic leader fosters knowledge-sharing behaviour and appreciates employees who share information with coworkers. Public recognition for this is a typical practice to improve cooperation (Khalid, 2024). As relational transparency is a key attribute of an authentic leader, it's no wonder that expressing themselves does not mean major issues for them (Gill & Caza, 2018).

Based on Khalid's (2024) study, net loss reduction, learning, and development are supported by truly authentic leaders. They also actively demonstrate knowledge sharing, which can motivate team members to follow this example and provides inspiration. In the same publication, we find an interesting example from the field of healthcare, where authentic leadership can create an atmosphere that encourages best practice sharing among doctors, which is especially essential in that field. Proactivity in this scenario plays an important role in effective knowledge-sharing behaviour. Finally, he emphasizes that knowledge sharing across different cultural backgrounds can be challenging, requiring awareness and preparation from the authentic leader.

2.4.3 Creativity

Employee creativity is closely related to the previously mentioned knowledge and information sharing; according to the analysed sources, these can significantly boost employee creativity (Khalid, 2024).

Authentic leadership has a significant impact on extra-role performance. By that, we mean activities that are not part of the employee's core job. This relation is not continuous and cannot be expected from everyone (Khalid, 2024). One method to achieve this is creativity (Hanaysha, 2022). Creative thinking in an environment fostered by authentic leaders is supports openness and diverse viewpoints (Yıkılmaz & Sürücü, 2021). Employees who feel they can trust their leaders also feel that their ideas are more valued and respected. In exchange for the deep support they receive, they offer ideas that boost creativity and organizational performance (Khalid, 2024).

A good authentic leader should be able to utilize this creativity, especially when other employees or the company itself can benefit from the ideas. It is important to note that utilizing creative energies and fostering continuous innovation is beneficial for the team (Ribeiro et al., 2021). Although it is beneficial, this is not equally encouraged in all types of companies. Based on research results, it is clearly visible that leaders expressing interest in people increases the feeling of security, which is also important for utilizing creative capabilities and in the long run it can be beneficial for the entire organization (Edú-Valsania et al., 2016).

Besides the positive aspects of authentic leadership from the standpoint of creativity, there are some potential difficulties to take into consideration. Withholding information can decrease creativity, but in some cases, leaders are forced to do so, as not all details can be made available due to privacy or personal reasons (Khalid, 2024). Crisis situations can also be difficult for an authentic leader from this standpoint, as the process of finding a solution can take longer with these principles (Nasab & Afshari, 2019).

2.4.4 Social Responsibility

Social responsibility has been a deeply researched topic within economics in recent years. The first theory of CSR (Corporate Social Responsibility) was created in the 1970s, since then, thousands of studies have been published in relation to the topic (Krawczyk et al., 2024). The definition of CSR is an often-debated topic in academia, making it impossible to find a single, accepted definition (Wan-Jan, 2006). Archie

Carroll, the creator of the well-known principles of CSR, pointed out that society has several expectations towards organizations from legal, ethical, economic, and discretionary perspectives (Carroll, 1979). Since then, these expectations have become even more essential, today, these are not just good practices but requirements for companies (Krawczyk et al., 2024).

As we discovered earlier in this paper, several researchers agreed on the basics of authentic leadership that prioritize openness, employee well-being, and ethical conduct. High morale has been highlighted several times, and an internalized moral perspective has become a key element of the authentic leadership concept (Walumbwa et al., 2008). Social responsibility can be examined from the standpoint of morale, but role-modelling also closely relates to this connection.

Almasradi et al. (2024) made serious efforts to examine the connection between the socially responsible behaviour of employees in the context of authentic leadership and corporate social responsibility. The findings bring us to the conclusion that there is no direct connection between socially responsible behaviour and authentic leadership. However, an indirect relationship can be discovered, that supported by psychological empowerment and capital. The research results highlight that positive contributions of companies to societal phenomena boost the effects of authentic leadership, as these can make the company and its leaders seem more authentic and genuine, so they can be considered as role models. The positive outcomes of CSR activities and the commitment to support society strengthen the connection between psychological empowerment and authentic leadership even further. The most important impact of this connection is strengthened socially responsible behaviour at an individual level. However, one contextual factor that should not be forgotten is the communication and support of the entire organization towards these matters.

2.4.5 Strategic Agility

Strategic agility is an important and widely used concept nowadays in the world of business. It refers to the adaptability and flexibility of companies to successfully react and respond to market challenges. From a management perspective, strategic agility requires flexible management methods that address customer needs but make it possible to remain competitive. Organizations that utilize this concept can change rapidly, innovate when needed, and improve their efficiency (Joma et al., 2025).

Rauniar & Cao (2025) points out that authentic leadership has a positive influence on strategic agility. The reason behind this can be proven by looking into the concept of authentic leadership, which includes transparent communication, responsiveness, and a striving for adaptation and flexible solutions. With these, authentic leaders demonstrate a true agility mindset, which is becoming more and more important due to the rapidly changing economic situation and environmental challenges. Psychological safety and a positive work environment, which are a focus for an authentic leader, also contribute to this concept, just like open communication and information sharing. Alignment with individual and organizational goals is also required. The authors suggest that all companies need to promote authentic leadership and highlight that its

principles support the connection between organizational sustainability and strategic agility. These two are related by default, but an authentic way of leading has a positive and strengthening effect.

2.4.6 Re-evaluating Authentic Leadership considering New Theories

Previously, we defined a 4-component model of authentic leadership, which has been created and developed in recent years and focuses on the dynamic implementation of authentic leadership, instead of seeing it as a static status. Although this extended model includes continuity, it is still criticized by many researchers, leading to the development of various alternative versions of the model (Gardner et al., 2024).

We must highlight Algera & Lips-Wiersma (2011) work, which points out that reaching a situation in which everyone can work authentically depends on the circumstances in the organization, ensuring that is not the exclusively the responsibility of the leader. Sidani & Rowe (2018) narrow the topic from a different aspect, they refer to authentic leadership as a legitimation process instead of a concrete leadership method, which marks a significant change compared to the original definition. This model focuses on the moral judgment of followers that defines their experience of leadership authenticity. Gardner et al. (2024) in a detailed study on this matter, clarifies that these alternative views offer exciting opportunities to revisit the question of authentic leadership. However, in past years, these have not been supported by extensive, empirical studies.

Authentic leadership can be classified as a positive leadership style based on the categorization of Avolio & Gardner (2005) alongside ethical, transformational, charismatic, servant, and spiritual leadership. Alvesson (2020) in an extensive study about upbeat leadership theories, created a long list of critical points regarding the authentic leadership principles. First, he highlighted that the theory itself is very positivity-focused and, so it is far from the reality of leaders in our current world. He notes the lack of solid methodology and deep insights which would be required to build a concept that meets scientific requirements. Based on his observations, the concept's popularity comes from its positive message that promises an optimistic future. Gardner et al. (2024) also draw attention to the fact that most authentic leadership-related research papers are empirical, so conceptual articles and critiques may be less frequent. This pattern reinforces the opinion that highlights the lack of theoretical background as the most important weakness of the authentic leadership model.

Alvesson (2020) criticizes the theory's most important base, which states that authentic leaders need to be true to themselves. Based on this research, in some cases, this cannot be demonstrated, as total adaptability is required from leaders nowadays. He also highlights that the evaluation of authentic leadership's efficiency relies on the reaction of followers rather than organizational objectives or tasks. Additionally, Alvesson mentions that organizational life is often far from ideal, in chaotic situations, maintaining high moral standards is often impossible. He points to the lack of a strong theoretical background for the study, highlighting that it oversimplifies solutions, which serve as an ideology.

Other critiques related to the concept find it problematic that the theory lacks an important philosophical foundation concerning authenticity, specifically regarding the moral component of the concept, which is philosophically disconnected from the phenomenon (Gardner et al., 2024). Definitional ambiguity is also raised as an important weakness of the model, leading to unclear roles for managers and leaders, as well as a lack of rigor and a high number of overlaps with other concepts. Finally, it is worth mentioning that the concept considers followers totally passive and places the leader at the centre of everything, which does not reflect real life very well (Alvesson, 2020). The process perspective is often noted as missing from authentic leadership theory, which can result in less focus on actions, potentially problematic in the reality of leadership (Gardner et al., 2024).

Alvesson (2020) identified various critical points among the principles of authentic leadership. In his article, he calls it self-serving, ideologically driven, impossible to measure, and suggests less silo-thinking from scientists, because openness to criticism could lead to better scientific results. Gardner (2024) also lists several conceptual problems with authentic leadership theory, but those points are mostly theory-related, while Alvesson (2020) prioritizes the practical utilization.

Ayaz et al. (2023) mentions a new standpoint that needs to be considered when discussing authentic leadership. Based on this research, being authentic is more challenging for atypical leaders. For example, among leaders from disadvantaged socio-demographic backgrounds, less authenticity is observed, which can be caused by the fear of criticism. This discovery highlights that not all leaders have equal opportunities to become authentic.

Maunz et al. (2024) highlights that the general demonstration of authentic leadership works well from the perspective of follower well-being. However, daily authentic leadership did not prove to be consistently beneficial. Having a leader whom the follower can safely turn to, rely on, and predict is much more important from the followers' perspective. This observation simplifies the original concept and mentions the crucial role of consistency. Consistency from this aspect means that an authentic leader needs to present their true self in a consistent, overall manner.

As it is visible above, there are several critical voices related to authentic leadership. These usually criticize the lack of conceptual background, the significant effect of external influence on the successful implementation of authentic leadership, and the connection of its principles to reality.

3 Results

In this paper, we provide a detailed and relevant overview of the authentic leadership concept. Our aim was to better oversee the strengths of the concept based on the existing scientific literature and to identify its limitations and opportunities for improvement.

In the first chapter, we examined the roots of the theory. This was done by analysing the development of the definition of authenticity from the standpoint of well-known philosophers. The literature review revealed that as famous philosophers analysed the topic, its meaning grew richer. Rousseau focused on the question of morality, while Heidegger paid attention to distancing oneself from others, and Sartre was interested in exploring the freedom of the self (Damman et al., 2021; Villesèche et al., 2023). Authentic leadership, which can also be evaluated from a political perspective, gained significance in the early 2000s, leading to countless research papers being published on the topic since then (Sinha, 2025).

Most sources analysed highlight the connection between the true self and public presentation as the key element of the definition of authenticity (Bunjak et al., 2024). However, the way different disciplines describe the phenomenon differs significantly. For example, congruence and continuity became significant from a psychological perspective (Ayaz et al., 2023). Defining authentic leadership is not easy, but most research papers on the topic highlight openness, moral aspects, and ethical conduct as key drivers of authentic leadership (Walumbwa et al., 2008). The focus on employee well-being is also a general element in the description of this leadership method. It must also be highlighted that these descriptions are not equally well-accepted by researchers, several debates can be found in the matter (Almasradi et al., 2024).

A recurring finding in the study is the foundational role of transparency in authentic leadership, which enables open communication and reduces the fear of uncertainty. In addition, self-awareness and high moral standards appear as key attributes of an authentic leader, which does not necessarily decrease the level of flexibility (Almutairi et al., 2024; Utomo et al., 2024; Christensen et al., 2013). The most important result of these attributes is a psychologically safe environment that boosts work engagement. This can lead to higher work performance in the long run (Maunz et al., 2024; Khalid, 2024). Although the topic is not extensively researched in the context of Hungarian companies, it can be safely stated that the leadership method is in use in the country (Cserháti et al., 2021).

The effects of authentic leadership can be examined at different levels based on the analysed studies. At the employee level, it affects job attitudes like commitment and behaviour. In general, it can have a positive influence on psychological safety, which has numerous positive consequences for individuals, such as a boosted feeling of trust, openness to self-development, higher autonomy, enabling them to take on greater responsibilities, increased psychological capital, and psychologically safe work environments (Zhang et al., 2022; Ayaz, 2023; Almutairi et al., 2025; Bendersky & Brockner, 2020). Authentic leadership also boosts employee creativity, enabling individuals to use their creative energies in the workplace, which allows them to demonstrate their skills and positively influence the work environment (Yıkılmaz & Sürücü, 2023; Hanaysha, 2022). At the organizational level, the psychological safety fostered by authentically led individuals results in higher work performance, which is extremely important from the company's standpoint. This positive environment also reduces employee fluctuation and simplifies recruitment and onboarding. Decision-making by

authentic leaders is usually shared, which enables the company to see diverse viewpoints, leading to safer and less defensive decisions (Artinger et al., 2025). Knowledge sharing is essential from the company's standpoint, just like the boosted effects on creativity, because these can reinforce the importance of workplace efficiency (Khalid, 2024). Some sources suggest that socially responsible behaviour is also encouraged by authentic leadership, which is essential for companies, especially since it is mandatory for most organizations nowadays. Strategic agility makes the organization more flexible and adaptable, and authentic leadership boosts its effects, which is highly beneficial (Almasradi, 2024; Rauniar & Cao, 2025).

Despite the positive effects listed above, as well as its widespread adoption, the review highlights various concerns regarding the authentic leadership model. First and foremost, a lack of theoretical background and conceptual clarity must be highlighted. The exclusive focus on positivity does not necessarily meet the expectations of real-world management. This fosters the argument of a lack of solid methodology, which makes sometimes impossible to develop leaders to become authentic, especially because the theory examines the phenomenon usually exclusively from the aspect of followers' perceptions (Alvesson, 2020; Gardner et al., 2024).

It must also be highlighted that contextual nuances significantly influence the application of authentic leadership. In general, it can be stated that the organization and its interests affect the utilisation of authentic leadership models. It is also clearly visible that dynamic and stable organizations have a higher likelihood of applying authentic leadership effectively. The lack of conceptual clarity and the silo- thinking among advocates of the theory limit the opportunity for a scientifically accurate, measurable evaluation of the model (Almutairi et al., 2024; Nelson-Brantley, 2016).

Although there are critical voices regarding the concept of authentic leadership, its positive influence has been proven in several studies. To enhance the scientific effectiveness of these results and find important future directions, the analysed resources highlight the need for a more aligned way of defining authentic leadership and its elements. This would not only support a more accurate measurement and research but also increase the effectiveness of teaching or developing this mindset for future leaders (Alvesson, 2020; Gardner et al., 2024).

4 Conclusions

Our study put emphasis on understanding the key elements of the authentic leadership method by examining its versatile background, development, conceptual implications and most important effects on individuals and the organization. The findings proved that the influence of authentic leadership is positive especially at individual level, but its effects are strongly connected to the whole organization as well. Employee well-being as a key outcome of the utilisation of authentic leadership got serious significance in this literature review. Although these effects are proven, researchers

pointed out several points of the concept which need to be strengthened to reach more accurate and long-term effects.

This review summarized interdisciplinary several theoretical approaches in connection with authentic leadership to ensure a clear understanding of its strengths and improvement opportunities. As we were deep diving into the development of authentic leadership method, we discovered its four components that make it dynamic and ensure continuity at the level of concept. The theory strengthened the belief that the most important role of authentic leadership is to foster psychological safety and ensure employee well-being that can lead to better work performance in many cases.

From a practical perspective, the key finding of our research is that organizations should empower and encourage authentic leaders by providing circumstances that fosters openness, independence and freedom of speech. Fostering ethical conduct, high moral standards is the key to successfully implement this kind of leadership. Authentic leadership can be built into several organizational phenomena like decision-making and knowledge sharing, but it also has an influence on strategic agility sustainability and corporate social responsibility most importantly through role modelling of the authentic leader.

Despite the detailedness of the theoretical summary and the high number of opportunities for practical implications, the expressive literature in this matter has various limitations. The reliance on employee perception as well as the focus on positivity and distance from the current challenges of managerial world limit the opportunities to measure and improve the concept and results silos among researchers.

For the future, it would be beneficial to explore more the developmental pathways for authentic leaders. To be able to do that, qualitative longitudinal studies would be needed that would require conceptual alignment. The richer insights because of this research would make it possible to define the milestones of the development, however the organizational dependence should always be taken into consideration.

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AIBAR TANGATOV

Authentic Leadership: A Systematic Literature Review with Country-Specific Connotations

Abstract: Authentic leadership has become a vital leadership paradigm in contemporary organizational studies, promoting transparency, ethical conduct, and genuine relationships between leaders and followers. This systematic literature review (SLR) synthesizes scholarly research on authentic leadership while incorporating country-specific perspectives, particularly focusing on cultural, economic, and institutional variations across different national contexts. Using databases such as CrossRef, Scopus, and Web of Science, a comprehensive search yielded 45 peer-reviewed articles published between 2010 and 2024. The review identifies five primary themes: self-awareness, relational transparency, internalized moral perspective, balanced processing, and contextual cultural dimensions. Special attention is given to studies conducted in the United States, China, Germany, and emerging economies such as India and Brazil, revealing nuanced distinctions in the manifestation and effectiveness of authentic leadership across nations. The findings contribute to a deeper understanding of how authentic leadership is practiced and perceived globally and offer valuable implications for multinational organizations and cross-cultural leadership development programs.

Keywords: Authentic Leadership, Systematic Literature Review, Cross-Cultural Leadership, Self-Awareness, Leadership Ethics, Country-Specific Analysis

1 Introduction

Authentic leadership has become a fundamental, often talked-about idea of leadership in recent years, especially considering how quickly political, economic, and cultural situations are changing. Authentic leadership relies on positive psychology and ethical leadership theories. It emphasizes self-awareness, relational transparency, internalized moral perspective, and balanced processing (Luthans & Avolio, 2003; Walumbwa et al., 2008). Additionally, much research has been done on it in Western countries, but not so much in transitional cultures like those once a component of the Soviet Union or communism. Countries proceeding from authoritarian control to more democratic or mixed systems are especially hard for authentic rulers since centralized power, hierarchical structures, and lack of institutional transparency often go against the essential values of ethical leadership.

Kazakhstan is a post-Soviet country, which shows how hard it is for authentic leadership to develop correctly in a complicated setting. The country's leadership culture is still formed by its Soviet heritage, a significant power distance, and informal patronage networks. These networks often make it hard to be open and make fair decisions (Kuzhabekova & Almukhambetova, 2019; Walumbwa et al., 2008). Authentic leadership methods are slowly making their way into the private sector, multinational

companies, and international organizations thanks to globalization, foreign investment, and changes to the education system (Mukhambetov et al., 2020). Younger leaders, who typically went to college or worked in the West, increasingly use leadership styles based on self-awareness, moral responsibility, and openness (Aidis & Adachi, 2007). This study systematically examines the literature and systematically examines the growth, problems, and chances for authentic leadership in Kazakhstan. It also puts these results in a larger international and post-Soviet context.

The Origins and Development of Authentic Leadership

The idea of authentic leadership comes from old philosophical ideas about self-awareness and moral virtue from thinkers such as Socrates, Confucius, and Aristotle. However, leadership studies were not officially studied until the early 21st century. Positive psychology, ethical leadership, and transformational leadership all emerged together to create the modern philosophy of authentic leadership (Luthans & Avolio, 2003).

Luthans was among the first to link authentic leadership to positive conduct in the workplace. He stressed the importance of psychological capital—hope, optimism, resilience, and confidence—for developing leaders. Avolio and Gardner came up with the most complete theoretical framework. They said authentic leadership has four main parts: self-awareness, relational transparency, internalized moral perspective, and balanced processing (Avolio & Gardner, 2005). These traits show that real leaders not only know their values and feelings but also act in line with their sincerely held moral beliefs, encourage open communication, and fairly weigh different points of view. Walumbwa et al. (2008) built on this framework by creating the Authentic Leadership Questionnaire (ALQ), which allowed real-world research in various organizational and cultural settings. George (2003), a former CEO and leadership expert, helped make the idea more mainstream outside of academics by focusing on the leader's personal life story and moral foundation. His work made authentic, valuable leadership for today's company leaders who want to generate trust and long-term value (Bajkai-Tóth et al., 2025). The confluence of these academic and practitioner contributions has made authentic leadership one of the most important ideas in modern leadership study. However, its use across cultures is still a subject of significant interest, especially in communities that are not Western or are in the process of changing.

2 Literature Review

Authentic leadership is rooted in positive psychology and ethical leadership theories (Luthans & Avolio, 2003). It emphasizes four core components: Self-awareness, relational transparency, internalized moral perspective, and balanced processing. According to Walumbwa et al. (2008), these components collectively foster genuine leader-follower relationships that enhance trust, engagement, and organizational commitment.

In the United States, AL is closely associated with individualistic values that emphasize personal integrity and transparent communication (Gardner et al., 2011). In China, authentic leadership is interpreted through collectivist lenses, often shaped by Confucian values and social harmony (Zhang et al., 2014). German leadership contexts link authenticity to ordoliberalism and moral discipline (Hassan et al., 2018). Emerging economies such as India and Brazil show hybrid leadership approaches where AL merges with traditional cultural norms (Sidani & Rowe, 2018; Pereira & Gomes, 2019).

Case of the South Africa

Nelson Mandela is often regarded as one of the most significant true leaders in contemporary history. He demonstrates the four primary components of authentic leadership: self-awareness, relational transparency, an internalized moral stance, and balanced processing. Mandela's 27 years in prison allowed him to reflect profoundly on himself, which strengthened his commitment to his beliefs and objectives. He had a strong vision of national unity despite the intense pressure to exact revenge once he was released from prison. Mandela was able to speak candidly about his wish for peace and unity, even with those who had previously wronged him, because of his candour regarding his relationships. Because of his deeply ingrained moral philosophy, he preferred mending and forgiveness to retaliation. He never prioritized his personal or his party's long-term interests over those of South Africa. He established the Truth and Reconciliation Commission because he supported restorative justice and moral responsibility. Mandela's ability to listen to a variety of people demonstrated his capability to absorb and understand a broad spectrum of viewpoints.

To ensure that South Africa's democratic transition was peaceful, he collaborated with leaders of various racial backgrounds, political groups, and philosophies. During a time of severe national turmoil, his leadership fostered trust both domestically and internationally. Mandela was an even more genuine leader because of his humility and empathy. All around the world, his example continues to serve as a model for moral and just leadership. Mandela's legacy demonstrates how moral courage, self-awareness, and sincerely held beliefs can transform nations in the context of true leadership.

Authentic Leadership in Post-Socialist States

Authentic leadership is still relatively rare in the political systems of the former Soviet Union because of a history of authoritarian control, centralized power, and a lack of institutional transparency (Puffer & McCarthy, 2011). On the other hand, some leaders showed some or all the traits of authentic leadership theory in certain situations.

Mikhail Gorbachev is one of the best examples of this. He tried to make Soviet society more democratic and open during the perestroika and glasnost reforms (Avolio & Gardner, 2005; McFaul, 2001). He did this by being honest about his relationships, knowing himself well, and having a strong sense of right and wrong.

Vaclav Havel was a real leader during the Velvet Revolution in Czechoslovakia and later in the Czech Republic because he was brave, humble, and ran an open government (Kellerman, 2004). He was from the bigger post-communist camp.

Leonid Kravchuk was a true leader in Ukraine because he worked out deals and made compromises to allow the transition to independence to go smoothly, even though his reforms were still limited in scope (Zimmer, 2005).

Maia Sandu has been a fantastic real leader in Moldova. For example, she is highly open, fiercely committed to eliminating corruption, and prepared to talk to individuals inside and outside the country (Popescu, 2021).

There are not many examples of whole, authentic leadership in the post-Soviet region, but these show that it is possible to have honest, open leadership even when politics are changing.

Authentic Leadership in Hungary

József Antall Hungary's first democratically elected Prime Minister, is an excellent example of authentic leadership during the country's transition to democracy when communism fell in 1989. Antall was very self-aware; he understood how complicated Hungary's problems were after communism and how important it was to lead a vulnerable new democracy (Tőkés, 1996). His relational honesty was evident in how he talked to the public about the painful but essential changes needed to change Hungary from a planned to a market economy (Bozóki, 2002).

Antall always put Hungary's integration into Western political and economic frameworks, democratic standards, and moral ideals above his own or short-term political advantage. He wanted balanced processing; therefore, he included a variety of political views in the early stages of the decision, even while politics were very divided (Ágh, 1998).

Antall's time in government was cut short by sickness, yet he was a humble, consistent, and long-term leader. His way of doing things is quite like the main ideas of authentic leadership theory, and it shows how to be an ethical leader during a time of significant change in the country.

Authentic Leadership in Kazakhstan

The growth of authentic authority in Kazakhstan is shaped by the country's post-Soviet history, traditional cultural values, and continuous economic modernization. Centralized authority and hierarchical decision-making have been in charge for a long time, making it hard for transparency, ethical autonomy, and participatory leadership to happen (Kuzhabekova & Almukhambetova, 2019).

Leaders cannot always completely participate in balanced processing and relational transparency, two important parts of authentic leadership (Walumbwa et al., 2008). This is because of high power distance and informal patronage networks. However, globalization, foreign investment, and changes to the education system are bringing fundamental leadership ideas to Kazakhstan, especially in multinational companies, international organizations, and modern schools (Mukhambetov et al., 2020). As a result, younger leaders who went to school or trained in Western management philosophies use self-awareness, ethical decision-making, and transparency in their leadership (Aidis & Adachi, 2007).

Authentic leadership is still at odds with some cultural and institutional norms. However, evidence shows that more open and morally sound leadership styles are becoming more common, especially in business and civil society. Kazakhstan is a rare illustration of authentic leadership adapting to a mix of local and international forces in an institutional setting.

Authentic Leadership in Russia

Because of its centralized political structure, significant power distance, and lack of institutional transparency, authentic leadership is not very common in Russia. However, some reformist and technocratic leaders show signs of being real leaders.

One of the most famous instances is Alexei Kudrin, who used to be the Minister of Finance. He was always aware of himself and publicly discussed Russia's financial and systemic economic problems. Kudrin showed relational transparency by speaking out against corruption and long-term economic stability in public, even when his views differed from those of political leaders. He made decisions based on a moral point of view that put the economy's long-term health above short-term political goals. Kudrin also showed balanced processing by talking to specialists inside and outside the country and making evidence-based decisions. Alexei Kudrin asked Vladimir Putin, who was out of employment in 1996, to come to Moscow to work for the Kremlin.

Another example is Elvira Nabiullina, the Governor of the Central Bank of Russia. She follows clear monetary policies and emphasizes ethics in keeping the economy stable. However, the highly centralized political system makes it hard for authentic leadership to grow nationally. Throughout 2024, the Russian business sector put much pressure on the Russian Central Bank to decrease interest rates, but Elvira Nabiullina showed strength and refused to do so. Overall, authentic leadership in Russia seems more common in technical, financial, and institutional areas than in the highest levels of government.

3 Results

A systematic analysis of the current literature on authentic leadership shows several notable trends unique to Kazakhstan and other post-Soviet countries. First, authentic leadership theory has universal features, such as self-awareness, relational transparency, internalized moral perspective, and balanced processing. However, Kazakhstan's cultural, historical, and institutional circumstances manifest these elements differently. Studies demonstrate that younger Kazakh leaders are becoming more self-aware and have a stronger sense of right and wrong, especially those taught overseas or affected by international management norms (Aidis & Adachi, 2007; Kuzhabekova & Almukhambetova, 2019). These leaders show more ethical responsibility, self-reflection, and long-term thinking while making decisions, which aligns with authentic leadership theory.

Second, Kazakhstan's culture favours indirect communication, respects hierarchy, and has informal patronage networks that make relationship transparency difficult (Mukhambetov et al., 2020). Leaders are typically careful about giving facts openly because they have to balance being honest with the need to keep things stable in complicated political and organizational systems.

Third, the results indicate that people do not always process information in a balanced way. Multinational companies, foreign-owned businesses, and international organizations that work in Kazakhstan promote participatory decision-making and open dialogue. However, many government and state-owned organizations still use top-down leadership styles from the Soviet administrative model (Walumbwa et al., 2008; Kuzhabekova & Almukhambetova, 2019).

Lastly, the institutional environment is still the most significant barrier to the full development of authentic leadership. Leaders cannot be fully open, morally independent, or participatory in government because of high power distance, centralized political control, and the dominance of informal influence networks (Aidis & Adachi, 2007). However, the examination shows that authentic leadership is slowly starting to show itself in some parts of Kazakhstan's economy, education, and civil society. This is especially true as the country becomes increasingly connected to international markets and systems of government.

4 Conclusion

This comprehensive research review examined the development of authentic leadership and its challenges in Kazakhstan's distinct social, political, and cultural context. In theory, the universal aspects of authentic leadership—self-awareness, relational transparency, internalized moral perspective, and balanced processing—remain applicable. However, they are not fully implemented in Kazakhstan due to deeply ingrained post-Soviet legacies like informal patronage systems, hierarchical decision-making, and centralized authority.

Regardless of these issues, research indicates that generational shifts, foreign investment, globalization, and educational reforms are gradually enabling authentic leadership growth, particularly in the private sector, multinational corporations, and civil society organizations. Younger leaders, who typically go to Western educational institutions, have more awareness of ethics and demonstrate open, participatory, and transparent leadership styles. This demonstrates how leadership approaches are gradually becoming more morally and honestly sound.

However, there are also significant issues in public organizations where traditional leadership actions continue hindering individuals' ability to exchange ideas and make moral decisions. Future research should focus on longitudinal studies to determine whether Kazakhstan's political, economic, and institutional landscape will be impacted in the long run by these new authentic leadership practices.

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JOHANNA SIPOS – SZILVIA GÖLÖNCSÉR – EVELIN FATIME LIBER

Managing Technostress with Participative Leadership

Abstract: In today's technology-driven work environments, technostress has emerged as a significant challenge affecting employee well-being and organizational performance. Technostress is the psychological and emotional strain individuals experience when they struggle to adapt to new or rapidly changing technologies. In the workplace, information technology plays an increasingly dominant role. Constant availability, information overload and frustration caused by device usage reduce both performance and well-being. This study presents the participative leadership style, which is based on collaboration and shared decision-making. This leadership approach may support more effective management of technostress by enhancing employee engagement, autonomy and satisfaction. This paper explores whether participative leadership - a leadership style based on shared decision-making and employee involvement - can be an effective tool for managing technostress. The study introduces the concept of technostress and defines leadership, alongside a detailed overview of the characteristics of participative leadership. Given the rapid pace of digital transformation and the increasing reliance on information technologies in both remote and hybrid work settings, understanding how leadership can mitigate technostress is timelier and more important than ever.

Keywords: participative leadership, leadership model, technostress

1 Introduction

Technological development has been a constant feature throughout all historical periods. Although new technologies are often intended to improve people's living conditions and well-being, they frequently appear as sources of problems, triggering stress and requiring conscious efforts to manage. Technostress refers to the psychological and emotional strain individuals experience when they struggle to adapt to new or rapidly changing technologies. It encompasses the negative effects that technology can have on human behaviour, decision-making and physical health—either directly or indirectly (Dragano & Lunau, 2020; Daud, 2025).

As members of Generation Z and the Millennial generation, we experience the increasingly dominant role of information technology in both workplace and academic environments (Nagy et al., 2025). As a result, the level of technostress continues to rise, which affects employees' performance as well as overall organizational efficiency. Common symptoms include anxiety, exhaustion, information overload and frustration, often caused by the continuous use of digital devices and the expectation of constant availability. In both educational and workplace settings, managing digital platforms and adapting quickly to technological changes pose significant challenges (Dragano & Lunau, 2020; Daud, 2025).

In response to these challenges, leadership plays a crucial role in shaping how individuals and organizations cope with technological demands. Among the various

leadership styles, participative leadership has gained attention for its potential to reduce stress and enhance employee engagement in dynamic environments. Participative leadership (PL) is a leadership style in which leaders deliberately involve their team members in decision-making and collaborative problem-solving (Miao et. al., 2013). This approach prioritizes shared thinking and the exchange of ideas over unilateral instructions. Participative leaders distribute decision-making authority, consider their subordinates' suggestions and value their perspectives. This leadership style not only fosters collaboration but also encourages employees to take an active role and assume responsibility. On a theoretical level, participative leadership is closely related to other modern leadership models, such as distributed or collective leadership, which also emphasize shared decision-making and the decentralization of power (Lythreatis et. al., 2024).

As part of the literature review, this paper introduces the concept of technostress, which poses an increasing challenge in modern digital work environments. Following this we provide a detailed presentation of the participative leadership style. In addition to outlining the characteristics and benefits of participative leadership, the aim of this paper is to examine whether this leadership style can contribute to the effective management of technostress within the organization.

2 Literature Review

2.1 Leadership Style

Different experts and authors describe leadership styles in various ways because they rely on different theories and examine different types of workplace environments (Alshaabani et al. 2021).

In the early stages of scientific development, researchers primarily focused on how to efficiently organize corporate operations. The proponents of classical theories aimed to create organizational systems through detailed division of labour and strict regulation, in which individuals would automatically perform well. They believed that the key to efficiency lay within the system itself, rather than in the individual. This perspective has changed over time: today, research focuses primarily on the employee. In addition, leaders receive special attention, as their work significantly influences the overall functioning of the organization (Szabolcsi, 2016; Klein, 2002).

According to Klein (2002) the leadership style refers to the pattern of behaviour consistently exhibited by the leader, which is perceived and interpreted by subordinates.

According to Bakacsi (2004) the leadership generally refers to the aspect of managerial activity that focuses primarily on human resources within the organization. It also encompasses the leader's ability to influence members of the organization in the pursuit of shared goals. Leadership differs from mere exercise of power in that it considers the goals and needs of the followers.

According to Northouse (2019) researchers describe leadership as a process in which an individual influences a group to achieve a common goal.

In the late 1930s, Kurt Lewin developed one of the first scientific models of leadership styles, distinguishing three fundamental types: participative, laissez-faire (delegative) and autocratic leadership. This model was groundbreaking, as it was among the first to be based on empirical research and it remains a key reference point in the field of leadership psychology to this day (Xiaoxiong, 2024).

In the 1940s and 1950s, researchers primarily tried to identify the traits that characterize successful leaders. This clearly shows that during this period, the focus of leadership studies was not on subordinates, but rather on the personality of the leader. Proponents of classical leadership theories viewed organizational success as the result of a well-functioning system, while advocates of trait-based leadership theories believed that the effectiveness of an organization depended on the abilities of a single outstanding individual—the leader. In this perspective, the leader was the central figure who determined the success of the organization (Bakacsi, 2004).

From the late 1950s, the focus of leadership research shifted from personal traits to the study of leadership behaviour. Researchers began to examine the specific behavioural patterns that characterize leaders. Starting in the 1960s, as previously mentioned the scope of these studies expanded further, placing increasing emphasis on subordinates and the quality of the relationship between leaders and their followers (Bakacsi, 2004).

There are two main approaches to the behavioural perspective of leadership style: one focuses on the leader's personality, while the other is based on the decision-making process. In contrast to these the core idea of contingency theory (or situational leadership theory) is that different circumstances require different leadership styles. This principle is illustrated by Vroom and Yetton's normative model, which suggests that leadership behaviour should be adapted to the structure of the task. A similar approach is found in the theory of Hersey and Blanchard, which states that the appropriate leadership style depends on the extent to which subordinates are willing to take responsibility for their own work (Szabolcsi, 2016; Bakacsi, 2004).

In addition to the models mentioned above, there are numerous other leadership theories and styles. The field of leadership is highly diverse, with a wide range of approaches and frameworks discussed in the literature. However, this article focuses specifically on the participative (democratic) leadership model.

2.2 Participative Leadership Style

Participative leadership is one of the most significant trends today, encouraging team members to actively engage in decision-making and problem-solving processes (Rolková et. al., 2015). The participative leadership style is often referred to as democratic leadership, as both emphasize involving team members and considering their input in the decision-making process (Akpoviroro et. al., 2018).

This leadership style promotes independent thinking, initiative and enhanced creativity, which not only increase employee motivation but also contribute to their personal development and self-actualization (Rolková et. al., 2015; Szabolcsi, 2016).

A participative leader operates on the assumption that employees not only accept their work but also value and respect it, approaching their tasks with humility and greater enthusiasm, especially when granted more autonomy and decision-making freedom. This mindset creates opportunities for subordinates to express their creativity and engage actively in their work. As a result, the application of a participative leadership style generally enhances employees' job satisfaction and strengthens their commitment to the organization (Rolková et. al., 2015; Wang et. al., 2022).

According to Szabolcsi (2016), employee satisfaction largely stems from adequate motivation. Based on Maslow's hierarchy of needs model, it can be stated that when a leader provides employees with autonomy and opportunities for participation, it fosters the development of their personal abilities. This, in turn, enables employees to reach the self-realisation.

The participative leadership model can be divided into four distinct types: democratic participative leadership, autocratic participative leadership, collective participative leadership and consensus-based participative leadership style. Each of these leadership types will be concisely examined in the following sections to highlight their defining characteristics and practical implications (Wang et. al., 2022).

In democratic participative leadership, the leader seeks input from team members, but the final decision always remains within the leader's authority, even in the case of a vote. This approach encourages collaboration and engagement, while still maintaining clear accountability and direction from the leader (Wang et. al., 2022).

In the autocratic participative leadership style, the leader exercises greater control compared to the democratic model. While team members are still allowed to express their opinions and suggestions, these inputs carry less weight in the final decision-making process than in the democratic approach. In this case, participation by team members is more formal in nature rather than having real influence (Wang et. al., 2022; Akpoviroro et. al., 2018).

Collective participative leadership is a leadership style in which all members of the organization or group share responsibility for decisions and their outcomes, while leaders take on guiding and supportive roles and decisions—especially those related to change management—require the majority agreement of the members (Wang et. al., 2022; Akpoviroro et. al., 2018).

In consensus-based participative leadership, leaders do not abuse their position of power but instead act as facilitators, promoting team collaboration. The goal of decision-making is unanimous agreement, meaning that the consent of every team member is required. The main difference compared to collective participation lies in the fact that here, decisions can only be made with the approval of each individual member, whereas in collective participation, majority agreement may be sufficient (Wang et. al., 2022; Akpoviroro et. al., 2018).

2.3 Technostress

With the advancement of the digital age, the world of work is undergoing a significant transformation, one of the central elements of which is the growing prominence of information and communication technologies (ICT). The term ICT represents an expanded interpretation of information technology, encompassing all tools and solutions—such as the internet, tablets and smartphones—that enable access to information and effective communication. These technologies greatly facilitate work processes, support flexible working arrangements and can contribute to increased productivity. However, their downsides should not be overlooked: the constant expectation of availability, the overload of emails and calls, and the disruptions caused by malfunctioning technologies can all contribute to rising workplace stress (Stadin et al., 2019; Barber et al., 2014; Stadin et al., 2016).

The emergence of new technologies places increasing demands on employees, which intensifies psychosocial stress in the workplace. This represents a negative consequence of the growing spread of digitalization (Uslu et al., 2025). The pressure coming from multiple directions can lead to long-term mental exhaustion and stress (Rohwer et al., 2022; Califf et al., 2020).

The recent pandemic situation further complicated this issue, as employees had to abruptly switch to working from home, where they often had to use new and unfamiliar systems, frequently without any external support (Schmidt et al., 2021; Martínez-Navalón et al, 2023).

In recent years, technostress has increasingly become a central focus of scientific research and is now considered a prominent area of study. This comes as no surprise, given that the often confusing and complex world of information technology presents people with daily challenges and stressful situations.

The boundaries between work and personal life are becoming increasingly blurred, as the use of smart devices is no longer limited to working hours. The constant sense of being reachable prevents many people from truly disconnecting, which negatively affects their private lives. This ongoing digital presence not only threatens individuals' mental health and social relationships but also leads to a decline in their work performance over time. On an organizational level, this becomes a serious issue, as employee overload can undermine the overall success of the company (Dragano & Lunau, 2020; Körner et al., 2019).

Dupont et al. (2018) examined the relationship between technostress and employee well-being within the framework of corporate social responsibility, based on interviews conducted with company leaders. The aim of the research was to explore how important small and medium-sized enterprise leaders consider the management of technostress risks from the employees' perspective. The study identified four key areas where leadership practices can influence risk management and in turn, employee well-being: the content of work, the work environment, work organization and interpersonal relationships. The findings indicate that although leaders recognize the importance of reducing technostress, its practical implementation often falls short. The

research also highlighted the significant role of the relationship between technostress and trust (Bajkai-Tóth et al., 2025), as the interaction between humans and technology—as well as the levels of personal and impersonal trust—affects the use of IT tools and the quality of software applications.

2.4 Technostress and Leadership

The body of literature examining the relationship between technostress and leadership has been steadily growing since 2009, reaching its peak in 2021 with 8 publications (Figure 1). A noticeable increase in publication volume began in 2019, with the COVID-19 pandemic having a significant impact on this growth. Notably, 60% of the studies published since 2020 reference the pandemic (Rademaker et. al., 2023).
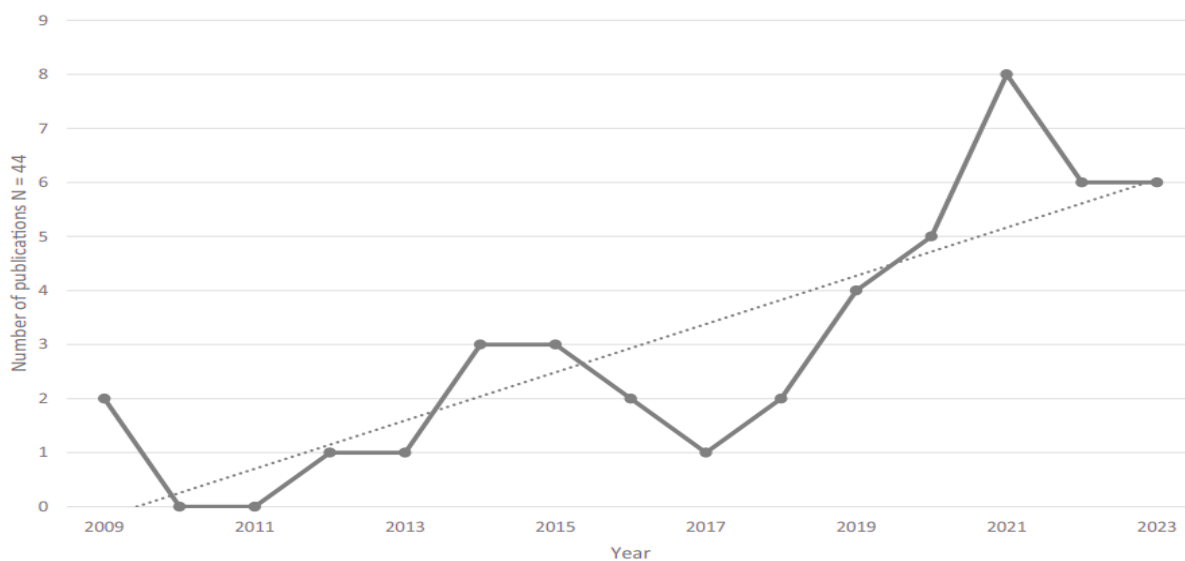
Figure 1 Leadership and technostress research frequency from 2009 to 2023
Source: Authors' own edit based on Rademaker et. al. (2023)

Boyer-Davis (2018) confirmed that there is a significant relationship between technostress and leadership style among employees working with information and communication technologies. According to the study's findings, there is a negative but statistically non-significant relationship between transformational leadership and technostress. In contrast, transactional and passive-avoidant leadership styles showed a significantly positive relationship with technostress. This suggests that while inspirational and supportive leadership does not increase levels of technostress, leadership styles based on reward systems or avoidance of problems may intensify employees' perception of technostress.

Technostress does not directly affect job satisfaction but exerts its influence indirectly through work exhaustion. In other words, technological strain first leads to exhaustion, which in turn reduces job satisfaction. Supportive and inspirational leadership can mitigate the negative consequences of technostress, even when the stressors themselves—such as the excessive use of information and communication technologies—cannot be eliminated. However, the effectiveness of specific managerial

interventions aimed at influencing ICT usage is questionable, as the study found no significant relationship between such interventions and employees' perceived technostress or exhaustion (Fieseler et. al, 2014).

3 Results

According to Ward et al. (2024), leadership support and communication style can play a significant role in reducing technostress, particularly in digitized hybrid work environments, where appropriate leadership approaches contribute to maintaining employees' psychological, emotional and social well-being.

According to Rademaker et. al. (2023) the empowering and supportive leadership can help reduce technostress, particularly in forms such as techno-invasion (when the boundaries between work and personal life become blurred) and techno-uncertainty (uncertainty caused by technological changes). According to the research, the impact of leadership on technostress largely depends on how leaders utilize information and communication technologies in their communication with employees.

The similarity between transformational and participative leadership is particularly striking, as both leadership styles place a strong emphasis on employee involvement and empowerment. A core element of transformational leadership is empowering employees, where the leader actively supports their development, autonomy and decision-making capabilities. This approach closely aligns with the principles of participative leadership, which also focuses on collaboration, shared decision-making and the distribution of responsibility. Both styles aim to ensure that employees are not merely executors of tasks but active contributors to organizational processes, thereby enhancing engagement, motivation and overall organizational effectiveness (Ellen III, 2016).

The participative leadership style can be an effective approach to managing workplace technostress. This leadership model is built on actively involving employees, supporting their autonomy and encouraging shared decision-making, which helps workers feel a greater sense of control over their technological environment. This increased sense of control can contribute to reducing stress, especially in situations where technological changes or blurred boundaries between work and personal life create tension.

4 Conclusion

In the context of rapidly evolving digital work environments, technostress has become a pressing issue that affects both individual well-being and organizational effectiveness. This paper has demonstrated that participative leadership—through its emphasis on shared decision-making, employee involvement and empowerment—offers a promising approach to mitigating the negative effects of technostress. By fostering autonomy, collaboration and psychological safety, participative leaders can help

employees regain a sense of control over their technological environment, which is essential in reducing stress and enhancing job satisfaction.

Participative and transformational leadership share a strong emphasis on employee empowerment and involvement. While transformational leaders focus on inspiring and developing their team members, participative leaders encourage collaboration and shared decision-making. Both styles aim to make employees active contributors rather than passive task executors. This inclusive approach can help reduce technostress by giving employees more control over their digital work environment, especially in times of rapid technological change or blurred work-life boundaries.

The literature reviewed confirms that leadership style plays a crucial role in how technostress is perceived and managed. While technostress cannot be eliminated, supportive and inclusive leadership practices can significantly buffer its impact. Therefore, cultivating participative leadership within organizations is not only beneficial for employee engagement and motivation but also serves as a strategic response to the challenges posed by digital transformation.

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ALEMU ALEMSHET GEBREWOLD

Exploring the Impact of Leader–Member Exchange (LMX) on Teacher Satisfaction in Ethiopian Elementary and Secondary Schools Contexts

Abstract: The study explores how Leader–Member Exchange impacts Ethiopian primary and secondary school teacher satisfaction. From the perspective of LMX theory, the inquiry questions how the quality of school leader–teacher relationships affect work behaviour and attitudes. Given the hierarchy and collectivism of the education system in Ethiopia, relational leadership's role is particularly pertinent. Employing a systematic review approach, the study brings together data obtained from peer-reviewed journals, postgraduate theses, and organisational reports between 2010 and 2024. Findings indicate that high LMX quality with trust, professional support, and open communication significantly improves teacher satisfaction, motivation, and organisational commitment. High LMX quality is however linked with job dissatisfaction, emotional burnout, and turnover intentions. These findings underscore the necessity for champions of equitable, trust-based leadership in Ethiopian schools. The study proposes evidence-based solutions for leadership training and policy change and raises topics for further empirical work on LMX in African school environments.

Keywords: Leader–Member Exchange, teacher satisfaction, school leadership, Ethiopia, educational management, organizational behaviour

1 The Basic Concept

A recap of favourable professional experiences will likewise tend to highlight the formation of good interpersonal relationships as a valuable contributing factor. Conversely, difficult interactions with managerial staff are frequently identified as a major source of job dissatisfaction. The evolution of discord within an organization context, particularly between superiors and their subordinates, can trigger emotional damage and thereby contribute to what is theorized as organizational toxicity (Daniel, 2017). A good working environment can significantly enhance the capacity of an organization to achieve its objectives, whereas an unfavourable climate can create much stress and job dissatisfaction, which can compromise the quality of services provided, particularly in healthcare (Alshaabani & Rudnák, 2023).

Managers usually encounter numerous obstacles in establishing positive relationships with their subordinates. These usually encompass the lack of mutual respect, widespread mistrust, or natural interpersonal tension due to personality clashes. This kind of environment not only lowers employee satisfaction but also, as argued by Herzberg's motivation theory, causes demotivation. The demotivation, in turn, is linked with reduced productivity. Therefore, poor manager-employee relations yield no identifiable advantages to any stakeholder. The pervasive impact of workplace toxicity

significantly influences employees' psychological and physical well-being, productivity, motivation, and overall job satisfaction (George, 2023).

The Leader-Member Exchange Theory contends that effective leadership is founded on the establishment of quality dyadic relationships between managers and their subordinates. The theory stresses that a strong relationship between leaders and followers is built naturally through the presence of mutual trust, respect, support, and loyalty. These components are said to be essential in establishing an organizational climate conducive to enhanced performance and satisfaction.

Moreover, Leader-Member Exchange Theory posits that managers inevitably develop differential relationships, establishing stronger relationships with certain employees more than others. These individuals may have consistently performed better, thereby confirming a positive perception by their managers. Alternatively, their professional success may be the outcome of the manager's inclination to provide greater levels of autonomy and responsibility. The formation of trust is critical to creating a positive working environment, resulting in favourable psychological states and overall professional well-being (Farmanesh & Zargar, 2021; Rudnák & Szabó, 2021; Alshaabani et al., 2022). The basis of this relationship lies in the fact that employees who believe they are treated fairly by their leaders will be more inclined to have high levels of job satisfaction and a more favourable organizational climate (Wang & Ahoto, 2022).

2 Introduction

In Ethiopia, school leadership is often overlooked as a significant challenge (Rudnák et al., 2024). However, research indicates that ineffective or politicized leadership adversely affects teacher performance and school outcomes. Studies have highlighted that principals frequently lack the capacity to conduct informed classroom observations and provide constructive feedback, which are essential for improving teacher performance. Moreover, the politicization of principal appointments often results in the selection of individuals with insufficient qualifications, undermining the potential for effective leadership. Additionally, principals encounter numerous difficulties, including violence, negative parental attitudes, challenges related to immigrant students and families, issues with teacher unions, and problematic teacher behaviours (Bayar, 2016). These factors collectively contribute to the complexity of the school leadership role and its impact on educational quality.

Effective school leadership is a crucial determinant of academic success and overall educational quality, particularly concerning the principal's role in improving academic performance (Memela & Ramrathan, 2022). School principals play a pivotal role in enhancing educational quality and ensuring accountability within their institutions (Pardosi & Utari, 2022). Leadership effectiveness directly influences an organization's success, relevance, and long-term viability (Akins, 2019). Conversely, toxic leadership,

characterized by counterproductive behaviours, can significantly undermine organizational goal achievement (Orunbon et al., 2022).

Leader-Member Exchange theory predicts that leaders form special, dyadic relationships with each subordinate, thereby producing in-group and out-group dynamics in organizations. High-quality LMX relationships involve mutual trust, (Bajkai-Tóth et al., 2025) respect, and obligation, associations that frequently lead to higher job satisfaction, stronger organizational commitment, and improved performance. Conversely, low-quality LMX relationships are where communication and support are limited, circumstances that may result in employee disengagement and dissatisfaction. The theory identifies the exchange between followers and leaders as a central theme, emphasizing how the quality of such relationships significantly affects employee well-being and overall organizational performance (Posecion & Posecion, 2019). Lastly, LMX theory explains how variations in leader-follower relationships influence individual and organizational outcomes, highlighting that the quality and longevity of the relationship between an employee and a manager considerably influences their mutual understanding (Choi et al., 2021). The quality of the relationship between a manager and an employee, and the time they have known one another, plays a great role in their mutual understanding. At school, principals with high-quality LMX relationships with teachers are likely to have a better work environment, leading to higher teacher satisfaction and improved student performance.

Particularly in Ethiopia, where effective leadership is critical to overcoming challenges such as political interference and resource limitations. The leader–member exchange recognizes the significant part played by relationships in leadership, with newer studies concentrating on the significance of followers and leaders agreeing or being on consensus for developing LMX excellence (Schyns & Day, 2009).

Research Questions

- How does the quality of Leader–Member Exchange (LMX) impact teacher satisfaction in Ethiopian elementary and secondary schools?
- Which elements of LMX—such as trust, communication, and support—have the greatest direct relationship with teacher satisfaction?
- How do teachers evaluate their relationships with school leaders in terms of fairness, recognition, and professional interaction?
- What cultural or contextual variables are responsible for the character and the impact of LMX in Ethiopian school environments?

3 Methods and Materials

Applying the Preferred Reporting Items for Systematic Reviews and Meta-Analyses guideline in a qualitative systematic review of literature, the study explored the synthesis of empirical data on the impact of Leader–Member Exchange quality on teacher satisfaction in Ethiopian elementary and secondary schools. Systematic database searching in some academically oriented databases like Google Scholar, Scopus,

ResearchGate, and institutional repositories of Addis Ababa University and Jimma University was done. These databases were utilized to achieve comprehensive coverage of peer-reviewed studies and postgraduate theses related to leadership and organizational behaviour in the Ethiopian education sector.

To refine the search and obtain related findings, keywords and Boolean operators were employed. The main words employed were combinations of "Leader–Member Exchange," "LMX," "teacher satisfaction," "school leadership," "Ethiopia," "educational leadership," and "organizational behaviour." The sources used were English-language articles from 2010 to 2024 to capture contemporary and contextually appropriate research. In addition to these online searches, backward reference list reviews were undertaken in a bid to identify other studies.

The selection of studies was guided by clear inclusion and exclusion criteria. For a study to be included, it had to implement or test Leader-Member Exchange theory or its constructs, concentrate on Ethiopian schools—i.e., primary and secondary schools—, have empirical results derived from qualitative, quantitative, or mixed approaches, and report findings concerning teacher satisfaction, e.g., motivation, morale, and organizational commitment. Excluded from studies were where they had been conducted outside Ethiopia, or where they were theoretical and lacked empirical analysis, or where methodology could not be determined or was not relevant to the research.

Following the exclusion of duplicate entries, titles and abstracts underwent relevance screening after which articles shortlisted underwent exhaustive full-text reviews. A total of 42 studies were found to include the criteria and were analyzed. Data extraction matrix was utilized for recording important variables in a systematic fashion, including the author, year published, research design, setting, sample, LMX dimensions examined, and most relevant findings concerning teacher satisfaction. Subsequently, thematic analysis was employed for synthesizing study results to identify patterns and context-based information.

A fundamental quality assessment was made applying adapted criteria from the Critical Appraisal Skills Programme to determine methodological soundness, sample credibility, and congruence between study questions and results. Less stringent studies were not excluded but were given proportionate weighting during the interpretative process to provide a balanced synthesis. As this research worked only on the secondary data collected from publicly available sources, ethical clearance was not required. But all the sources were duly acknowledged, and academic integrity was strictly upheld throughout the review process.

3.1 Search Delimiting Criteria

To maintain the context-specificity, quality, and relevance of the reviewed literature, several delimiting criteria were established in the search and selection process. The geographic scope was the initial delimitation criterion set to studies conducted in Ethiopia, and only on elementary and secondary schools. It served to ensure that study

findings could be directly translated to the Ethiopian education system and captured local institutional, cultural, and leadership dynamics.

Second, the time was restricted to studies that had been published between 2010 and 2024. The 14 years were chosen to cover the recent trends in leadership studies and educational reform policies in Ethiopia without the inclusion of older or less applicable studies.

Third, the language was restricted to English, which is the predominant vehicle for scholarly publication in universities in Ethiopia and international journals. This choice also promoted consistency in interpretation and analysis.

Fourth, only empirical research—qualitative, quantitative, and mixed-methods designs—were employed. Theoretical papers, conceptual papers, and opinion pieces were excluded except for those that directly informed empirical interpretation. This way, all the materials used yielded data-driven interpretation of the relationship between Leader–Member Exchange (LMX) and teacher satisfaction.

Fifth, articles must mention LMX theory explicitly or its core dimensions such as trust, communication, respect, support, and leader–follower relationships. Articles on generic leadership concepts without the mention of relational leadership dimensions were not included.

Finally, peer-reviewed journal papers, master's and doctoral dissertations, and institutionally checked reports were preferred to ensure academic reliability. Studies that lacked clear methodological descriptions or analytical complexity were ruled out during the full-text screening process. These delimiting criteria were essential to restrict the scope of the review and enable inclusion of high-quality, contextual research relating to the aims of the study.

3.2 Quality Evaluation

To obtain the credibility and reliability of findings compiled within this review, a systematic quality assessment was undertaken for all the included studies. The process was aided using a modified Critical Appraisal Skills Programme (CASP) checklist, which provides a systematic framework for assessing the methodological rigor of qualitative as well as quantitative research.

All studies were evaluated on several important criteria: (1) research aim clarity, (2) research design and methodology appropriateness, (3) clarity of data collection and analysis procedures, (4) validity and reliability of results, (5) research questions relevance to this review, and (6) contextual appropriateness within the Ethiopian educational and organizational environment. For quantitative studies, sample size, measurement reliability, and statistical validity were considered. For qualitative research, credibility of thematic analysis, interpretive depth, and representation of the participants were given focus to.

Studies were next rated on a three-level system: high quality, moderate quality, or low quality. High-quality studies met most or all criteria with clearly documented, transparent methods and high relevance. Moderate-quality studies met important criteria but exhibited minor methodological or reporting flaws. Low-quality studies had

significant methodological transparency or analytical depth deficits but were retained if they offered unique contextual insights.

While no studies were excluded on quality grounds alone, their value was weighted in the synthesis process in proportion to their methodological strength. This step balanced and evidence-informed interpretation of the impact of Leader–Member Exchange (LMX) on teacher satisfaction in Ethiopian schools.

4 Results and Discussion

Systematic review of 42 empirical studies reiterated time and again the positive association between the quality of Leader–Member Exchange (LMX) and teacher satisfaction in Ethiopian primary and secondary schools. The high-quality LMX relationships characterized by mutual trust, open communication, professional support, and recognition were positively associated with higher job satisfaction, motivation, and organizational commitment among the teachers. Conversely, low-quality LMX relationships involving opaqueness, discrimination, and limited leader support were linked to dissatisfaction, emotional exhaustion, and, in some cases, teacher turnover.

Table 1 Statistical Overview of Major Findings

LMX Dimension	Correlation with Teacher Satisfaction
Trust	r = 0.61 (p < 0.001)
Communication	r = 0.55 (p < 0.001))
Support & professional recognition	r = 0.58 (p < 0.001)
Fairness & Recognition	r = 0.60 (p < 0.001)

Source: Author's own edit

Note: Correlation coefficients (r) show the direction and magnitude of the relationship between LMX dimensions and teacher satisfaction (Table 1).

5 Discussion of Findings

Psychological Safety and Trust

Trust was the most frequently cited LMX construct to impact teacher job satisfaction. Teachers who reported high trust in school leaders scored higher on job engagement, psychological safety, and greater commitment to school objectives. These findings also compare with Wasonga &Yohannes (2021), who documented a moderate to strong positive relationship between trust and teacher job satisfaction (r = 0.61, p < 0.001).

Participation and Communication

Communication between school leaders and teachers was another significant force behind satisfaction. Gürler & Şimşek (2021) demonstrated that there was a moderate, positive correlation between communication and employee voice (r = 0.55, p < 0.001),

with open and two-way communication making the teachers feel appreciated and more institutionally committed.

Support and Professional Recognition

Teacher satisfaction was significantly enhanced when school principals provided emotional and professional support. Öztürk & Şahin (2023) found a moderate positive correlation between LMX and teacher leadership (r = 0.58, p < 0.001), showing that supportive principals create a more committed and resilient teaching force.

Fairness and Recognition

Equal treatment and recognition of teachers' efforts enhanced sense of belongingness and organizational commitment. Duyan (2022) reported that job satisfaction mediated the relationship between LMX and burnout in physical education teachers, and that recognition is a critical factor in preventing teacher burnout.

Cultural and Organizational Context

Ethiopian collectivist culture and historically hierarchical structure of the education system influenced realization of LMX dynamics. While collectivist cultures are likely to produce strong interpersonal relationships, top-down decision-making in some Ethiopian schools compromised leader–member exchange equality. Where leadership was more decentralized and participatory within schools, LMX quality remained consistently stronger and congruent with higher teacher job satisfaction. This suggests that organizational culture mediates the enactment and experience of LMX.

Differential Effect in Public versus Private Schools

The analysis also revealed differences between public and private schools in LMX effect. Overall, private schools had higher LMX quality due to organization size, flat hierarchies, and performance-based incentive systems. Public schools, while offering more stable jobs, were often beset by bureaucratic procedures and constricted leadership autonomy, affecting LMX dynamics and thus teacher satisfaction.

Gaps and Future Directions

While the findings confirm LMX effectiveness in the Ethiopian education context, several gaps were identified. There were few studies that applied longitudinal designs in establishing long-term impacts of LMX on teachers. Furthermore, rural and disadvantaged regions remain poorly represented in the literature, which weakens the validity of how far the results can be generalized across the country. The future research must apply mixed method designs and explore how LMX impacts other factors such as gender, years of teaching experience, and subject specialization.

6 Conclusion

The systematic review has demonstrated that teacher job satisfaction in Ethiopian primary and secondary schools is heavily influenced by the quality of Leader–Member Exchange (LMX) relationships. Across various organizational settings—public and private, urban and rural high-quality LMX relationships, as measured by mutual trust, open communication, leader support, and recognition, significantly correlated with higher levels of teacher motivation, job satisfaction, and organizational commitment across the spectrum. On the other hand, low-quality LMX was associated with dissatisfaction, emotional exhaustion, and increased turnover intentions.

The study also points to the significance of cultural and structural contexts in mediating the effects of LMX. The collectivist culture of Ethiopia can facilitate personal close relationships, but its hierarchical leadership culture can limit inclusive and participatory attitudes. Schools that implemented more relational and caring leadership tended to construct healthier organizational climates and happier teaching staff.

Despite the expectation of positive outcomes with superior LMX, the review highlighted several areas of research gaps. Rural schools, women's perspectives on leadership, and long-term consequences of LMX are especially under researched. Also, very few studies used longitudinal or experimental designs, which are needed to test causal effects and monitor dynamic changes over time.

In summary, this review requests the incorporation of relational leadership practices into school leadership training programs, policy formulation, and institutional decision-making approaches. Enhancing LMX quality is not only an interpersonal competency matter but also a strategic path toward teacher retention, quality education, and student performance improvement in Ethiopia.

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ÁDÁM PFEIFFER – TÍMEA CSIZMADIA – ROLAND HOMOKI

Increasing Employee Engagement through Participative Leadership

Abstract: Employee engagement has become a critical factor in today's labour market for reducing turn-over and improving organizational effectiveness. The aim of this study is to show, through a literature review, how a participative leadership style can enhance different forms of employee engagement - both in the work and in the organisation. The results show that participative leadership promotes work engagement by increasing autonomy, task understanding, skill variety, opportunities for feedback and individual responsibility, leading to stronger commitment to work. Regarding organizational commitment, participative leadership has a direct positive impact on affective and normative commitment, while it indirectly supports continuance commitment. These effects are mainly achieved through involvement in decision making, perceived organisational support, the creation of a positive and collaborative workplace climate, and the alignment of personal and organisational values. The study suggests that by consciously applying the participative leadership style, leaders can successfully increase employee commitment to their work and organization if it is structured along criteria based on scientifically accepted models.

Keywords: participative leadership, employee engagement, organizational commitment, work commitment

1 Introduction

Since the beginning of the 2020s, companies have been facing an increase in workforce turnover due to the gradual global crises and uncertainties. To counterbalance these trends, companies should strive to increase employee engagement (Stein et al., 2021). If the workforce is more committed, they will become more loyal to the organization employing them, their turnover intention will be lower and their satisfaction rate will be higher (Batista-Taran et al., 2009).

Woodruffe (2006) about the significant importance of employee engagement noted that while most companies have recognized that a motivated and truly engaged employee is one of the greatest powers an organization can possess, contrary to common misconception, employee engagement cannot be achieved through financial means alone. Leadership style and workplace climate also play an important role in this, as factors such as autonomy, trust, civilized treatment, and praise all contribute to commitment. He emphasizes that employers must consciously strive to provide these non-financial motivations (Anitha, 2014; Hamza et al., 2024).

People-centred management and active participation are some the most important factors in employee engagement. When management treats employees as partners, they become more committed and actively participate in work processes. Therefore,

managers must pay attention to prioritizing a people-centred leadership style, which ensures employees' active participation and co-decision-making rights (Baran & Sypniewska, 2020).

Leadership style therefore has a significant impact on employee engagement. The definition of leadership style includes all those skills, behavioural norms and management concepts that determine the relationship of a superior to the subordinates (Katili et al., 2021; Alshaabani et al., 2021a). So, if the leadership style ensures that the workforce is actively involved, could express their views and their ideas are listened to and considered, this sense of being treated humanely can increase the employee's commitment to their job, their organisation or their manager's decisions. The aim of this study is to demonstrate the different ways in which a participative leadership style can contribute to increasing employee engagement and thereby reducing turnover rates.

2 Literature Review

2.1 Employee Engagement

According to Stein et al. (2021), employee engagement occurs when the employee feels committed to the organization, identifies with the organization, feels satisfied with their job, and feels energized at work. Figure 1 shows how the research examines the impact of participative leadership on these dimensions of employee engagement.
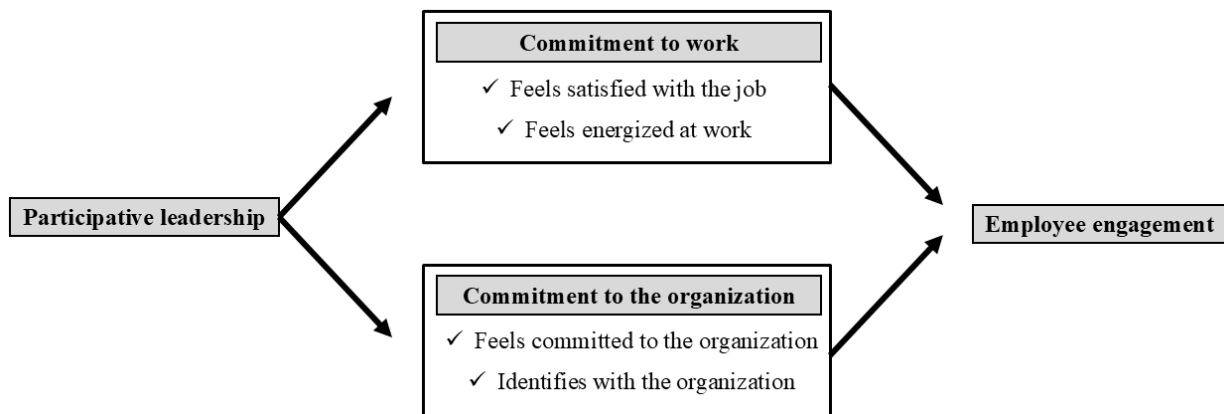
Figure 1 Examining participative leadership through employee engagement aspects
Source: Authors' own edit based on Stein et al. (2021)

First, the authors reviewed the psychological factors of employee engagement. Following this, they examined how employee engagement could be developed with the help of participative leadership in the design of work, specifically how the employee states of 'feeling satisfied with their job' and 'feeling energized at work' could be achieved. On the other hand, the authors also investigated how the employee states of 'feeling committed to the organization' and 'identifying with the organization' could be achieved through the tool of participative leadership. So, commitment to and identification with the organization are states related to the organization itself and its goals.

Job satisfaction and the motivation/energy experienced in it are dimensions of the employee's relationship with their work.

Psychological Factors of Employee Engagement

To gain a deeper understanding of the four aspects of employee engagement mentioned above, their psychological background is first described. Kahn (1990) researched the psychological aspects of workplace engagement and according to his view, an employee is truly engaged when the individual is fully involved in the tasks at work, physically, cognitively, and emotionally. This deep involvement is manifested in their work reflecting their own thoughts and feelings, their creativity, their personal beliefs and values, and their relationships with others.

Schaufeli et al. (2002) creators of the scientifically recognized and widely used Utrecht Work Engagement Scale (UWES), describe work engagement as a positive, fulfilling state of mind. According to their research, this psychological state is best characterized by three main factors: enthusiasm (vigor), dedication, and immersion (absorption). Enthusiasm is characterized by energy and perseverance in work, even in difficult situations. Dedication is the pride, enthusiasm, and sense of significance an employee feels for their own work. When immersed, the employee can fully concentrate on their work and enjoy it. Overall, these three dimensions characterize engagement at work (Schaufeli & Bakker, 2004). These psychological formulations also suggest that the most important factors of employee engagement are identification, satisfaction and motivation (Alshaabani et al., 2021b).

Commitment in Work

The states of "Feeling satisfied with their job" and "Feeling energized at work" are therefore states of the employee's commitment to their work. These two aspects of employee engagement can be achieved by the manager by shaping the characteristics of the job.

Hackman & Oldham (1976) creators of Job Characteristics Model (JCM) established a framework that can maintain employee motivation through job design. In their opinion, employee satisfaction and motivation can be maintained if the manager organizes the work of subordinates along the lines of skill variety, task identity, task significance, autonomy, and feedback. This model has also proven effective in increasing employee engagement (Dissanayake & Jayatilake, 2019; Adiarani, 2019; George et al., 2020). Kahn (1990) believed that task characteristics such as challenging work, skill variety, personal discretion and the opportunity to make an important contribution all play a part in helping the employee to experience the psychological aspects of workplace engagement (Saks, 2006).

JCM creates job conditions and psychological states that are essential prerequisites and supporters of Kahn's (1990) psychological commitment conditions and Schaufeli et al.'s (2002) multidimensional employee commitment. It is therefore advisable for the leader to apply a leadership style that increases autonomy, expands and thereby diversifies the responsibilities, explains to them the place and significance of their tasks

in the processes, and uses open, constructive communication. According to the authors, participative leadership may be what most certainly positively influences these characteristics.

Commitment to the Organisation

Three-Component Model of Organizational Commitment by Meyer & Allen (1991) is widely accepted, and it states that organizational commitment consists of three distinct but interrelated components: Affective, Continuance, and Normative Commitment.

What all three approaches have in common is that, on the one hand, commitment refers to the relationship between the employee and the organization, and on the other hand, it can determine whether the employee continues to want to be a member of the organization or not. Affective commitment is an emotional attachment to the organization, identification with its goals and values. We speak of continuance commitment when the employee fears the losses associated with leaving the organization. In the case of normative commitment, employees stay with the organization out of moral obligation or a sense of loyalty (Meyer & Allen, 1991).

From the exchange perspective of organisational commitment, the individual, i.e. the employee, enters an organisation and exchanges his or her labour, knowledge and skills. In return, the organisation provides tangible and intangible rewards and values. In addition to job characteristics, managerial support, benefits, career prospects, training and development opportunities are all factors that play a strong role in commitment to the organisation (Mottaz, 1988). The present research focuses on intangible rewards and the ways in which a manager can promote them through participative leadership, thereby helping to increase organizational commitment among employees.

2.2 Participative Leadership

Definition

Likert (1961) outlined the principles of participative management, and these include the development of supportive leadership relationships, the encouragement of group decision-making and teamwork, and the achievement of high, commonly set performance goals. According to further literature, participative leadership is a type of democratic leadership in which the leader involves subordinates in the decision-making process, and before making decisions, asks for the opinion and assistance of the workforce in some way (Yukl, 2013; Halaychik, 2016; Wang et al., 2022).

Decision-making

According to Yukl (2013), although leaders can make decisions in a variety of styles, most scholars distinguish four types of decision-making processes: autocratic decision-making, consultation, joint decision-making, and delegation. In case of autocratic decision-making, the leader makes decisions alone without consulting others. In consultation, the leader asks for the opinions and ideas of subordinates, but the final decision is still made by him. In joint decision-making, the problem is discussed together,

and the decision-making is shared with the subordinates, the leader does not have more influence on the final decision. In delegation, the manager assigns to a person or group the responsibility and the necessary authority to make the decision. These four decision-making types and the degree of influence of others are presented on the scale shown in the Figure 2.
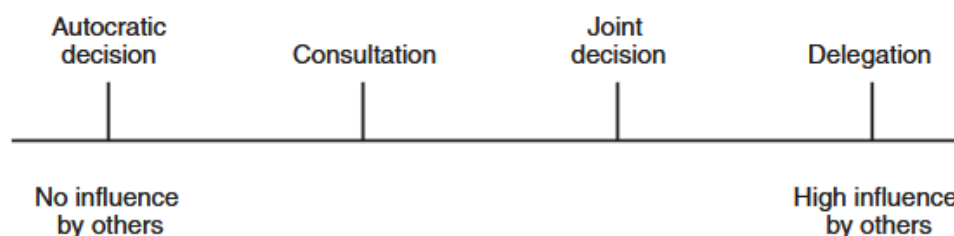
Figure 2 Continuum of Decision Procedures
Source: Authors' own edit based on Yukl (2013)

Likert's Management Systems

Likert (1967) describes "System 4", which he calls the "scientific-based system of management." (Sullivan, 1969), and defined four types of leadership styles, or types of systems, in the field of organizational psychology. The first is the exploitative-authoritative style, the second is the benevolent-authoritative style, the third is the consultative style, and the fourth is the participatory style.

The exploitative-authoritarian style is based on one-way communication and top-down orders. The leader does not trust subordinates, is not interested in their opinions, and motivates them to work through fear, threats, or punishment (Das, 2021). In the benevolent-authoritarian style, the leader allows minimal participation to subordinate but makes the final decision. The motivation factor here is expressed more in rewards (Kusumah & Fikri, 2021). A consultative style manager already has a certain degree of trust in his subordinates, allows free communication between colleagues and accepts ideas and opinions from the bottom up. However, the final decision and all control remain with the manager (Omar & Auso, 2024). A participatory system is achieved when subordinates and managers make decisions as equal parties. Here, subordinates have maximum participation rights and autonomy, and communication between them is free (Khassawneh & Elrehail, 2022). Likert (1967) recommended this organizational system and leadership style because he believed that organizations operating in participative leadership could be more efficient, motivated, and therefore more successful (Amzat et al., 2020; Öztürk, 2025; Likert, 1961).

The style and method of leadership can take different forms based on the approaches listed above. We have also seen in the definition of participative leadership that the degree of decision-making power given to employees can vary. We consider participative leadership or systems to be those implementations in which two-way communication, trust and respect, and the possibility of employee influence on decision-making are common attributes (Bajkai-Tóth et al., 2025).

Yukl (2013) notes that the terms consultation, joint decision-making, power sharing, decentralization, empowerment, and democratic leadership are also often used in connection with participatory leadership. As we have seen in the models and approaches above, these do indeed describe elements of certain types of participatory leadership styles.

Participative Leader

The main characteristic of a participative leader is to encourage and facilitate the participation of subordinates in organisational decision-making and allows employees to make decisions about their tasks within certain limits. He also transparently shares all relevant information and provides them with all necessary support (e.g. tools, expertise) (Wang et al., 2022). In addition, the leader helps employees to actively contribute to the common work with empathy and encouragement. Participative leadership contributes to employees gaining a sense of ownership of tasks and organisational success, going beyond a simple executive role (Ahn & Bessiere, 2022). As a result, they show a higher level of commitment to achieving goals, make more effective decisions with their involvement, and solve workplace problems collaboratively (Wang et al., 2022).

The participative leader must define the cornerstones of the participation system. The building blocks of this participative system are illustrated in Figure 3.
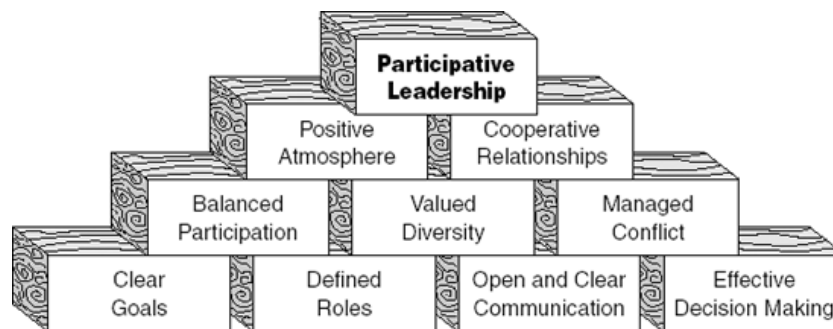
Figure 3 Participative system
Source: Authors' own edit based on Biech (2008)

According to Biech (2008) the basis of a participatory system is clear goals, defined roles, open and clear communication and effective decision-making. Involvement is only effective if everyone knows what the common goal is, and the roles are clear to everyone. The free flow of information is essential for effective participation, and despite broad involvement, decisions must be made in a timely and efficient manner. For the participatory system to be effective, the leader must ensure all of this (All et al., 2022).

The next level builds on these, which requires the leader to ensure balanced participation, value diversity, and manage conflicts. In ensuring balanced participation, the leader strives to ensure that not just a few people monopolize active participation, but that everyone gets the opportunity to contribute. In addition, the leader evaluates different perspectives and opinions when solving the problem, using them constructively and managing any conflicts that arise (Ugoani, 2023).

The top level is the result of all this leadership effort, the positive atmosphere and the cooperative relationships. Participative leadership is at the top of the model because it is the overall principle and result of the entire system (Biech, 2008).

2.3 Impact on Work Commitment

In the following, we will review how participative leadership can increase work engagement. First, let's go back to the Hackman & Oldham (1976) model and review in detail how participative leadership supports the five job characteristics listed above that contribute to the psychological conditions for employee engagement.

First, the requirement of skill diversity must be met, which means that the job should allow the employee to use as many different skills as possible (Hackman & Oldham, 1976). Participative leadership can help to facilitate this by involving employees in decision-making, or even delegation, as this way the leader involves the subordinate in the problem-solving process. This can expand the employee's scope of responsibilities and force them to use a wider range of skills (Eurofound, 2020). Delegation is an important tool of participative leadership, which occurs when the leader delegates certain tasks and the powers necessary to perform them to his or her subordinates (Yukl, 2013; Hafebo & Ridwan, 2024). According to Yukl & Fu (1999) 97% of managers surveyed delegate tasks to their subordinates, among other reasons, to develop their skills.

The second is task identity, which states that an employee's job should be a complete process with a transparent outcome. It makes sense that if the leader involves his subordinates in planning, decision-making, or execution during participative leadership, then employees will have a better understanding of the work processes, and the outcome of their work will be clearer to them. This inclusive leadership behaviour also helps meet the „task significance" criterion by allowing employees to see more clearly how their work contributes to others or the success of the organization when the leader involves the employee in setting strategic goals or processing feedback for example (Hackman & Oldham, 1976; Rok, 2009; Ishaque et al., 2022). A participative leadership style results in more open communication and feedback, which can improve employee understanding and decision-making (Posadzińska et al., 2020).

Autonomy is the job characteristic that, according to Hackman and Oldham (1976) can create in the employee a sense of personal responsibility for the results of their work. Employees empowered with autonomy will be more motivated and creative, characteristics that also correspond to the psychological definitions of Kahn (1990) and Schaufeli et al. (2002), ultimately leading to the state of mind of engagement (Hocine & Zhang, 2014; Ahn & Bessiere, 2022). Involving employees in decision-making encourages employee autonomy in the organization through various mechanisms. Participative leadership style enhances autonomy for managers by giving them a deeper psychological empowerment over their work. On the other hand, for non-managerial workers, a sense of autonomy is built through trust in their direct supervisor, which allows them to exercise greater self-determination and authority (Huang, 2010).

However, performance feedback is also an essential condition for the success of autonomous groups and inclusive teamwork. Working in a group, involving employees, they receive more frequent feedback on their work and performance, whether it is external or internal evaluation (Hackman & Oldham, 1976; Cho & Kim, 2009; Posadzińska et al., 2020). Participative leadership can therefore positively influence the workplace feedback perceived by employees (Kim, 2022). However, the empowerment associated with participative leadership is positively linked to seeking employee feedback (Qian et al., 2018).

Table 1 How participative leadership contributes to the Job Characteristic Model

Hackman & Oldham's Job Characteristic	How Participative Leadership Contributes
1. Skill Variety	Involves employees in diverse tasks and problem-solving, encouraging broader skill use.
2. Task Identity	Engages employees in full project lifecycles, allowing them to see their complete contribution and its visible outcome.
3. Task Significance	Promotes transparency of organizational goals and outcomes, helping employees better understand the significance of their work
4. Autonomy	Empowers employees through consultation, shared decision-making, and delegation, increasing their control and responsibility.
5. Feedback	Promotes open communication and direct feedback during collaborative processes, enhancing clarity on performance effectiveness.

Source: Authors' own edit

Based on all of this, we can see that by applying certain methods of participative leadership, the leader can achieve the job characteristics that lead to the psychological state that ultimately makes the employee committed to their work. To summarize how a leader using a participative leadership style can create the psychological conditions for workplace engagement through job design, the authors created Table 1.

2.4 Impact on Organisational Commitment

This chapter examines how a participative leadership style can help employees become committed to the organization that employs them. Based on the Three-Component Model of Organizational Commitment already presented, we can see that there are three types of organizational commitment. Although to different degrees, all three types of commitment are found in the employee and ultimately this determines their relationship with the organization. In the end, these three commitments will decide whether the employee will turn over or stay and how he or she will behave in the company.

Figure 4 Three-component Model of Organizational Commitment
Source: Authors' own edit based on Meyer & Allen (1991)

To understand how participative leadership can influence these three types of organizational commitment, we need to look at the detailed elements of Figure 4, the model. According to Meyer & Allen (1991), affective commitment is directly influenced by work experiences and personal characteristics, while organizational structure has an indirect effect. Although the employee's personal characteristics cannot be influenced by the leadership style, their workplace experiences can be influenced to a greater extent, so it is worth examining these elements of affective commitment in more detail.

However, leadership style can only have an indirect effect on continuance commitment, as it has no influence on the career alternatives available in the labour market (Rudnák et al., 2023). It can, however, have some impact on the time and energy invested by the employee in the organisation, so this continuance commitment will be explained only briefly. The leadership style, on the other hand, can make the employee feel that the organisation has invested a lot in his or her development and that he or she has a duty to stay. Normative commitment can thus be directly influenced by the leadership style.

Affective Commitment and Participative Leadership

In affective commitment, the employee has an emotional attachment to the organization, can identify with it and is satisfied with his/her participation in it, which is why he/she wants to stay. Consequently, this appears to be the most desirable form of organizational commitment. According to Meyer & Allen (1991), three main factors influence this: personal characteristics, organizational structure, work experiences.

Work Experiences are the most important factor because employees who have positive experiences at work are much more likely to be emotionally engaged. The organization and the leader have the most influence on this employee experience, so this area is one of the key points for creating affective commitment to the organization in

the employee. The leadership can positively influence this experience in several ways: with the employee's organizational support, with the equity in reward distribution, with role clarity and freedom from conflict, with supervisor consideration and support, and with the job characteristics.

Leadership style and organizational support strongly determine employee engagement (Mehrad et al. 2020). The organizational support resources are linked to participative leadership practices among managers (Linde & Gundersen, 2020). Participative leadership can positively influence the quality of employee performance through organizational support and autonomy (Ukil et al., 2025). According to Biech (2008) a participative leadership style can result in a positive atmosphere and cooperative relationships within the organization, and such a system can provide a supportive environment for the employee.

It can also be said that participative leadership is linked to performance-based reward strategies and thus to increased employee job satisfaction (Dyczkowska & Dyczkowski, 2018). Rewards are most effective in increasing employee motivation and performance when participative leadership is also present in the organization, as this can strengthen the positive impact of rewards. Involving employees in management and planning can maximize the benefits of rewards, and therefore their positive impact on commitment (Fahmi & Handayani, 2020).

Biech's (2008) figure on the building blocks of participative leadership also shows that a participative leader clarifies the role of employees. Therefore, one of the basic requirements of this participative style is to clearly define the responsibilities of the employees thereby resolving role conflicts as well. In addition, if the manager is supportive, pays attention to the employee, recognizes performance and involves them in decisions, it strengthens the emotional bond. We have previously shown how the participative leadership style optimizes job characteristics, so it can be said that this leadership style can positively influence all five criteria of the "work experience" element of employee affective engagement.

Since the leadership style has no direct effect on the personal characteristic's criterion of the employee's affective commitment, the authors next examined the effect of the participative leadership style on organizational culture. Meyer & Allen (1991) propose that the effect of organizational characteristics on affective commitment is indirect, perceived by the employee mainly through the elements of the work experience described above. Creating an organisational culture where the purpose of the organisation is linked to the personal value of its employees is essential to achieving employee engagement (Baltzley, 2016). Involvement gives the employee the opportunity to participate in decision making and thus to shape the values of the organisation to a certain extent. The participative leadership can increase employee organizational commitment when the organizational culture reflects employee values (Sabir et al., 2011).

5.2. Continuance and Normative Commitment, Participative Leadership

As we have seen at the beginning of this chapter, participative leadership directly strengthens normative commitment, but it can also have an indirect impact on continuance commitment. According to Meyer and Annel (1991), continuance commitment is based on the cost of an employee's departure, i.e. what he or she would lose if leaving the organization. This could be the time, energy, knowledge that the employee has invested in the organisation, the relationships that they have developed, or the financial security that organisational benefits provide (Khan et al., 2021).

Based on Biech (2008) Figure 3, participative leadership can create a positive work environment that employees are unlikely to want to lose its benefits. In this sense, although participative leadership can create working conditions that are difficult for employees to give up, the effect is mostly indirect, as it has no impact on the available labour market alternatives.

Table 2 Participative leadership contributes to the Three-Component Model

Type of Commitment	How Participative Leadership Contributes
Affective Commitment	**Direct and strong effect:** – Creates positive work experiences – Builds a supportive organizational culture – Ensures fairness in rewards – Reduces role conflicts – Provides supervisor support – Encourages autonomy and collaboration
Continuance Commitment	**Indirect effect:** – Creates a positive work environment that is hard to give up – Makes the invested time and energy feel valuable – Encourages retention due to organizational advantages (financial, relational, etc.)
Normative Commitment	**Direct effect:** – Feeling of inclusion strengthens the sense of moral duty – Manager's trust and involvement lead to loyalty – Reciprocity: leadership care evokes a sense of belonging and responsibility

Source: Authors' own edit

Participative management contributes significantly to strengthening the normative commitment of employees, based on a sense of duty and loyalty to the organisation. When the manager involves employees in decision-making, takes their opinions into account and empowers them, employees perceive this as a form of investment and trust on the part of the organisation. This positive treatment gives them a sense of 'belonging', which creates a sense of moral obligation to the organisation and encourages them to remain loyal and contribute to its success. Therefore, participative management can strengthen normative commitment through reciprocity, creating a sense of belonging and moral obligation (Iverson & Buttigieg, 1999). Participative leadership can therefore increase employee loyalty towards the organization, and loyalty can rebate a sense of reciprocal obligations between employees and employers (Hart & Thompson, 2007; Mateen et al., 2022).

3 Results

The authors conducted a literature review, through two scientific models, to investigate how participative leadership can increase commitment to work and to the organisation, and ultimately employee engagement. The results show that employee engagement is divided into two main elements. One is the employee's commitment to work. This engagement can be enhanced by The Hackman-Oldham Job Characteristics Model (JCM), which acts through job design. Leader who adopts a participative leadership style can have a positive impact on the JCM criteria, making subordinates more committed and energetic in their work.

The other aspect is the employee's commitment to the organization. Based on Meyer and Allen's (1991) Three-Component Model of Organizational Commitment, we saw that there are three types of organizational commitment. Participative leadership can primarily and most strongly influence affective commitment in employees, can have a direct effect on normative commitment, and can indirectly contribute to continuance commitment. Through the two scientific models, commitment to work and to the organization can be created, which results in employee engagement.

4 Conclusion

Participative leadership can contribute directly and indirectly to employee engagement to the organization and their work.
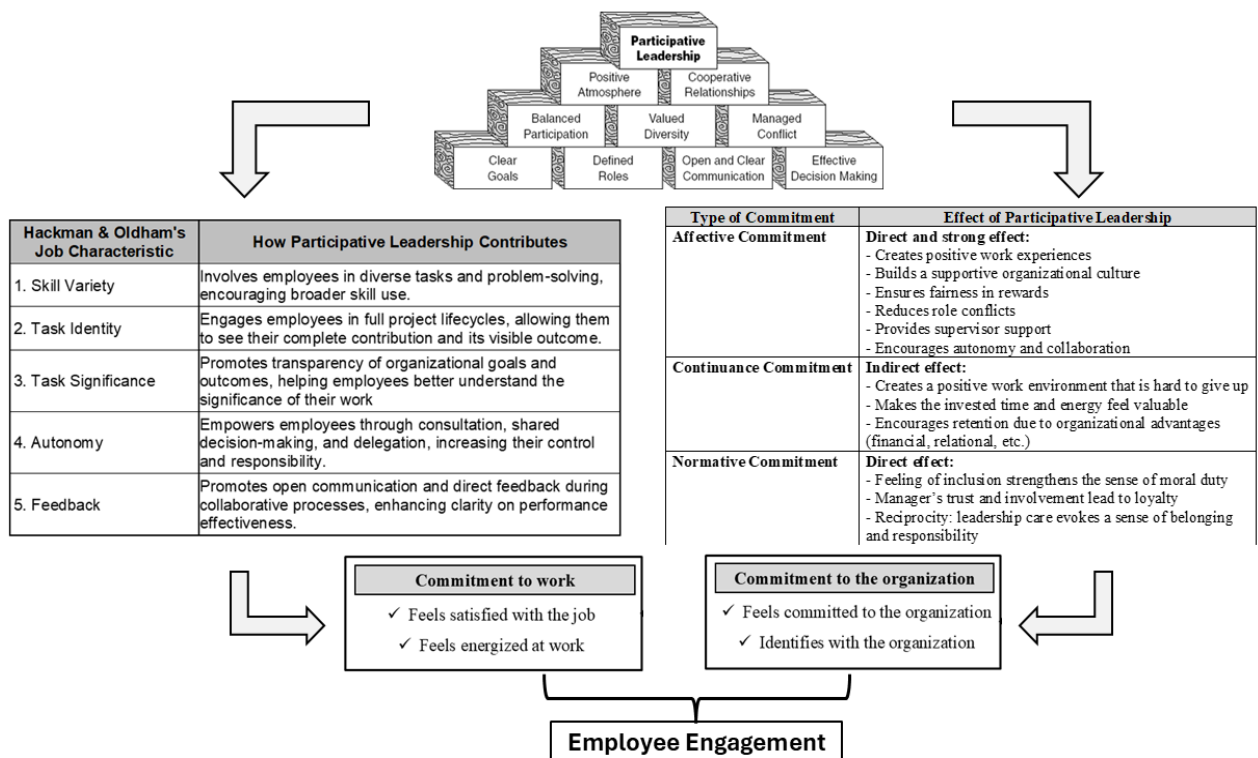
Figure 5 Research agenda: the contribution of participative leadership to employee engagement

Source: Authors' own edit based on based Biech (2008), Hackman & Oldham (1976), Meyer & Allen (1991), Stein et al. (2021)

Leaders who consciously apply participative leadership based on the criteria of scientifically widely accepted models can create a favourable environment for employees, thereby reducing potential turnover.

Through job design, by using participatory tools that support the criteria of The Hackman & Oldham (1976) Job Characteristics Model, the leader can cause his subordinates to be attached to their work. By using participatory tools, he can also have an impact on affective commitment, normative commitment and to some extent continuance commitment, which can trigger engagement to the organization from the employee. Figure 5 serves as a detailed illustration of this process.

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ANDRÁS NAGY

Participative Leadership and Culture

Abstract: The study focuses on the cultural dimensions of leadership styles, specifically participative leadership. The aim of the research is to review the literature related to the connections between different leadership styles and cultural diversity. Participative leadership can have positive effects on the individuals, the leaders and the followers, and organizational performance and innovation, however the effectiveness of leadership styles depend on cultural factors. Different leadership styles also have impacts on organizational culture, creating a unique sub-culture within the organization. A comprehensive analysis was conducted about the relationship between leadership and culture in 1995, known as the GLOBE project, that serves as a basis for current research in this topic. The study presented here reviews the theoretical framework of participative leadership and culture but focuses only on those findings that are the results of previous thorough literature reviews. Case studies presented in this article also demonstrate the complexities of cultural dimensions of leadership. The selected case studies are either comparative analyses including multiple cultures or include one country (culture) that was analysed in detail. In this article research about Japan, South Korea, Taiwan, Mexico, the United States, Turkey and China were involved, and a case study about the expansion of General Electric and Walmart Stores.

Keywords: leadership styles, participative leadership, culture, decision making, organization

1 Introduction

It has been a debate among scholars whether a universal set of skills, characteristics can be defined in leadership that can be effectively applied in all cultures, or in each culture a unique leadership style is the most effective, common points can rarely be found because of the cultural specificities. From a management perspective, it is imperative to be aware of cultural differences, develop intercultural management skills, increase cultural awareness and intelligence (Garamvölgyi & Rudnák, 2017). Management practices and leadership styles applied in one culture most likely will not yield the same results in another.

There are many approaches to leadership styles as well as to the understanding of culture. In this study six leadership behaviours (= styles) are differentiated based on the GLOBE research: directive leadership, leader contingent reward, leader contingent punishment, supportive leadership, participative leadership, and charismatic leadership. For the cultural dimension, Hofstede's "software of the mind approach is applied.

Dorfman et al. (1997) conducted comparative research about Japan, South Korea, Taiwan, Mexico, the United States, while Pagda et al. (2021) replicated the GLOBE research for Turkey in 2018. A deep literature review has been prepared by Wang et al.

(2022) about participative leadership, and they made relevant statements to China, and the cultural aspects of leadership styles in China.

In this article, the role and effectiveness of participative leadership is examined in different countries and cultures. The results of the GLOBE research provide a good starting point for this discussion. The theoretical framework includes but is not limited to the contingency theory of leadership, where culture is an independent variable as part of the situational context, and effective leadership style is the dependent variable. The research includes multiple aspects of cultural differences and leadership styles to provide a comprehensive view on this topic.

2 Literature Review

In the contingency models of leadership, the leadership styles of the leader depend on the leaders themselves (their personality, motivation etc), the followers, and the situational context, that determines which leadership behaviour is the most effective in the given situation. In this theoretical framework, leadership style is the dependent variable, while the leaders, the followers and the situation are independent variables (Herdlan et al., 2022; Kehr et al., 2023).

Culture in this sense is an important part of the situational context variable that influences leadership style of the leaders (Matthews et al., 2021). It's been an ongoing debate among scholars since the 1980's and 1990's whether unique cultural characteristics such as language, beliefs, values, religion, and social organization are generally presumed to necessitate distinct leadership approaches in different groups of nations-popularly known as culture clusters. However, scholars argued that that universal tendencies in leadership processes also exist (Kezar & Carducci, 2023).

Dorfman et al. (1997) examined six leadership behaviours—directive leadership, leader contingent reward, leader contingent punishment, supportive leadership, participative leadership, and charismatic leadership—in five countries (Japan, South Korea, Taiwan, Mexico, and the United States) of two cultures, Western and Asian. They found that participative leadership had positive effects in the United States and South Korea, while in case of Taiwan and Mexico, participation had no positive impacts due to their military histories emphasizing strong central leadership and their low individualism (high collectivism) which discourages individual desires to impact organizational processes. Although in Japan participative leadership also had positive effects, but the managerial practices are different (nemawashi—worker involvement, and ringi seido—group decision making) from what can be observed in the United States. Based on the results of the study the situation of the United States is unique, as it is the only culture where participative leadership had positive effects on subordinates' performance, and contingent punishment behaviour had a uniformly positive effect on them.

The case study of General Electric's expansion to Western Europe in the 1990's and the global expansion of Wal-Mart Stores in the same period also supports the

argument that the cultural factor is key in management practices, including leadership styles of global multinational companies. Vas et al. (2011) conducted comparative research of the role of national culture in two global corporations, GE and Wal-Mart Stores, based on Hofstede's cultural dimensions, and the connections between cultural factors and workplace outcomes. In case of GE, although American business models were adopted, the managers from the given country (Spain, Germany, France, Italy) were rewarded, they perceived the situation as an opportunity to learn the GE management practices. In contrast to GE, Wal-Mart filled top positions in Germany with expatriates, a move perceived as arrogant by German executives. As a result, talented German managers left Wal-Mart in a mass exodus, depriving the company of valuable local expertise (Vas et al. 2011). Regarding participative leadership, people in individualist, low power distance cultures consistently display preferences for participative leadership. In contrast, collectivist and high-power distance values are associated with a preference for more direct and charismatic leaders. These findings are aligned with the results of Dorfman et al. (1997). However, within country variation of culture (regional differences, subcultures), cultural change and acculturation should be taken into consideration.

Wang et al. (2022) reviewed the literature in 2022 related to participative leadership in databases such as Web of Science, ProQuest, EBSCO, and China National Knowledge Infrastructure. Their findings are imperative to our topic, as the authors contributed not only to the conceptual questions of participative leadership but also investigated the cultural aspect of participative leadership as a democratic leadership style (Toufighi et al. 2024). Based on their research they formulated a definition that includes the decision-making process within the organization, the effect of participative leadership on individuals, and taking into consideration harmonizing personal and organizational goals. They define participative leadership as a democratic leadership that involves subordinates in organizational decision-making and management, with the aim of effectively enhancing employees' sense of ownership and actively integrating their personal goals into organizational goals (Wang et al. 2022).

Regarding the cultural dimension of participative leadership, the authors discovered that among Chinese scholar's research participative leadership is rarely present. The reasons for these phenomena are cultural. Influenced by China's thousands of years of history and culture, long-term authoritarian rule has caused individuals to lack a sense of independence, and employees have shown dependence and submissiveness to their leaders (Wang et al. 2022). However, the authors see a recent shift in this trend, as new generations entered the labour market, who has more sense and need for independence and freedom (Wan et al., 2024). The reason behind this is the fact that these generations, although hold the cultural principles of traditional Confucianist Chinese culture, are also aware of Western ways of working and management practices thanks to the production outsourcing processes of Western companies (Yuan et al., 2023). From the leader's perspective, the new generation of Chinese managers could study at Western universities (Guo et al., 2022). Still, according to Hofstede's model, power distance in Chinese society is very high (Figure 1).
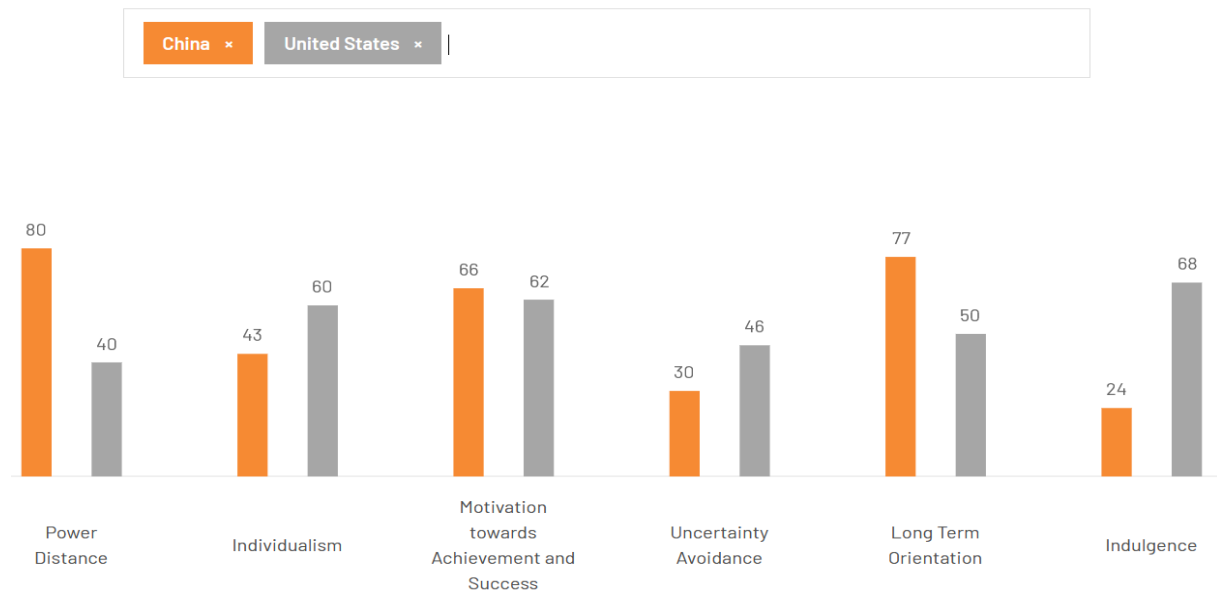
Figure 1 Cultural dimensions, China—United States compared
Source: https://www.theculturefactor.com/country-comparison-tool?countries=china%2Cunited+states

The subordinate-superior relationship tends to be polarized and there is no defence against power abuse by superiors. Individuals are influenced by formal authority and sanctions and are in general optimistic about people's capacity for leadership and initiative. People should not aspire beyond their rank (The Culture Factor 2025). In the Globe research participative leadership in China ranks 4th behind charismatic, team-oriented, and humane-oriented leadership, and is below the Globe average score by 0,29 points. Participative leadership contributes slightly to the leadership score of China with 5,04 points (GLOBE, 2020), Figure 2.
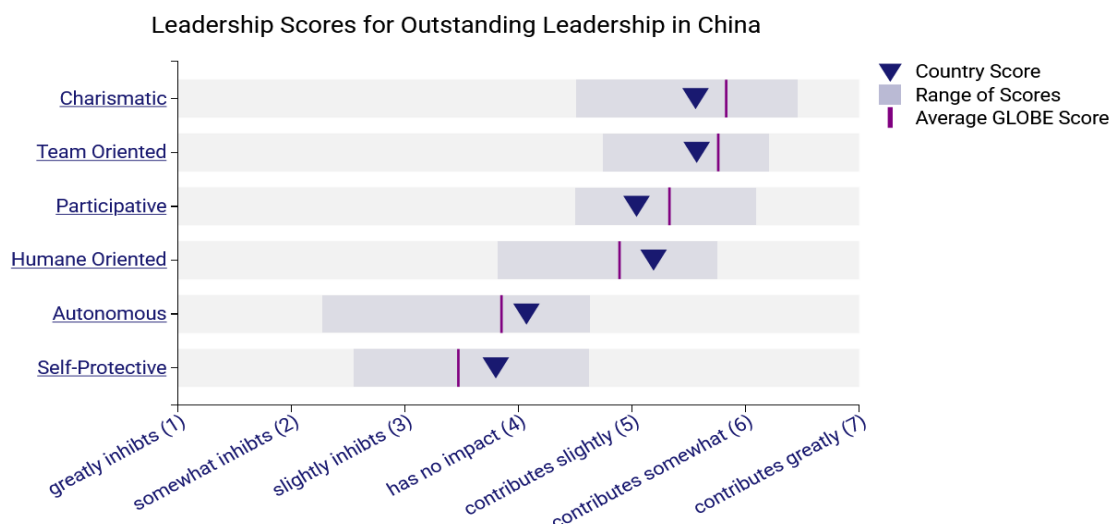
Figure 2 GLOBE Leadership scores, China
Source: https://globeproject.com/results/countries/CHN%3Fmenu=list.html#list

As Hofstede et al. (2010) defined it, culture is the collective programming of the mind that distinguishes the members of one group or category of people from others.

The "software of the mind" is hard to change. Participative leadership is already present in Chinese practices, however because of the considerable power distance and other cultural factors, participative leadership is not likely to become more widespread in China (Qing & JinHua, 2023). The positive effects of participative leadership on organizations, employees and managers are not straightforward. Participation in management not only helps to avoid the negative emotions of employees due to the dictatorship of the leader but also facilitates the absorption of new ideas and information by the leader, and produces innovative results, which proves the urgent need for participation in leadership in the Chinese society (Wang et al. 2022). Although the benefits of participative leadership are well documented in Western literature, implementation of this leadership style in Chinese corporations might lead to mixed results as it is not embedded in Chinese culture (Yuan et al., 2023).

GLOBE is a multi-phase, multi-method project in which investigators spanning the world are examining the interrelationships between societal culture, organizational culture, and organizational leadership. Close to 150 social scientists and management scholars from 61 cultures representing all major regions of the world are engaged in this long-term programmatic series of cross-cultural leadership studies (House et al. 2002). In this research, Turkey belonged to the Middle East cultural cluster. The situation of Turkey is special from a cultural perspective, as it is considered as a bridge between East and West, has traditions both from the West and Islam. (Pagda et al. 2021) Pagda et al. (2021) replicated the GLOBE research for Turkey performed in 1995 in 2018, using the same methodology. They took into consideration the premises that cultures hardly make swift changes, but in case of Turkey there have been major political, social, and economic changes that have affected Turkish culture. The below figure shows the results of the GLOBE research of 1995, Figure 3.
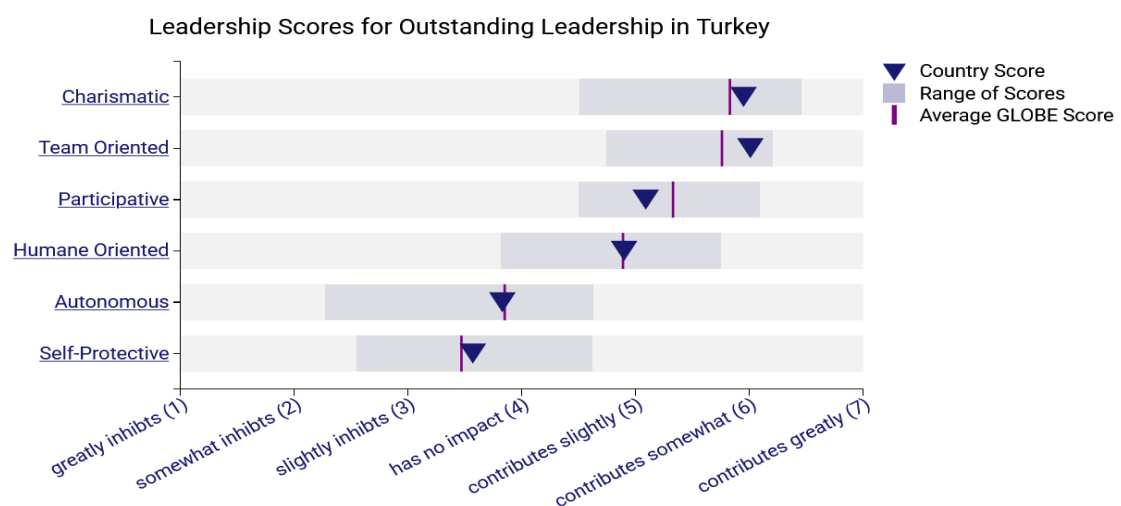
Figure 3 GLOBE Leadership scores, Turkey
Source: https://globeproject.com/results/countries/TUR%3Fmenu=list.html#list

Based on the results of the GLOBE research, the most effective leadership styles in Turkey were charismatic and team-oriented leadership, while participative leadership

contributed slightly to outstanding leadership (Cuhadar & Rudnák, 2022). These results show similarities to the Chinese leadership endorsement results, where the most effective styles were also charismatic and team-oriented leadership styles, and the power distance in the society was very high. In case of China, the long-term authoritarian rule explained the high-power distance in the society and Chinese culture, that also contributed to the fact that participative leadership style only slightly contributed to effective leadership. In case of Turkey, similarities can be observed in the historical background, as the authoritarian rule of the sultans characterized Turkish culture between 1299 and 1923.

After the collapse of the Ottoman Empire, in 1923 Mustafa Kemal (Ataturk) founded modern Turkey and changed the governance to democracy. However, power bases stayed stable and limited. For Turks, it is a standard practice that those in power have some privileges others don't have. Power distance in the society has remained high also by the actions of the recent ruling party since 2003 as people had the perception that power resides in the hands of one person. The president further strengthened his power with a closer association with Islam. This approach has led some Turks to perceive the president as a religious figure. (Pagda et al. 2021) The power distance from 1995 to 2018 further increased based on the research, Table 1.

Table 1 Society culture practices compared, 1995 and 2018

The Scores and Bands of Societal Culture Practices in 1995 and 2018.

Society culture practices	1995 Turkey	1995 band	2018 Turkey	2018 band	Change
Uncertainty Avoidance	3.63	C	3.44	D	Decreased
Performance Orientation	3.83	B	3.56	C	Decreased
Humane Orientation	3.94	C	3.59	D	Decreased
Power Distance	5.57	A	5.80	A	Same
Gender Egalitarianism	2.89	B	2.90	B	Same
Future Orientation	3.74	C	3.51	C	Same
In-group Collectivism	5.88	A	5.68	A	Same
Institutional Collectivism	4.03	B	3.92	C	Decreased
Assertiveness	4.53	A	4.75	A	Same

Source: Author's own edit based on Pagda et al. (2021)

However, while power distance increased, the score of participative leadership increased as well, that challenges the statement that higher power distance results in lower effectiveness of participative leadership style. Based on this research, the negative correlation between power distance and effectiveness of participative leadership style is refuted, and further investigation is needed to find the reasons behind this contradiction, Table 2.

Table 2 Leadership endorsements compared, 1995 and 2018

Comparison of 1995 and 2018 GLOBE leadership endorsements.

Organizational leadership	1995 Turkey	1995 band	2018 Turkey	2018 band	Change
Participative Leadership	5.09	D	5.36	C	Increased
Autonomous Leadership	3.83	B	4.18	A	Increased
Team Oriented Leadership	6.01	A	5.95	B	Decreased
Humane Oriented Leadership	4.90	B	5.08	B	Same
Self-Protective Leadership	3.57	E	3.49	E	Same
Charismatic Leadership	5.95	C	5.99	C	Same

Source: Author's own edit based on Pagda et al. (2021)

The authors explain the increased score in participative leadership with two tendencies. The first is the increased power distance, as increased value of power distance may cause the desire for more participative leadership style. The second explanation show similarities to China, that is the new generation of managers. Although the article does not mention it, this new generation in Turkey could also have educational background from universities in Europe (Erasmus programme) and the United States. As Wang et al. (2022) highlighted, in Chinese literature there is place for further development and research in case of participative leadership. These results also show that the connections between cultures, cultural changes and dynamics are not straightforward.

3 Results

The results show that participative leadership has many aspects and understandings, it can be applied multiple ways (such as the Japanese example demonstrated) in various cultures. Research on participative leadership has a long history, a sole definition that covers all aspects is hard to find. The effectiveness of participative leadership differs across cultures, but it can be accommodated to cultural differences. Although cultures hardly change rapidly, recent tendencies show that some national cultures have undergone transformations that also changed the effectiveness of preferred leadership styles, and global corporations should be aware of these changes to be effective in the given country.

In terms of research about cultures themselves, there are still many limitations, such as the emergence of sub-cultures. It is key to study and understand the specifics of these sub-cultures as well and avoid thinking about cultural clusters as one homogeneous block. Furthermore, effective leadership styles can also differ by industry that should be taken into consideration.

4 Conclusion

Cultural aspects highly influence the effectiveness of leadership styles, while leadership styles and management practices, rise of new generations also influence cultures. Cultural diversity can be a great opportunity for multinational corporations to build on various ideas coming from a diverse cultural environment. However, neglecting the cultural factor, or treating cultures as homogeneous, never-changing blocks can lead to missed opportunities, and loss of competitive advantage.

Managers should adjust their leadership style according to the cultural environment they are working in and should also work towards creating a supportive environment for everyone. Participative leadership can greatly contribute to employee satisfaction, innovativeness and productivity, but only if applied properly, according to the cultural environment.

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BOUKELOUA IHEB

Participative Leadership in Algerian Context

Abstract: This literature review explores how participative leadership influences job satisfaction, innovation, and decision-making within the context of Algeria. Participative leadership is a well-established leadership style that enhances employee engagement by involving them in decision-making processes, leading to positive organizational outcomes. This review synthesizes findings from various sectors in Algeria, including healthcare, education, and public administration, to examine how participative leadership impacts employee engagement and job satisfaction. Additionally, it assesses the role of participative leadership as a catalyst for innovation and improved decision-making. The findings suggest that employee involvement in organizational decisions not only enhances job satisfaction but also fosters a more innovative and collaborative work environment. In conclusion, this literature review affirms the value of participative leadership in Algerian institutions, emphasizing its role in improving employee well-being, engagement, and organizational productivity.

Keywords: Participative leadership, Employee empowerment, Job satisfaction, Innovation, Decision-making, Employee engagement, Organizational performance, Leadership styles, Public administration, Algeria

1 Introduction

Leadership plays a crucial role in influencing organizational outcomes by shaping not only performance but also employee motivation, innovation, and satisfaction (Li et al., 2018). Among various leadership styles, participative leadership (also known as democratic leadership) has emerged as a prominent area of study due to its emphasis on shared decision-making, engagement, and mutual trust between leaders and employees (Wang et al., 2022). Participative leadership stands in contrast to authoritarian or laissez-faire styles, as it fosters a culture of participation and shared psychological ownership within the organization (Gastil, 1994). Participative leadership, also referred to as democratic leadership, is a leadership style in which leaders involve their team in decision-making processes, value their input, and encourage open communication. This approach has been demonstrated to engender greater engagement and collaboration, which may result in the generation of more creative solutions (Daud et al., 2024).

The theoretical foundation of participative leadership can be traced to Lewin's early work on democratic group dynamics (Lewin, 1947), which was further developed in Likert's System 4 model and Vroom and Jago's contingency theory of leadership effectiveness. Contemporary perspectives on participative leadership also draw from transformational leadership theory, which frames how participative practices can support innovation, adaptive learning, and change in complex environments (Bass & Riggio, 2006; Vroom & Jago, 1988). While these theories provide a promising framework, the

practical application of participative leadership is highly context-dependent, varying significantly across organizations and cultures.

In Algeria, participative leadership presents both challenges and opportunities, particularly as traditional bureaucratic structures and hierarchical organizational cultures continue to dominate in both the public and private sectors. Despite its theoretical appeal, the relationship between participative leadership and outcomes such as employee engagement, innovation, and organizational performance in Algerian institutions remains underexplored. This review aims to synthesize existing global and Algerian empirical literature on participative leadership, identifying enabling factors and challenges, and offering recommendations for context-sensitive implementation.

The study addresses the following research objectives:

- To evaluate the theoretical foundations and global empirical evidence on participative leadership.
- To assess the effectiveness of participative leadership across various sectors in Algeria.
- To propose context-specific strategies for the implementation of participative leadership in Algerian institutions.

By critically examining the interplay between leadership style, organizational culture, and institutional readiness, this paper contributes to a nuanced understanding of how participative leadership can be adapted and leveraged in emerging economies, with particular attention to Algeria.

2 Literature Review

2.1 Participative Leadership Overview

Participative leadership often referred to as democratic leadership empowers employees by giving them a meaningful voice in both strategic decisions and everyday operations (Imran et al., 2025). Unlike autocratic approaches, this style encourages collaboration, feedback, and problem solving, fostering an atmosphere of trust, respect, and shared responsibility (Gastil, 1994). As Huang & Wang (2021) note, when team members are genuinely involved in decision making, they tend to feel more empowered and invested, which boosts both job satisfaction and performance. However, Wang et al., 2022) caution that without ongoing, high-quality communication and mutual trust (Bajkai-Tóth et al., 2025), participative efforts may fall short failing to promote innovation or psychological safety. Chan (2019) reinforces this by emphasizing that effective delegation and transparent dialogue are essential for employees to gain real influence over their work (Akpoviroro et al., 2018).

The conceptual foundation of participative leadership dates to Lewin's (1947) seminal work, which showed that democratic leadership styles outperformed both autocratic and laissez faire approaches in promoting group cohesion and satisfaction. Building on this, Likert (1967) introduced the System 4 model, placing participative

management at the highest level, characterized by open communication, shared decision making, and supportive relationships. Later, Vroom & Jago (1988) developed a contingency framework to help leaders determine the optimal level of employee involvement, based on factors such as the significance of the decision and team expertise. Complementing these ideas, transformational leadership theory (Bass & Riggio, 2006) suggests that combining shared authority with visionary motivation can create strong, innovation driven outcomes (Sherovska, (2023).

Recent studies provide strong evidence that participative leadership can lead to significant improvements in both performance and innovation. For example, Fatoki (2023) reports a 28% increase in job satisfaction among 412 South African SMMEs, with psychological empowerment mediating 62% of this effect. Similarly, a meta-analysis by Wang et al. (2022) covering 37 studies finds that shared leadership teams produce 31% more ideas and enjoy 24% higher implementation success particularly in fast changing environments. In Kenya, Ochieng et al. (2023) find that participative practices account for 6.9% of performance variance (β = 2.901, p < .001) in manufacturing SMEs, significantly boosting productivity, revenue, and innovation.

In Algeria, the impact of participative leadership varies across sectors. In healthcare, Bennouna et al. (2025) report that its effect on safety compliance is indirect, mediated through job satisfaction (β = 0.24), due to entrenched hierarchies that limit real participation. In contrast, Meziani et al. (2025) find that in the education sector, participative practices improve decision quality by 19% and staff engagement by 27%, suggesting a more favourable environment for democratic leadership. However, the picture is less optimistic in public administration: according to Amraoui et al. (2024), only 12% of employees feel meaningfully included in decision making, with bureaucratic inertia and organizational silence undermining formal participative efforts.

Yet, participative leadership is not universally effective. In the Saudi Arabian hotel sector, Nassani et al. (2024) find that positive outcomes only emerge when paired with a supportive culture and work life balance. In the UAE, Khassawneh & Elrehail (2022) show that complex bureaucracies can diminish participative gains by up to 38%. Likewise, Abda et al. (2023) reveals that at an Iraqi public university, participative leadership does not mitigate the negative effects of role conflict and poor working conditions, highlighting how rigid environments can blunt even the most inclusive leadership styles.

Studies from other emerging markets further enrich the understanding of this dynamic. Khattak et al. (2022), analysing hospitals in Pakistan, found that participative leadership significantly improves job satisfaction and organizational citizenship behaviour, especially when mediated by psychological empowerment. In Tunisian public schools, Amghar (2022) observed that participative leadership positively affects teacher engagement, but only when administrative autonomy is also present (Al-Ahmadi & Mahran (2022). Gacem Chaouch & Derradji (2022) focusing on Algerian banking, emphasized that participative leadership enhances innovation only when linked to continuous professional development. Similarly, Baba et al. (2023) showed that in

Algerian industry, participative leadership improves health and safety outcomes, particularly when feedback mechanisms are institutionalized.

Beyond performance metrics, participative leadership also influences employee well-being and retention. In Pakistani banks, Rajani (2023) finds that involving employees in decision making reduces turnover, mainly by strengthening relationships with supervisors though not necessarily with co-workers. Ugoani (2023) underscores the importance of emotional intelligence, particularly empathy, in helping leaders build team cohesion and commitment. In educational settings, Sagnak (2016) demonstrates that intrinsic motivation fully mediates the relationship between participative leadership and change oriented citizenship behaviours, reinforcing motivation as a key pathway through which democratic leadership inspires proactive contributions.

The evidence points to participative leadership as a dynamic process shaped by the interplay of leadership style, organizational infrastructure, and socio-cultural context. Effective participative leadership is not merely a matter of inviting input it hinges on the quality of communication, the transparency of decision making, and the consistency with which employee contributions are acted upon. While theories from Lewin to Bass & Riggio underscore the value of shared authority and vision, their application must be context specific, accounting for varying institutional capacities and cultural expectations (Garamvölgyi & Rudnák, 2023).

In the Algerian context, implementation requires strategic adaptation. Organizations should begin with incremental changes, such as regular team consultations and feedback loops, before transitioning to joint decision making structures. Framing participation through culturally resonant terms like mentorship, professional development, or guided expertise can reduce resistance in hierarchical environments. Additionally, leveraging relational norms, such as trust networks and informal influence (e.g., wasta), may support participative uptake without disrupting deeply embedded authority structures.

Institutional readiness remains a critical factor. In sectors like public administration and healthcare, where bureaucratic inertia and rigid hierarchies prevail, reforms must go hand in hand with leadership development. These include empowering mid-level managers, institutionalizing feedback mechanisms, and ensuring psychological safety for employee voice. Without structural alignment, participative leadership may remain superficial visible in policy but absent in practice.

Future research should explore how participative leadership evolves over time within Algerian organizations, particularly in relation to employee engagement, innovation capacity, and retention. Sector specific case studies and action research could provide granular insights into barriers and facilitators. Moreover, integrating culturally calibrated leadership assessments and examining the role of digital collaboration tools could offer practical pathways for embedding participative principles in both traditional and modern organizational settings.

3 Results

The reviewed literature indicates that participative leadership has a generally positive impact on employee outcomes, including job satisfaction, performance, innovation, and retention, though the magnitude and consistency of these effects vary by sector and context. Multiple empirical studies confirm that when employees are genuinely involved in decision making processes, their sense of empowerment increases, which subsequently enhances their motivation and contribution to organizational goals (Wang et al., 2022).

Quantitative data supports these conclusions. For instance, Fatoki (2023) finds that in South African SMMEs, participative leadership led to a 28% rise in job satisfaction, with psychological empowerment mediating over 60% of this effect. Similarly, Wang et al. (2022) report that shared leadership increases idea generation by 31% and implementation success by 24%, especially in dynamic work environments. In Kenya, participative leadership explains 6.9% of performance variance in manufacturing SMEs ($\beta = 2.901$, $p < .001$), indicating its strong predictive power for productivity and innovation (Ochieng et al., 2023).

However, the effectiveness of participative leadership is context dependent. Nassani et al. (2024) highlight that in Saudi Arabian hotels, its benefits only emerge in the presence of supportive cultures and balanced workloads. Similarly, bureaucratic complexity in the UAE can diminish participative gains by as much as 38% (Khassawneh & Elrehail, 2022). In Iraq, Abd et al. (2023) find that participative leadership fails to offset the negative effects of poor working conditions, emphasizing the limitations of this approach in rigid or unsupportive environments.

In terms of employee retention, Rajani (2023) finds that participative leadership reduces turnover in Pakistani banks by improving relationships between employees and supervisors. Emotional intelligence, especially empathy, is identified as a key facilitator of these outcomes (Ugoani, 2023). In educational contexts, intrinsic motivation fully mediates the link between participative leadership and proactive behaviour (Sagnak, 2016), reinforcing its motivational role.

Algerian data reflect similar trends with sector specific variations. In healthcare, participative leadership indirectly affects safety compliance via job satisfaction (Bennouna et al., 2024), while in education, it leads to a 19% improvement in decision quality and a 27% rise in staff engagement (Mekhmoukh et al., 2025). Conversely, in public administration, only 12% of employees feel involved in decisions, suggesting that participative leadership remains largely symbolic in bureaucratic settings (Bennouna et al., 2025).

Overall, the evidence suggests that participative leadership is most effective when supported by clear communication, institutional readiness, and cultural alignment. Its success is contingent not just on managerial intent but also on structural and relational conditions that enable meaningful participation (Toufighi et al., 2024).

4 Dicussion

The results of this review provide further evidence that participative leadership is an effective way to foster employee outcomes such as job satisfaction, performance, innovation, and retention. However, as the results indicate, participative leadership is not guaranteed success on its own nor is it a universal way of working. Participative leadership must be considered within its unique context, which can be a complicated interplay of contextual factors, such as organizational culture, sector characteristics, and socio-cultural context.

The positive effects experienced in South African SMMEs (Fatoki, 2023), Kenyan manufacturing (Ochieng et al., 2023), and educational establishments in Algeria (Mekhmoukh et al., 2025) that showed positive outcomes for employees suggest that participative leadership operates effectively in workplaces that provide psychological empowerment and opportunities for employees to participate in their organizations by speaking out. These findings are consistent with transformational leadership theory and contingency leadership theory due to the shared vision of management and the situational adaptability it allows (Bass & Riggio, 2006; Vroom & Jago, 1988). In contrast, when participative leadership was less successful, such as in bureaucratic/rules-driven environments such as Iraqi universities (Abd et al., 2023) or Algerian public administration (Bennouna et al., 2024), this leads to a situation where the cultural conditions and institutional factors effectively served to destabilize participative leadership effectiveness. These sectoral variations are especially relevant in the Algerian context, where traditional authority structures and centralized decision making are prevalent. While participative practices in the education sector have shown promise, the healthcare and public administration sectors remain constrained by hierarchical norms and organizational inertia. The limited sense of inclusion reported by Algerian public employees underscores the challenge of translating participative leadership from policy into practice without meaningful reform.

Moreover, the results point to the importance of mediating factors such as communication quality, emotional intelligence, and psychological safety. For example, Ugoani (2023) and Rajani (2023) suggest that participative leadership improves retention and cohesion primarily when leaders exhibit empathy and foster trust. These relational dimensions are often undervalued in formal leadership models but appear to be decisive in determining whether participative initiatives yield tangible results.

A notable insight from this synthesis is that participative leadership must be culturally calibrated. In Algeria, concepts like "mentorship," "guided expertise," and the strategic use of informal influence (e.g., wasta) may be more effective entry points for participative practices than direct appeals to democratic ideals. Such adaptations can make the leadership approach more palatable and sustainable within established hierarchies (Miliani, 2021).

Additionally, while the literature provides strong evidence of participative leadership's benefits, most studies adopt a cross-sectional design, limiting causal inferences. Future research should incorporate longitudinal or mixed method approaches to

better capture the evolution of participative dynamics over time. Investigating the role of digital platforms and remote work tools may also uncover new opportunities for enhancing participation in modern organizations (Uslu et al., 2025).

In summary, while participative leadership offers substantial potential for improving organizational outcomes, its implementation must be context sensitive. In Algeria and other emerging economies, it will require both cultural framing and structural adjustments to succeed. Leadership development initiatives, institutional reform, and the cultivation of trust-based relationships will be essential in transforming participative leadership from a theoretical ideal into a practical organizational strategy.

5 Conclusion

In line with the objectives outlined in this review, the findings underscore the multifaceted nature of participative leadership and its significant impact on employee satisfaction, innovation, retention, and organizational performance. The synthesis of international and Algerian empirical studies confirms that participative leadership, when effectively implemented, fosters a collaborative environment in which employees feel valued and empowered. However, the outcomes of such leadership are contingent upon critical mediating factors, including the quality of communication, emotional intelligence, organizational flexibility, and cultural compatibility.

In the context of Algeria, the effectiveness of participative leadership is closely linked to sector-specific dynamics and prevailing institutional cultures. While the education sector and parts of the private sector have demonstrated openness to participative practices, public administration and healthcare sectors continue to be hindered by entrenched hierarchies and bureaucratic inertia. These barriers highlight the importance of tailoring participative leadership approaches to local realities, incorporating culturally resonant practices such as mentorship and informal trust networks.

The findings suggest that the successful adoption of participative leadership in Algeria will require a dual strategy: cultural adaptation and structural reform. Organizations must invest in leadership development programs, implement feedback and consultation mechanisms, and foster psychological safety to encourage authentic employee participation. Moreover, future research should adopt longitudinal and qualitative designs to better capture the dynamic evolution of participative practices and their impact on organizational change.

In conclusion, participative leadership holds transformative potential, but its success depends on intentional, context-sensitive implementation. For Algeria and similar economies, participative leadership is not only a managerial tool but also a pathway toward creating more inclusive, resilient, and innovative organizations.

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PETAR ANGELOVSKI

Exploring Transactional Leadership: Foundations, Effectiveness, and Application in Organizational Management

Abstract: Transactional leadership is one of the most widely applied leadership models in organizations, especially where structure, efficiency, and performance are measured and essential. This paper will explore the origins, theoretical foundations, and practical applications of transactional leadership in modern institutions. Transactional leadership is based on a give and take approach. When people are doing well transactional leadership is rewarding people, and it is correcting them if they fall short of the expectations It is often seen as the opposite of transformational leadership. Transformational leadership focuses more on inspiring and motivating others via a shared vision. This study takes is taking a critical look at how effective transactional leadership is across various sectors, such as education, corporate management, the military and public administration. Through case studies and empirical evidence this paper highlights key advantages such as improved operational control, clear role definitions, and stronger accountability. At the same time, this paper is exploring challenges such as limited innovation, a heavy dependence on external rewards and the difficulty of adapting to environments that are changing quickly. The findings are suggesting that transactional leadership can yield significant outcomes when aligned with the right organizational culture. However, to support long-term growth and foster creativity, it may need to be paired with more participative or transformational leadership styles. This study adds to the ongoing conversation about leadership models by providing a deeper look into the strengths and limitations of transactional leadership.

Keywords: Transactional Leadership, Reward Systems, Management Styles, Organizational Behaviour, Leadership Theory, Performance Motivation

1 Introduction

Leadership is a foundational element of any organizational system. It is influencing not only the performance of individuals but also the strategic direction and sustainability of institutions (Çuhadar & Rudnák, 2022). Among the many leadership styles discussed in management literature, transactional leadership remained consistently relevant. Transactional leadership is the most relevant among organizations that are focused on high performance and are very structured. Transactional leadership is all about clear give-and-take between leaders and their teams—good performance is rewarded, while rule-breaking or underperformance is corrected. Despite its straightforward approach, it's still widely used and valued in many organizations (Bass, 1985). This style of leadership is about keeping things running smoothly following the rules, sticking to what's already in place, and getting things done efficiently (Chenglong et al., 2025).

The core concept of transactional leadership can be traced back to Weber's (1947) theory of bureaucratic management and MacGregor' (1978) division between transactional and transformational leadership. MacGregor was the first to differentiate

leadership as either transformational or transactional. In transformational leadership mode leaders tend to inspire their followers and try to engage them for the followers to exceed expectations. In the transactional model the relationship is based on mutual exchanges or give and take interactions. Later, Bass (1985) expanded on these ideas, outlining key dimensions of transactional leadership, including contingent reward, active management by exception, and passive management by exception. These dimensions form the core mechanism by which transactional leaders guide and influence subordinates.

Even though leadership theories are now evolving with more attention to emotional intelligence, shared decision making and inspirational leadership, transactional leadership is still used commonly. For example, in law enforcement, military large bureaucracies and even some corporate environments the clarity and the order transactional leadership promotes can be invaluable (Judge & Piccolo,2004). Yet the critics are arguing that the model is outdated in insufficient in a world that demands agility, innovation and empowerment.

This paper aims to provide a comprehensive analysis of transactional leadership by:

- Exploring its historical and theoretical foundations.
- Assessing its application and effectiveness across organizational settings.
- Examining empirical evidence related to its strengths and limitations.
- Providing insights into when and how this style can be optimally employed.

By blending theory with real-world examples, this study offers a deeper, more balanced understanding of where transactional leadership fits in today's leadership conversation (Hamza et al., 2024).

2 Relevant Literatures

2.1 Theoretical Foundations

The roots of transactional leadership are coming from the classical theories of authority and organization. Weber (1947) is categorizing leadership in three types of authority: traditional, charismatic and legal rational. Transactional leadership relies on the legal rational model which highlights hierarchies, bureaucratic systems and management based on rules. Within this framework leaders hold their power based on formal roles and they are expected to guide via incentives and punishment. It is not expected from the leaders to guide through charisma or visionary ideas.

MacGregor (1978) introduced the concept of transactional leadership into modern leadership thinking by separating it from transformational leadership. He describes transactional leaders as the leaders that engage in exchanges with their followers to achieve specific goals. Burns highlighted that this form of leadership is very pragmatic and effective for achieving routine tasks, but however it is lacking the visionary and motivational factors that are necessary for transformation.

Bass (1985) expanded the framework into a more structured theory, identifying three core components:

- Contingent reward: Leaders clarify expectations and deliver rewards when goals are met.
- Active management by exception: Leaders monitor follower performance and take corrective action when there are deviations.
- Passive management by exception: Leaders intervene only when problems become serious, or standards are not met.

These aspects have been tested and refined in several studies. Later Bass & Avolio (1994) included transactional leadership in the Full Range Leadership Model. This model also covers transformational and laissez-faire style.

A key focus in the literature is the comparison between transactional and transformational leadership. Transformational leadership with this focus on inspiration, intellectual stimulation and individualized consideration it is often seen as more desirable approach. Particularly in dynamic and innovative environments (Bass & Riggio, 2006). Contrary to transformational leadership transactional leadership is perceived as more straight forwards and less adaptable to change (Hamza et al., 2022).

However, some scholars suggests that this distinction may be oversimplified on how leadership works. For example, Judge and Piccolo (2004) conducted analysis comparing the two styles. They discovered that while transformational leadership often results in greater satisfaction and performance, transactional leadership when using rewards is also strongly contributing to key performance outcomes (Raza & Sikandar, 2018).

2.2 Transactional Leadership Across Sectors: Case Studies, Theories, and Analysis

Military Sector

Context: Military organizations traditionally have embraced transactional leadership through strict orders, hierarchies and obedience. In the military there is also formal system of rewards like promotions and medals but also punishments like reprimands and demotions. Howell & Avolio (1993) emphasized its necessity for maintaining discipline and structure.

Strengths: In a paratrooper unit the use of active transactional leadership has let to noticeable improvement in safety. That has been achieved by creating a strong culture of safety (Bass & Avolop, 1994).

Strengths: In a paratrooper unit, active transactional leadership significantly improved safety performance by fostering a strong safety climate (Bass & Avolio, 1994). In simple terms behaviourists reinforcement theory shows that people usually tend to repeat behaviours when they are consistently rewarded and avoid, they do not repeat behaviours when there are consequences. Expectancy theory (Vroom, 1964) adds that when people know exactly what is expected and what will they get in return people are more likely to stay motivated.

Limitations: Critics are arguing that transactional leadership is limiting innovation and adaptability. In counterinsurgency operations, rigid structures underperformed due to lack of flexibility. Cognitive Evaluation Theory (Deci & Ryan, 1985) suggests that relying too much on external rewards can take away sense of personal control and limit our internal motivation.

Public Administration Sector

Context: Bureaucratic frameworks make transactional leadership common in government. Managers use appraisals, quotas, and sanctions to drive performance.

Strengths: Programs like New York City's CompStat system showed reduced crime through accountability based on performance. Management by objectives increases efficiency in service delivery (Makhwiting & Bruhns, 2025).

Limitations: The 2014 Veterans Affairs scandal is a clear example of how transactional incentives can backfire. Staff were so focused on hitting the performance targets to earn rewards that they started cutting corners and hiding problems. This led to serious critical ethical issues (GAO, 2015). Cognitive Evaluation Theory helps explain this: when people are only motivated by rewards, they can lose their sense of purpose and pride in the work itself.

Corporate Sector

Context: Transactional leadership thrives in business via KPIs, bonuses, and quotas.

Strengths: Steve Jobs at Apple combined visionary and transactional leadership to push deadlines and ensure results. Tim Parker at AA used a transactional approach for rapid restructuring and profitability (Rowold & Heinitz, 2007). Reinforcement and expectancy theories explain employee's response to clear incentives (Schaad & Böhmer, 2024).

Limitations: The Wells Fargo scandal demonstrated how extreme transactional pressure can lead to behaviour which is unethical. Cognitive Evaluation Theory shows us that excessive control damages motivation. Innovation is suffering when only short-term goals are the ones which are incentivized (Cui & Mo, 2025).

Education Sector

Context: In education, transactional leadership shows up in the form of grades, rewards and pay based on performance (Safrida et al., 2025).

Strengths: Using reinforcement strategies has been shown to improve the behaviour of the students and boost their test scores. For example, pilot programs in Chicago and New York that offered monetary incentives has led to short term academic improvements' (Fryer, 2011). Similarly, Michelle Rhee's performance pay initiatives in Washington, D.C. were linked to noticeable gains in standardized test scores.

Limitations: However, this approach came at a cost. Relying heavily on external rewards tends to weaken students' internal motivation to learn. High stakes incentives also led to unintended consequences. For example, teaching to the test or even cheating scandals. According to Cognitive Evaluation Theory, when learning becomes all about

rewards, students often disengage from the deeper, more meaningful aspects of education (Wu & Rudnák, 2021; Kanwal et al., 2025).

Healthcare Sector

Context: Transactional leadership ensures protocol compliance and efficiency in high stakes settings.

Strengths: Incentives improve adherence to hand hygiene and reduce infections (Stone et al., 2012). Pay-for-performance increases vaccination and chronic disease management. Expectancy theory and path-goal theory explain these behaviours.

Limitations: The VA scandal has highlighted us the ethical issues that are tied to poorly structured incentives. Transactional leadership can weaken empathy and reduce the caregivers internal drive to help others. As a result, the staff may focus more on hitting the targets rather truly connecting and helping the patients.

Criticisms and Limitations

Despite its strengths, transactional leadership is very often criticized for several key limitations. These limitations can slow down the growth of the organization and its long-term effectiveness.

- Lack of Innovation: Transactional leadership focuses on stability, rule following and risk mitigations. This is beneficial in routine or crisis driven environments, but at the same time can supress innovation and discourages out of the box thinking. Employees may focus only on meeting established benchmarks rather than exploring new ideas. This is especially emphasized if innovation is not directly tied to a reward. This is particularly problematic in sectors like technology, education, or R&D, where creative problem-solving is crucial.
- Dependence on External Motivation: By relying heavily on outside factors for motivation such as bonuses, promotions or penalties this leadership style diminishes the internal factors as motivators. According to Cognitive Evaluation Theory (Deci & Ryan, 1985), individuals may lose their internal drive to perform well when they are focused too much on external rewards. Over time, this can lead to a culture where people only perform when incentives are present, reducing sustained engagement and job satisfaction.
- Poor Adaptability: In environments that are constantly changing or unpredictable, the strict rules and routines of transactional leadership can become a drawback. Leaders who are focused too much on fixed goals and procedures often struggle to adjust when there are new problems or opportunities. As Yukl (2013) notes, being adaptable and thinking strategically are essential skills for today's leaders but these are not traits that transactional leadership is usually promoting.
- Limited Emotional Engagement: Transactional leadership often overlooks the importance of emotional intelligence, empathy and human connection. Transactional leadership style it secures compliance and performance, however it does not do much to boost morale, trust or a sense of shared purpose (Rudnák & Szabó, 2019; Bajkai-Tóth et al., 2025). Long term this effect can weaken team

cohesion, reduce loyalty and it results in high turnover. This is the cease especially in people centric professions like healthcare, education or non-profit worked where emotional engagement is crucial (Lenee et al., 2024).

3 Results and Discussion

3.1 Effectiveness of Transactional Leadership in Practice

Empirical studies have consistently shown that transactional leadership is highly effective in structured, rules-based environments. For example, Campbell et al. (2010) found that transactional leadership enhanced performance in the military and emergency services by reinforcing discipline, ensuring clarity of roles, and maintaining hierarchical order. In law enforcement, similar models have been used to reduce crime rates and improve response times (Boettcher, 2022).

In the corporate world, this leadership style has proven effective in operationally focused areas such as sales, logistics, and customer service. Eisenbeiss & Boerner (2013) highlighted how clearly defined performance metrics and incentive structures are helping to boost productivity in sales teams. However, in creative fields such as advertising, design, or tech innovation, the rigid nature of transactional leadership often fails to foster collaboration or original thinking. In such cases it is resulting in diminished team dynamics and lower quality of the output.

3.2 Psychological and Behavioural Impact

Transactional leadership helps create structures and roles that are clear and make everyday tasks more manageable and less stressful. It fits well with the reinforcement theory, that is the idea that when people know what to expect in terms of rewards and consequences it is more likely that they will stay in line with the process (Podsakoff et al., 1982).

However, while that structure is helpful it also comes with a downside. Employees may feel they are just going through the motions doing what they are told to do without much personal freedom or connection to the work. Over time the lack of emotional investment can lead to burnout and disengagement. This is more prominent especially in roles that are relying on creativity.

3.3 Context and Culture

Transactional leadership tends to be more effective in high power distance cultures—where hierarchical authority is accepted and even expected (Hofstede, 2001). In countries or organizations with a strong respect for rank and rules (e.g., in parts of Asia or the Middle East), the transactional style may feel culturally appropriate.

However, in flatter, more egalitarian societies or organizations that emphasize collaboration and employee voice, this approach can create friction. Leaders who rigidly

apply transactional methods in the wrong context may be perceived as authoritarian or out of touch (Garamvölgyi & Rudnák, 2023; Mashinini & Sethibe, 2025).

3.4 Hybrid Models

Most contemporary leadership research supports the use of hybrid models. Bass and Avolio (1994) argues that leaders should not rigidly follow only one leadership style, but rather to move more fluidly across the spectrum depending on the needs of the employee or the situation.

For example, a manager might use transactional method in order to ensure projects deadlines are met, but also in the same time to employ transformational strategies to inspire innovation and cohesion in the team. This hybrid blend often results in better performance while ensuring greater employee satisfaction and more sustainable growth in the organization (Rosiński, 2017).

3.5 Future Relevance in the Digital Age

As digital technologies are transforming the workplace also the transactional leadership is evolving (Uslu et al., 2025). The rise of remote work, virtual teams and performances driven by algorithms are introducing new challenges and opportunities. Leaders are facing the challenges where now must deliver a structure and accountability in workplace environments where face to face oversight is rare.

While digital platforms can reinforce transactional principles (e.g., automated goal tracking and feedback), effective leadership will also require enhanced communication skills, empathy, and trust-building to maintain engagement across distances. This shift suggests that the purely transactional model must be augmented with emotional intelligence and transformational tools to remain relevant in the digital age (Hambleton & Gumpert, 1982; Mahmood et al., 2021).

4 Conclusion

Transactional leadership remains a foundational style in organizational theory and practice. Its emphasis on structure, clear expectations, and performance-based rewards makes it highly effective in sectors that prioritize order, accountability, and short-term outcomes—such as the military, public administration, and certain areas of business.

However, its limitations become evident in environments that require innovation, adaptability, and emotional connection. As the workplace becomes more complex and human-centred, relying solely on transactional methods is no longer sufficient. The most successful leaders will be those who can blend transactional clarity with transformational inspiration, creating environments where people feel both accountable and empowered (Bruno, 2013).

The future of leadership will depend on flexibility, cultural intelligence, and digital fluency. Transactional leadership will continue to play a key role—but its impact will

be greatest when applied thoughtfully and in combination with more human-centric models (Pane et al., 2024).

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Transactional Management in the Light of Literature

Abstract: Deal-making or transactional leadership is a style of leadership based on clear expectations based on mutual agreements and exchanges between the manager and subordinates. At its core, the leader rewards or punishes subordinates based on their performance. The manager defines exactly what is expected of their employees, what the target is and when it should be met. Good performance is rewarded with a bonus, recognition or promotion, while poor performance is punished with a penalty. The style tends to focus on short-term goals, with an emphasis on immediate performance and efficiency, long-term development and innovation are not the goals of transactional leadership The transactional leadership style is preferred in hierarchical military and law enforcement organisations where adherence to orders and discipline based on clear rules and expectations are important. Another important application is in call centre customer service, where the volume of products sold, the number of calls and customer satisfaction are a good basis for a reward system for the allocation of bonuses. The sales management style is also often used in the public sector, mainly in offices and public institutions, where transactional management helps to maintain the system and monitor performance. As this style of leadership works best where structure, adherence to rules and a clear reward system are more important than creativity or autonomy, it also has an important role to play in emergency or crisis management situations.

Keywords: Leadership Styles, Business or Transactional Leadership, Areas of Application, Advantages, Disadvantages

1 Introduction

The development of leadership styles has been a long process, evolving because of different theories, research and societal changes, always adapting to meet new challenges. Over time, many theories and trends have emerged, each with the guiding principle of adopting the leadership style that works most effectively and efficiently for the organisation (Fischer & Sitkin, 2023).

The emergence of the transactional management style can be linked to the emergence of industrial society, which sought primarily to maximise the efficiency of the workforce (Oswald et al., 2022). At this time, the development of factories and manufactories created new types of workplaces where workers performed monotonous and mechanised work. It was important to manage and control work and to strictly enforce rules (Jaqua & Jaqua, 2021)

Large-scale production and efficiency became key for employers, as did the need to ensure that workers worked to specified standards and that work processes were brought up to optimal production levels. The work did not require creativity or autonomy, it was simply a matter of carrying out tasks with precision. In this hierarchical system, managers gave clear instructions and workers carried them out and were rewarded for doing so (Novitasar et al., 2021).

An important element of the style was respect for order and rules, respect for sub-ordinate relationships. The rise of bureaucratic and hierarchical systems and the increasing importance of routine tasks and standardised work processes favoured a business-like management style. It has remained prevalent in later years, especially in stable, low-creativity jobs.

2 Literature Review

The theory of transactional leadership style dates to the 1950s, particularly through the work of Weber (1987). His theory of bureaucracy was only the beginning of the style's creation, as his research was not specifically about transactional leadership, but the (House, 1999). German sociologist explained that in modern societies, formal power and control structures play a major role. Weber developed a bureaucratic model of management that was effective for industrial society. The system was based on the division of labour, hierarchy and adherence to rules. The manager focused on maintaining order and enforcing predetermined rules and procedures. According to Weber, it was the job of managers to motivate workers through mutual exchange. Expectations were set and workers' performance was rewarded or punished. This process forms the basis of transactional management (Avolio et al., 2009).

The concept of transactional leadership was introduced in the work of Burns (1978), who distinguished between transformational and transactional leadership. He considered the main characteristic of transactional leadership to be an exchange-based relationship where the leader rewards the employee for their performance. In his book Leadership, the author examines two main leadership styles: transactional and transformational leadership. Transactional leadership is based on expected performance, goal achievement and the use of incentives or punishments, while transformational leadership focuses on long-term motivation, personal development and leadership ability (Hamstra et al., 2014).

Bass (1985) further researched Weber's work and explained the differences between transactional and transformational leadership. According to Bass, transactional leadership is performance-based leadership, where the relationship between the manager and the subordinate is a kind of exchange. A transactional manager must set clear goals and expectations and reward or punish employee performance accordingly.

According to Stone & Patterson (2005) in the business management style, clear requirements, structure and rules combine to create a routine, and thus certainty in the organisation. However, the disadvantage of this style is that it focuses on performance alone, which is demotivating in the long run and undermines satisfaction.

According to Prewitt et al. (2011) one of the main drawbacks of a transactional leadership style is that it inhibits creativity and innovation.

Podsakoff et al. (2000). observed that transactional leadership fits into environments that require clear structures, have well-defined processes and involve goal-oriented tasks. It is well suited to stable and established organizations, compliance-intensive

industries such as health care, and performance-oriented and results-oriented environments.

Northouse (2021) provides a comprehensive overview of different management theories, including business leadership. Northouse describes the different leadership styles, their advantages and disadvantages, and their application in modern management practice.

Ngayo Fotso (2021) identifies 18 leadership competency groups and examines the capabilities of 21st century leaders. The article examines the theoretical background of several leadership styles, including transactional leadership styles.

Nöthel et al. (2023) have examined the role of the leader in leadership style and found that an adaptive leader needs to be able to adapt his or her behaviour flexibly to the situation, and to do so he or she must be sensitive to the internal and external environment of the organisation, to the needs of subordinates, to consider and decide what changes to make in the situation, and to do so he or she must have a wide repertoire of behavioural strategies.

Nawaz et al. (2023) studied the relationship between transactional leadership and workplace stress and found that stress, as a factor present in all dimensions of an individual's life, is also present in the workplace, so it is very important to apply the right leadership style to reduce workplace stress.

The various leadership styles, including the salesman leadership style, have been studied extensively by domestic researchers. In particular, the effectiveness and applicability of a particular leadership style and its relationship with transformational leadership styles (Syaharudin et al., 2022).

According to Berde's (2003) interpretation, leadership style is a way of exercising power and includes the set of tools and methods that leaders use to influence their employees. Bakacsi (2004) examined organizational performance, motivation and their impact on the functioning of the whole organization

Nemes & Szlávicz (2014) study the impact of different leadership styles in the public and competitive sectors, and they argue that research analysing the relationship between leadership style and employee satisfaction confirms the contingency theory thesis that the most important thing is that leaders adjust their behaviour to the expectations of employees and change it according to the situation. This implies that there is no one leadership style that is appropriate in all situations.

Kassai (2020) used a questionnaire method and social media analysis to identify the most important leadership competencies. The list of competencies that emerged from the comparison of the two sampling methods included ethical, results-oriented, visionary, motivational, flexible, creative, empowering, among others. Transactional leadership, which focuses on achieving goals and uses performance-related rewards, is consistent with these competencies.

Juhász & Krén (2024) investigated the relationship between leadership style and organisational culture to explore how transactional and transformational leadership styles emerge in different organisational cultures. Dajka (2024) contrasted the different leadership styles, including transactional leadership with transformational leadership.

In a recent study, Ilea et al. (2024) examined generative leadership in the context of the challenges of the 21st century and contrasted it sharply with transactional leadership, as they differ completely in their motivational strategies.

3 Results

The literature reviewed suggests that the leadership style should always reflect the behaviour, attitude and actions of the leader. What is important in a leadership style is how a leader decides, how he or she understands the objectives, how he or she motivates employees and what kind of working environment he or she provides for effective work. Based on the literature, the most prominent leadership styles are:

- Autocratic management style: the manager makes decisions independently, relies mainly on his/her authority to manage, and therefore employee satisfaction and commitment are low. The style is characterised by one-way communication and strong control (Sharma, 2022).
- Charismatic leadership style: this style of leadership is based on the personal attractiveness of the leader, who has a personal and close relationship with his followers. Clear goals are set, communication is very effective and passionate (Hofmann, 2023)
- Transactional management style: the manager bases his/her management style primarily on a system of rewards and punishments, clear expectations and accurate performance appraisals (Jaqua & Jaqua, 2021)
- Democratic leadership: group members have an active role in decision-making and the leader makes his/her decisions based on their opinions. Communication is open, feedback is two-way, so the atmosphere in the workplace is better (Jaafar et al., 2021).
- Mentoring: the manager's aim is to develop employees' competences in the long term. The manager encourages employees to find the right solutions on their own. The manager gives feedback on the work, treats employees as individuals (Jaafar et al., 2021).
- Laissez-Fair leadership style: team members make decisions themselves, solve tasks independently, receive only guidance for problem solving, the leader has minimal involvement, rather an observer role ((Jaafar et al., 2021).
- Transformational leadership style: this style is dominated by personal development, creating the right working environment by leading by example to develop a shared vision. This leadership style encourages innovation and teamwork (Oswald et al., 2022).
- Servant leadership: this style of leadership puts the needs of team members first. The work environment is positive and supportive, and employees are satisfied. The most people-oriented leadership style, as the leader does not abuse his or her power (Oswald et al., 2022).

- Bureaucratic management style: a hierarchical form of management based entirely on rules. This style is characterised by written instructions and the overriding of personal preferences (Abun et al., 2021).

The different management styles, their advantages, disadvantages and areas of application are summarised in Table 1.

Table 1 Leadership Styles

Leadership Style	Field of application	Benefit	Disadvantage
Autocratic	military, manufacturing plants	fast decision-making, efficiency	low motivation and creativity
Charismatic	innovative companies, sports teams	dedicated staff	dependence on the leader
Transaction	military, call centre, agency work	effective in the short term, precise expectations, well-measured performance	lack of motivation, lack of commitment
Democratic	research and development, non-profit organisations	strong team spirit, high motivation, creativity	the slowness of decision-making.
Mentoring	consulting firms, startups	high performance and satisfaction	time-consuming
Laissez-faire	research and development, artists, designers	high creativity and motivation	coordination problems
Transformation	start-up, innovative companies	emphasis on personal development and innovation	burdensome for the driver
Server	non-profit organisation, health sector	long-term commitment, empathy, sense of community	the blurring of managerial power
Bureaucratic	financial sector, public administration	a stable business environment, predictability	inflexible, lack of innovation, motivation

Source: Authors' own edit based on Bwalya (2023)

The transactional approach to leadership is a reward and punishment style of leadership that can have several benefits, depending on the areas in which it is applied. The main advantage of this style is that clear rules and expectations are set so that employees know exactly what is expected of them and what rewards or punishments they can receive in return. Subordinates are motivated because they are incentivised by immediate rewards (e.g. bonuses, bonuses). The manager identifies the needs of his/her staff and promises them attractive rewards in return for effort, performance and expected behaviour. In practice, this is most evident in performance-based pay and exception-based management (Bakacsi, 2002).

In the applied style, there is less conflict as everyone is aware of the rules, but the stress level of employees can increase as excessive expectations, tight deadlines, punishments can all have a negative impact on stress management. The management style can be effective for routine tasks, but it also has the disadvantage of not promoting

creativity and innovation, and not supporting personal development, and not developing the skills of employees. The transactional manager therefore focuses on short-term results, using a reward and punishment approach. The style leader is autocratic and controlling, as he or she often needs to control employees. The transactional style of leadership is successful where the work consists of clear, well-defined tasks and where efficiency, compliance and performance can be easily measured, but it is not well suited to jobs that require creativity and innovation.

The management style can be successfully applied in the following areas:

- Trade and sales: the most common management style in this sector, as performance is easy to measure, and targets are easy to set. Call centres and customer services are the most typical examples of this management style. The incentive for salespeople to set high bonuses to improve their performance is strong. It has the advantage that employees are well motivated and work efficiently. A disadvantage can be that employees do not feel ownership of the company's objectives, they only work for the reward. Workers' creativity is low, long-term development is not a characteristic of autonomy.

- Manufacturing and industry: this is another sector where the business management style is often used, mainly because of the ease of measuring production quotas, deadlines and quality expectations. Continuous performance appraisal of workers is the basis for the effectiveness of this style. The possibility of error is reduced by issuing precise rules and instructions, but innovation and creativity are not encouraged. A management style often used for start-ups.

- Transactional management style is also strongly present in the Military and Security sectors, as hierarchical structure (chain of command), rules and discipline are the main principles of this management style, so that transactional management based on clear instructions is an excellent way to use it in this area. The reward and punishment system culminates in awards and disciplinary procedures. On the downside, there is also a lack of motivation and a lack of adaptability, which in today's changing challenges (terrorism, cyber security) may require the inclusion of elements of transformational leadership. The transactional leadership style can also be applied in times of emergency in the military sector, where speed and clear orders can be a lifesaver.

- Transactional management is also widely used in the financial sector, as financial institutions such as banks and insurance companies, where employees have clear financial targets and quarterly plans, can be well motivated by a system of bonuses and rewards. Performance can be well measured by numbers in the sector, but the negative side can be excessive pressure on employees due to the constant need to perform. Employee creativity is low and innovation is not a feature.

- Sports teams: this form of leadership is present in many sports, as the sporting world is well adapted to a system of rewards and punishments, as well as clear expectations and performance evaluation. The short-term effectiveness of this

style of management can be maximised by the coach in a single season by applying the right motivation.

The best-known examples of transactional management style:

- McDonald's: the franchised company still uses a system of rewards and punishments to maintain consistent standards, culminating in the company's high standards of food preparation, customer service and cleanliness. It is no coincidence that its products are of the same quality in any country.
- Bill Gates' leadership style started as a pragmatic transactional leader, which in the early years of Microsoft was reflected in the independent decision making and high expectations that were necessary for a start-up company to survive and thrive.
- General Norman Schwarzkopf was the commander of Operation Desert Storm and is regarded as one of the most talented military leaders of recent decades. His leadership style was characterized by clear expectations, a structured environment, and a system of rewards and punishments.

4 Conclusions

There are many national and international books and research on the transactional or deal-making style of management since the early 1950s. Research has detailed the advantages and disadvantages of this style of management, its relationship with other management styles, its areas of application and its most prominent representatives.

While initially the main purpose of applying the management style was to increase the efficiency of production, in which the manager's power then derived from his legitimate position, this relationship later evolved into an exchange between manager and worker.

Today, the style is still widely used, and its success depends on the ability of the manager to find appropriate rewards and punishments to encourage subordinates to achieve the desired results. The manager must be able to give clear instructions and ensure that they are carried out.

A particular management style can be applied in the short term, to achieve specific goals and in specific areas, so it is important that the manager is sensitive to the reactions of employees, as he can choose his motivational tools accordingly. Performance-based rewards can include bonuses, promotions, recognition, but nowadays, in addition to financial incentives, other priorities are emerging among employees, such as flexible working hours, working from home, work-life balance. Another important task for the manager is to avoid stress in the workplace, as employees may be under excessive pressure to perform. You can reduce workplace stress by setting clear, unambiguous expectations and providing regular feedback. Furthermore, it is important that the manager does not just point out mistakes, as this will result in a lack of positive reinforcement from employees.

Overall, there is no one right way to lead, many of the best leaders use multiple leadership styles, often varying their style depending on the goal they are trying to achieve. However, with the conscious application of the right incentives, the business style can still be used effectively in many areas, whether in law enforcement, sales and marketing, or in times of emergency.

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GUTU TESFAYE GINBARE

Transformational Leadership in Ethiopian Context: A Systematic Literature Review

Abstract: This systematic literature review describes how and to what effect transformational leadership is exercised within the Ethiopian organizational setting. The paper draws on 16 relevant works published between 2013 and 2025, synthesizing disparate works in various fields, such as healthcare, education, sports, and public administration. Articles were accessed via the Scopus and Web of Science databases, employing PRISMA-based selectiveness to ensure rigor. The paper concludes that dimensions of core transformational leadership, inspirational motivation, and individualized consideration have a sound relationship with improved employee performance, job commitment, and institutional readiness for change. It further argues that the theoretical attractiveness of the model has not yet been realized in practice in the country, primarily due to deeply rooted hierarchical structures and leadership training trends that oppose any form of participatory management. The review shows that as western styles of leadership have been employed by most studies and applied to the Ethiopian socio-cultural environment without required adjustment. There is a need for leadership models to operate within Ethiopia's cultural values, such as collectivism and hierarchy. The review recommends targeted training, inter-sectoral collaboration, and organizational reform to instil transformational values that promote innovation, accountability, and long-term growth in Ethiopian organizations.

Keywords: Transformational Leadership, Ethiopian Organizations, Leadership Development, Organizational Performance, Systematic Review

1 Introduction

Leadership is a key factor in organizational success, influencing vision, culture, and adaptability. Northouse (2007) defines it as the ability to motivate a group toward goal achievement. Over the past 25 years, transformational leadership has gained prominence in leadership studies (Northouse, 2004). Burns (1978) described it as a process where leaders and followers elevate each other's motivation and morality. Bass (1985) identified four core elements: idealized influence (ethical role modelling), inspirational motivation (shared vision), intellectual stimulation (encouraging creativity), and individualized consideration (personalized support and delegation).

Transformational leadership has gained significant attention for its ability to inspire trust, innovation, and shared purpose (Bass & Riggio, 2006). Bass (1997) outlined its four key components: idealized influence (ethical role modelling), inspirational motivation (visionary communication), intellectual stimulation (encouraging creativity and problem-solving), and individualized consideration (personalized support and development). These elements help leaders boost both individual and organizational performance by fostering a culture of trust, motivation, and growth. Globally, studies

link this leadership style to higher employee satisfaction, creativity, and firm performance, especially in dynamic environments (Northouse, 2019).

A socio-economic reform and institutional change environment in Ethiopia makes transformational leadership very crucial. In the presence of problems that include woeful infrastructure and red-tape barriers, leadership that can bring creativity and change is required (Agazu et al., 2025). Apparent disparities persist in its practice, though. While the private higher educational sector has been found wanting in ethical behaviour, communication, and trust problems, apparently acting against the tenets of transformationalism (Zeleke & Chauhan, 2022), the public sector shows dependence on just such a rigid, transnational model, thereby losing out on innovation and adaptability (Kant & Adula, 2023).

The theoretical promise and practical application of transformational leadership in Ethiopia have not been bridged; hence, there is a need for a systematic literature review to be done. The purpose of this review is to look at the studies cross-sector so as to bring to light the trends of that time, contextual influences, and outcomes that can create better understanding for aligning leadership development with the national goals during the times of institutional reform and economic growth. Although the value of transformational leadership in fostering innovation and long-term success is internationally recognized, the conceptual framework has not been embraced within the Ethiopian organization. The public sector, where traditional and hierarchical models prevail, the more; this undermines strategic thinking and innovation (Kant & Adula, 2023).

Additionally, research in Ethiopia is fragmented and sector-specific, often lacking methodological consistency, which hinders broader understanding and policy development (Zeleke & Chauhan, 2022). While some evidence links transformational leadership to improved performance (Agazu et al., 2025), no comprehensive synthesis has yet been undertaken. This review aims to fill that gap by consolidating findings, exploring contextual challenges, and guiding leadership strategies that are culturally and institutionally relevant to Ethiopia. The following three research questions guide this systematic review to accomplish its goal:

Research Questions

- How is transformational leadership conceptualized, implemented, and experienced across different sectors in Ethiopian firms?
- What are the contextual factors and organizational outcomes associated with transformational leadership in the Ethiopian business environment, and what gaps exist in the current literature?

2 Methods and Materials

A systematic review of transformational leadership in Ethiopian firms was performed to identify how scholars in this field conducted and reported research in the area. This

systematic review was conducted by following the reporting checklist of the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA; Liberati et al. 2009). For this study, a comprehensive literature search was undertaken to identify papers. More specifically, all the papers published until the end of April 2025 were searched for systematic review papers.

A protocol was developed in advance to document the analysis method and inclusion criteria. We utilized Scopus and Web of Science to search for articles published in different journals containing the term "transformation leadership in Ethiopian firm" in their titles, abstracts, and/or keywords. Indeed, due to the lack of a detailed checklist (such as PRISMA) for conducting a systematic review in social sciences, even the authors who intended to perform a systematic review must refer to the existing narrative guidelines (e.g. Petticrew & Roberts, 2006; Pickering & Bryne, 2014) and perhaps perform and report the steps selectively and arbitrary. The last search was run on the 20th of April 2025.

The titles, abstracts, keywords, author details, journal names, and publication years of the identified studies were exported to an Excel spreadsheet. Full texts were then independently screened for eligibility. We included review papers that clearly outlined transparent and reproducible methods for literature selection, without pre-judging the relevance of included studies (Booth, 2016; Petticrew & Roberts, 2006; Pickering & Byrne, 2014). Specifically, we prioritized papers that used database searches with predefined keywords (Pickering & Byrne, 2014).

2.1 Search Delimiting Criteria

PRISMA is considered in this study because it allows for assessing possible publication biases. Hence, we started with record identification through database search. The databases that were searched included Scopus and Web of Science. Based on the identification of accessible research using specified keywords, we conducted a review of the literature on the transformational leadership research streams. The query was done in the Scopus Database using the operator "TITLE-ABS-KEY," which performs full-text searches on titles, abstracts, and authors' keywords. On the 20th of April 2025, we started our search query in broader terms by using the syntaxes "transform*" AND "leadership" AND "Ethiopian", which yielded 104 documents ranging from 1980 to 2025 and we applied several filters to refine our database. The following query was developed taking the aforementioned factors into account. (transform* AND leadership AND Ethiopia)

Then, the PRISMA approach's inclusion and exclusion criteria are shown in Fig. 2. First, we limit the subject area to Economics, Econometrics and Finance, Business Management and Accounting, Environmental Science, Computer Science, Energy, Engineering and Social Sciences. Only English-language articles, conference presentations, book chapters, books, reviews, conference reviews and conference papers were considered for further analysis. Moreover, those publications before 2013 were eliminated because they were not related to the subject matter. This filtering process refined the

data to 16 documents. The inclusion and exclusion criteria are used since any form of research that investigates the characteristics of a certain subset of a population must define inclusion and exclusion criteria. This aids in the constant, trustworthy, and impartial identification of the study population by researchers. The selected sample in the study is therefore more likely to possess the qualities necessary to adequately address the research issue. Consequently, our result was refined using a set of exclusion and inclusion criteria (Figure 1). Finally, out of the 104 publications found in the databases, the researcher chose 16 articles for review. These criteria collectively guide the selection and evaluation of materials, ensuring the study's precision and relevance. The following query was developed: *(transform* AND leader* AND Ethiopia) AND PUBYEAR > 2012 AND PUBYEAR < 2026 AND (LIMIT-TO (SUBJAREA , "SOCI") OR LIMIT-TO (SUBJAREA , "MEDI") OR LIMIT-TO (SUBJAREA , "BUSI") OR LIMIT-TO (SUBJAREA , "ARTS") OR LIMIT-TO (SUBJAREA , "ENVI") OR LIMIT-TO (SUBJAREA , "NURS") OR LIMIT-TO (SUBJAREA , "ECON") OR LIMIT-TO (SUBJAREA , "COMP") OR LIMIT-TO (SUBJAREA , "PSYC") OR LIMIT-TO (SUBJAREA , "MULT") OR LIMIT-TO (SUBJAREA , "ENGI") OR LIMIT-TO (SUBJAREA , "AGRI") OR LIMIT-TO (SUBJAREA , "ENER") OR LIMIT-TO (SUBJAREA , "HEAL") OR LIMIT-TO (SUBJAREA , "DECI") OR LIMIT-TO (SUBJAREA , "PHYS") OR LIMIT-TO (SUBJAREA , "MATH")) AND (LIMIT-TO (DOCTYPE , "ar") OR LIMIT-TO (DOCTYPE , "ch") OR LIMIT-TO (DOCTYPE , "re") OR LIMIT-TO (DOCTYPE , "bk") OR LIMIT-TO (DOCTYPE , "cp")) AND (LIMIT-TO (LANGUAGE , "English")*

2.2 Quality evaluation

The study assessed each included work based on study design, sample size, and result validity to gauge the strength of evidence. By evaluating study quality, systematic reviews aim to avoid biased or poorly conducted research, thereby ensuring more reliable conclusions. This process enhances transparency and helps readers understand how evidence quality is judged. High-quality studies, in turn, strengthen the credibility of systematic reviews and support evidence-based decision-making across various fields.

2.3 Eligibility

Eligible studies met the defined inclusion and exclusion criteria and employed qualitative, quantitative, or mixed-method approaches; studies using other methods were excluded. Only peer-reviewed articles published in reputable journals were considered. As shown in the PRISMA flow chart, 16 studies met these criteria and were included in the review. This process ensured a systematic, transparent, and replicable approach to article selection.
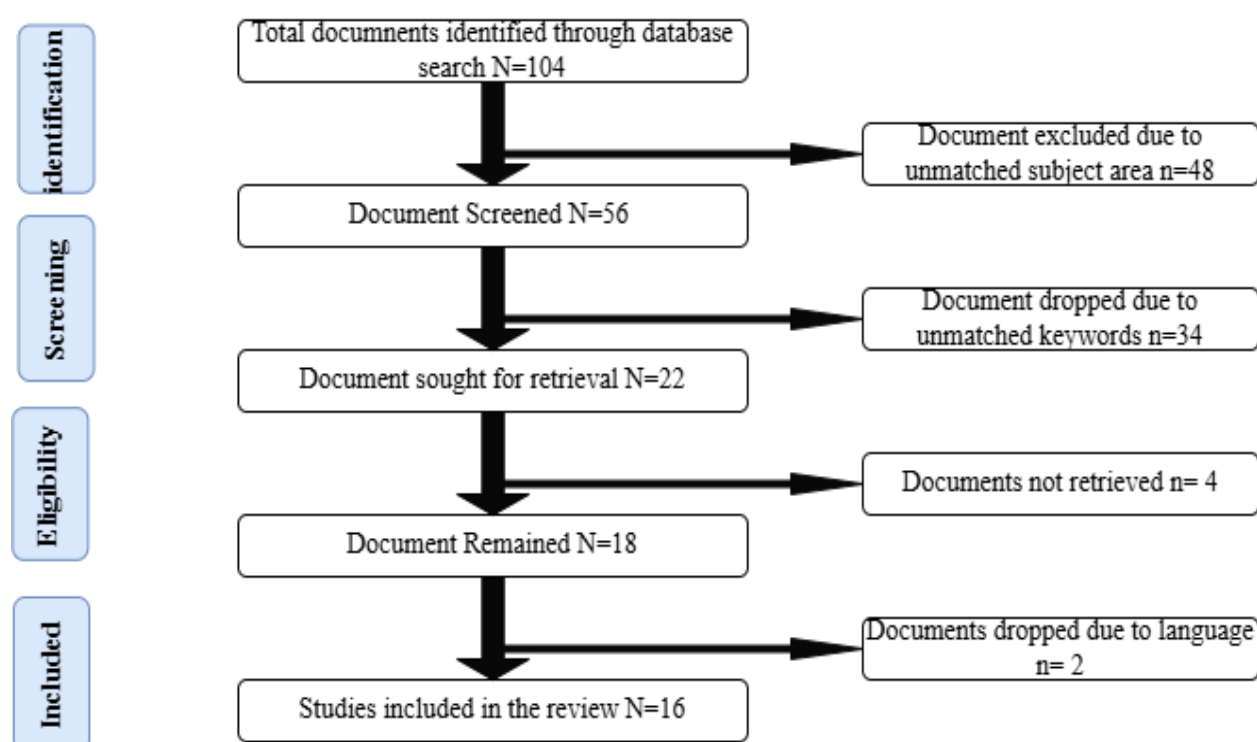
Figure 1 The PRISMA flow diagram explaining steps in the identification and screening of data
Source: Author's own edit

Figure 1 provides an overview of the database search that resulted in outcomes and insights into decision making on article inclusion and exclusion. This is where the database search is critically analysed to show the outcomes and insights into decision making regarding article inclusion and exclusion. From the two databases, a total of 104 articles were found. The dataset was then critically assessed by the research team whereby some reports were eliminated during the initial screening. This left only 16 articles to be further assessed. Of these more rigorous screenings, 88 reports were found not meeting the predefined criteria for selection and, therefore, were ineligible. Only 16 reports were found suitable for inclusion in the final review after going through this meticulous evaluation. This refined selection forms the core body of literature for subsequent steps in the systematic literature review.

2.4 Data Analysis

This study used PRISMA to run through a check of the literature studies on some research and descriptive content analysis, and on review questions that guided the review process. Descriptive content analysis involved the categories in the data extraction form (Snilstveit et al., 2012)- tabulation was done to present results of research characteristics. for easy discussion, in Excel. The first part of the output in Table 1 offers a broad overview of the reviewed literature; it is under seven main headings: authors, article titles, objectives, journal names, methods, samples, and major findings of the studies checked. These make clear the many and varied strands of research exploration that add to knowledge of the subject.

3 Characteristics of the Reviewed Articles

Aiming to provide readers with a brief introduction regarding the reviewed articles, the study used points such as yearly distribution of publications, document by type, keywords distribution, and keywords cloud map characteristics as follows.

The trend of increasing interest can be observed in Figure 2, which shows the annual distribution of publications on transformational leadership in the Ethiopian context as part of the systematic review. Output was low and inconsistent from 2013 to 2017; in some years, such as 2015 and 2017, only one or none of the documents was published. An uptick is easily recognized starting in 2018 with increased research engagement. A modest increase is visible in 2020, after some fluctuations, and then a significant rise in 2023 and particularly in 2024, which registers the greatest number of publications with 21. This escalation might coincide with the increasing importance of leadership issues in Ethiopia's political, educational, or organizational setting. The decrease in 2025 is most likely because the year is ongoing and not captured fully. Overall, the figure shows that the topic has gained increasing relevance with more in-depth study within the Ethiopian scholarly community in the recent years.
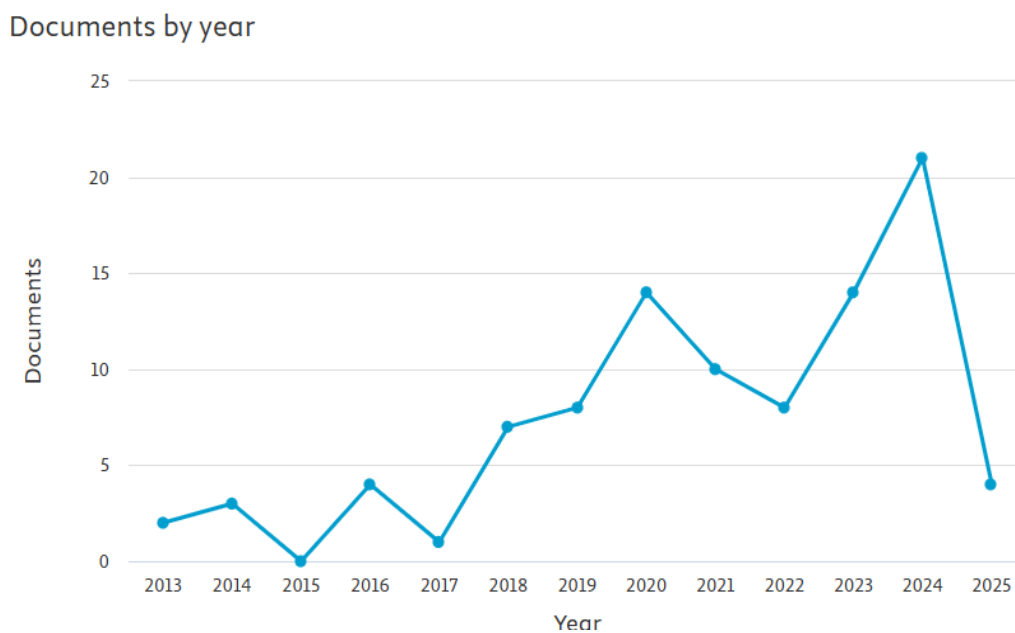
Figure 2 Documents by year
Source: Author's own edit

Figure 3, titled "Documents by type," categorizes the types of documents included in a systematic review related to transformational leadership in the Ethiopian context. The bulk of the literature is articles (79.2%), then chapters (10.4%), reviews (4.2%), books (3.1%), and conference papers (3.1%), which appear in this study and collectively account for that order of magnitude. It somewhat more readily locates the discourse of transformational leadership in Ethiopia within the journal, i.e., within an academic dialogue on the subject, indicated by references to book chapters and reviews, which, when found, indicate broader discussions and synthesized insights, with the least references found to books and conference proceedings, which could either be due

to the immaturity of such channels of publication on the subject or of research on the subject area in the longer form and conference paper genres. This figure hence indicates a growing scholarly interest in primarily academic journals as to how the theorization and practice of transformational leadership take place within the distinct Ethiopian sociopolitical and organizational setting.

Documents by type
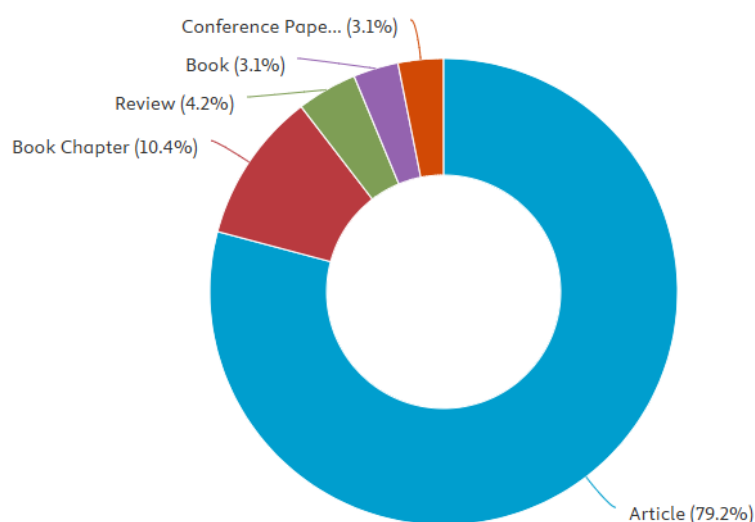
Figure 3 Document by type.
Source: Author's own edit

Figure 4 presents the 10 major Author Keywords on transformational leadership in the Ethiopian environment. As illustrated in the graph, 'Ethiopia,' 'transformational leadership,' 'leadership styles,' and 'job satisfaction' appear quite prominently, underlining the variant sub-areas to which most studies are directed.

Figure 4 Keywords distributions.
Source: Author's own edit

Figure 5 Keywords cloud map distributions.
Source: Author's own edit

Figure 5 author keywords cloud map highlights leadership as the central theme, particularly within educational and healthcare contexts. Frequent terms like management, job satisfaction, and organizational commitment suggest a strong focus on how leadership styles influence institutional performance and employee well-being. The presence of public health and region-specific keywords like Ethiopia indicates an applied, context-driven research agenda. Overall, the distribution reflects an interdisciplinary interest in the practical impact of leadership across sectors.

Table 1 Summarized review of transformational leadership in Ethiopian context

Author's name and year	Title	Journal Name	Major objective	Sample size	Method	Major Findings
Hundie & Habtewold, (2024)	The Effect of Transformational, Transactional, and Laissez-Faire Leadership Styles on Employees' Level of Performance: The Case of Hospital in Oromia Region, Ethiopia	Journal of Healthcare Leadership	This study aims to assess the effect of leadership styles on employee performance in hospitals in the Oromia region, Ethiopia.	40 hospitals and 412 employees	Quantitative	Among leadership styles, transformational with idealized influence and intellectual stimulation, laissez-faire approaches were significantly associated with employee performance.
Tadesse et al., (2024)	Transformational Leadership on Performance of Selected Ethiopian Sport Federations	Pamukkale Journal of Sport Sciences	The purpose of this study was to assess the impact of transformational leadership practices on the organizational performance of some Ethiopian sports federations. Cross-sectional	95 Ethiopian sports federations participants	Quantitative	The finding of the study shows that transformational leadership idealized influence enhanced the performance of selected Ethiopian sports federations through inspiring trust, fostering commitment, promoting excellence, and cultivating a positive organizational culture.
Mulugeta & Pandian, (2020)	The relationship between leadership styles and employee commitment in public	International Journal of	The primary objective of this study is to analyse the	597 sample respondents	Quantitative	This study points out there are significant differences between leadership except management by exception

	organizations of dire Dawa administration, Ethiopia	Advanced Science and Technology	relationship between different leadership styles and employee commitment in public organizations of Ethiopia with special reference to Dire Dawa Administration.	from 15 different public organizations		(active) and overall transactional leadership scale. Transformational leadership style is more effective than transactional leadership in affecting all subscales of employees' organizational commitment.
Gidi et al., (2024)	The effect of workforce diversity management on organizational performance in the case of higher educational institutions in Ethiopia: Does leadership style play a moderating role?	Journal of Infrastructure, Policy and Development	This study is aimed at exploring the degree of association between workforce diversity dimensions and the academic performance of four universities in Ethiopia.	386 samples from 4 universities	Quantitative and qualitative	A democratic work environment is critical for the productivity of the staff, and an effort has to be geared towards the goal of creating such an environment. The regression analysis indicated that diversity, climate, organizational justice, identity, schema, and communication have statistically significant effects on the academic performance of higher educational institutions in Ethiopia.
Liu et al., (2024)	The effect of leadership styles on employee's performance in Ethiopian sports organizations with mediating and moderating roles	Scientific Reports	The research is to explore the impacts of diverse leadership styles on employee performance in Ethiopian sports organizations.	463 participants from various sports organizations	Quantitative	The findings indicated that the perceived transformational leadership approach showed the strongest positive correlation with job satisfaction and employee performance, followed by the transactional leadership approach.
Tesfaw, (2014)	The relationship between transformational leadership and job satisfaction: The case of government secondary school teachers in Ethiopia	Educational Management Administration and Leadership	The purpose of this study is to determine the relationship between transformational leadership of government secondary school principals and teachers' job satisfaction.	320 teachers	Quantitative	The findings indicated that a moderate, positive and significant relationship exists between trans- formational leadership (overall) and overall teachers' job satisfaction.
Arage et al., 2022)	Organizational commitment of health professionals and associated factors in primary healthcare facilities of Addis Ababa, Ethiopia: A multi-center cross-sectional study	Frontiers in Public Health	This study aimed to assess the level of organizational commitment and associated factors among health professionals working in the primary health facility of Addis Ababa, Ethiopia.	459 healthcare professionals	Quantitative	The major finding was that age, job satisfaction, and transformational leadership behaviour were significant predictors of organizational commitment.
(Bacha & Kosa, 2024)	Nurturing Sense of Institutional Citizenship Behavior: Role of Perceived Transformational Leadership Style and Organizational Support Mediated by Affective Professional Commitment	Leadership and Policy in Schools	The purpose of this paper is to examine whether faculty's affective professional commitment mediates the relationship between transformational leadership behaviours of university management, perceived organizational support, and	220 full-time academicians staff	Quantitative	The study found that transformational leadership is effective in creating positive affective commitment and positive organizational citizenship behavior.

			faculties' institutional citizenship behaviour.		
(Gashaye et al., 2023)	Perceived Utilization of Leadership Styles Among Nurses	Risk Management and Healthcare Policy	This study aimed to assess the perceived utilization of leadership styles among nurses at Jimma town public health facilities, Ethiopia.	403 nurses	Quantitative	The study has found that transformational leadership is a commonly utilized leadership style by leader nurses and transformational leadership style is key to achieving organizational goals and increasing staff nurses' productivity.
(Jinga et al., 2024)	Leadership Behaviour and Organizational Change Management in Selected Public Universities of Ethiopia: Exploring the Impact of Leadership Influences and Change Processes	Heliyon	The main purpose of the study is to assess the impact of leadership behaviour on the organizational change management process in selected public Universities in Ethiopia.	581	Quantitative	The study findings revealed a positive and significant impact of autocratic, democratic, laissez-faire, and transactional leadership behaviours on the organizational change management process.
(Mekonnen & Bayissa, 2023)	The Effect of Transformational and Transactional Leadership Styles on Organizational Readiness for Change Among Health Professionals	SAGE Open Nursing	The purpose of this study was to determine the effect of transformational and transactional leadership styles on organizational readiness for change among health professionals in the case of selected public hospitals in the North Showa Zone, Oromia Region, Ethiopia.	212	Quantitative and qualitative	The study revealed that whenever transformational and/or transactional leadership behaviors are exhibited by the administrative staff, readiness for organizational change (commitment and efficacy) increases among health professionals
(Gao et al., 2024)	Integrated leadership for coherent school improvement in Ethiopia: The moderating role of transformational leadership on the relationship between instructional leadership and student academic achievement mediated by school improvement process	Psychology in the Schools	The main objective of this study is to examine the contextual role of instructional leadership (IL) and transformational leadership (TL) in promoting the Ethiopian School Improvement Program	1280	Quantitative and qualitative	The study indicated that primary school principals are more likely to ensure coherent, direct school improvement and student academic performance regardless of whether they practice transformational leadership.
(Negussie & Demissie, 2013)	Relationship between leadership styles of nurse managers and nurses' job satisfaction in Jimma University Specialized Hospital	Ethiopian journal of health sciences	The objective of this research was thus to investigate the relationship between leadership style of nurse managers and nurses' job satisfaction in Jimma University Specialized Hospital.	8 nurses	Quantitative	The finding shows that nurses tended to be more satisfied with the transformational leadership than the transactional leadership style and nurses' managers should use the transformational leadership style to increase nurses' job satisfaction.
(Gemeda & Lee, 2020)	Leadership styles, work engagement and outcomes among information and communications technology professionals: A cross-national study	Heliyon	The main purpose of this study was to examine relationships among leadership styles, work engagement and work outcomes	147	Quantitative	The results showed that transformational leadership style had a significant positive relationship with employees' work engagement and innovative work behaviour, while transactional

			designated by task performance and innovative work behaviour among information and communication technology professionals in two countries: Ethiopia and South Korea			leadership style had a significant positive relationship with employees' task performance.
(Botha & Aleme, 2023)	Integrative Principals' Leadership Behaviour Approach to Improve Student Academic Outcomes in Ethiopian Secondary Schools	International Journal of Learning, Teaching and Educational Research	The study aimed to examine the effect of secondary school principals' leadership behaviours on student outcomes in the zone and consequently, to identify effective types of leadership constructs that could enhance learners' success. An	18	Qualitative and quantitative	The findings of this study indicate that effective practice of a combination of instructional and transformational leadership behaviours, in integrative ways, enhances student outcomes.
(HassenYimam, 2023)	Impact of leadership style on employee commitment in Bahir Dar University, Ethiopia	Teaching Public Administration	This study aimed to examine the impact of leadership styles on employee commitment at Bahir Dar University. Methodology:	372 employees	Quantitative	The results of the research showed that transformational and transactional leadership style have a positive and significant impact on employee commitment in BahirDar University.

Source: Author's own edit

The table indicates the studies' collection that has been reviewed across various sectors in Ethiopia, including healthcare, education, sports, and public administration. An implicit focus has consistently existed on differentiating the impacts of leadership styles, particularly the transformational type, on organizational performance, employee commitment, job satisfaction, and institutional outcomes. Throughout the existing studies, it has been commonly accepted that transformational leadership bears the most effective and efficient positive connotations. Evidence from studies by Hundie & Habtewold (2024) and Tesfaw (2014) revealed that transformational leadership, particularly idealized influence and intellectual stimulation, significantly enhances employee performance and satisfaction in the contexts of health and education. Similar evidence emerged from Tadesse et al. (2024) research, which showed that, in sports federations, transformational leaders foster organizational performance based on the trust they have in their teams and by cultivating a positive culture (Bajkai-Tóth et al., 2025).

The ripple effect of transformational leadership on organizational outcomes pertains to individual performance. For example, given the evidence found regarding the influence of that leadership style on employee commitment in public organizations, it can be argued that Mulugeta & Pandian (2020) and Arage et al. (2022) truly illuminated the relationship between transformational leadership and primary healthcare facilities. A content analysis conducted on the responses of the sample study by Gashaye et al. (2023) revealed that productivity and goal attainment are the primary elements perceived by nurses in the public healthcare setting concerning transformational

leadership. Another study by Bacha & Kosa (2024) provided more direct evidence showing that transformational leadership fosters institutional citizenship behaviour via the mediation of affective professional commitment and thus confirmed the emotional and motivational aspects of such leadership.

While transactional leadership is supportive, in specific situations, it also has a bearing on the outcomes. For example, studies conducted by Hassen (2023) and Gemeda & Lee (2020) revealed a positive relationship between transactional leadership and followers' task performance and commitment when accompanied by transformational dimensions. This is further confirmed by Mekonnen & Bayissa (2023) who proved that both transformational and transactional styles enhance organizational readiness for change among health professionals.

Laissez-faire leadership receives little support. While it is mentioned by Hundie & Habtewold (2024) and Jinga et al. (2024), its effectiveness is not evident, except in some cases. This is for the proactive form of the other styles of leadership. Democratic leadership is brought out in Gidi et al. (2024) as a way diversity is managed and enhanced performance in higher educational institutions. More so, the integrative approaches join the direct and transformational styles that revealed a sign of improvement in the students' results and school performance (Botha & Aleme, 2023; Gao et al., 2024).

Taken together, these studies illustrate that transformational leadership consistently fosters better outcomes across a range of Ethiopian institutional contexts, from healthcare and sports to education and public administration. It enhances not only individual performance and satisfaction but also drives organizational commitment, adaptability, and long-term success. While transactional leadership contributes to task-oriented environments, and democratic leadership helps in collaborative settings, the most robust and comprehensive benefits arise when transformational leadership is adopted as a core organizational approach. Organizations in Ethiopia aiming to strengthen their workforce effectiveness and institutional development would benefit from investing in leadership development programs that emphasize transformational competencies such as vision-setting, individualized support, intellectual stimulation, and inspirational motivation.

4 Conclusion

This systematic literature review critically examines the current body of scholarly work on transformational leadership in an Ethiopian organizational context. The PRISMA framework screens 104 publications from Scopus and Web of Science databases. Ultimately, 16 relevant studies are selected based on stringent inclusion and exclusion criteria. These studies come from the health, education, sports, and public administration sectors, and they used different methodological designs, which gave a multi-faceted understanding of the practice and impact of transformational leadership in Ethiopia.

Most of the studies reviewed used quantitative research methods, typically cross-sectional survey designs. They used standardized instruments, such as Likert-scale questionnaires, for measuring the constructs of leadership style, employee satisfaction, commitment, and performance. Some had quite small sample sizes, for example, 18 participants in one study by Botha and Aleme (2023), while others had as many as 1280 respondents in larger samples conducted by Gao et al. (2024). Some other studies used mixed methods (Mekonnen & Bayissa, 2023; Gidi et al., 2024), providing qualitative interviews or focus groups along with a quantitative analysis to look at the leadership process from more holistic views. However, at the same time, there has been a clear absence of the long- or short-term, longitudinal, and experimental or quasi-experimental studies that are needed to establish causation and to see changes in leadership over time.

The aggregation of results from a broad, diversified methodology justified the trend involved: positive relationship between transformational leadership and both individual and organizational outcomes. More specific benefits comprise employee performance, job satisfaction, and organizational commitment, as well as institutional readiness to change. In Ethiopian organizations, those leaders who have conveyed to have the four key dimensions of transformational leadership are idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration, will more trust upon them and consider them effective as well as empowering.

Transformational leadership proved most effective in high-stakes or change-oriented settings. A good deal of evidence has revealed the significance of transformational leadership in enhancing job satisfaction and productivity on teachers and health professionals in studies conducted by Tesfaw (2014) and Hundie & Habtewold (2024). In the meantime, the described value and importance that leaders of sports organizations and academic institutions bring added value through building a shared vision and innovation (Tadesse et al., 2024; Bacha & Kosaa, 2024), is the tested and proved value not only in different contexts but also in the Ethiopian context of this study.

Its benefits notwithstanding, the adoption and institutionalization of transformational leadership in Ethiopia is a function of contextual dimensions. Most organizations, especially in the public sector, are stuck with transactional, autocratic, or bureaucratic forms of leadership that focus more on getting the work done with control and without much consideration of vision, collaboration, and innovation. Matters are made worse because the organizations' leadership cultures are also framed within centralized decision-making and top-down implementation hierarchies with little investment in leadership training and quite low attitudinal tolerance toward participative management. This is clearly brought out in studies such as Kant & Adula, 2023 and Zeleke & Chauhan, 2022 since these and related factors have significantly interfered with effective practice when it comes to transformational leadership.

The studies were mostly cross-sectional so, casual interpretations could be drawn with limitation. Further, most of the studies have focused on a single sector or region; therefore, results cannot be generalized. The divided attention of the current literature available, the mismatch in the research design, and variability in the measurements of

leadership and the definitions of leadership do not also serve to aggregate into an applicable and contextually fitted theory of transformational leadership in Ethiopia.

Theoretical and Practical Implications

This review affirms the cross-cultural relevance of transformational leadership, originally rooted in Western contexts, as effective in Ethiopian sectors like healthcare, education, and public administration. It validates Bass and Avolio's Full Range Leadership Model, particularly the four core dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. However, overreliance on Western models limits cultural alignment. Ethiopia's social norms, such as respect for hierarchy and collectivism, demand adapted leadership frameworks that integrate local values for better applicability.

Methodologically, most studies are cross-sectional and quantitative, lacking depth in understanding leadership as a dynamic, context-driven process. Future research should use longitudinal, qualitative, and mixed method approaches to better capture leadership evolution and impact. Comparative studies across regions and sectors would enhance contextual understanding and theory development.

Practically, there is an urgent need to prioritize transformational leadership development in Ethiopia. Structured training should focus on vision-setting, critical thinking, trust-building, and mentorship, while emphasizing emotional intelligence and ethical conduct. Human resource systems should also incorporate transformational traits into recruitment, evaluation, and promotion practices.

A cultural change is required with firms, particularly the public sector, which previously worked with hierarchical and transactional models. More collaboration and innovation from the leaders in promoting reform would be the effective governance of an organization. More examples come from the education and health sectors, which can be implemented widely. The type of leadership that offers more diversity and comprises several races provides an opportunity to empower women and other minority groups while also creating fair and high-quality workplaces.

This review, therefore, assumes transformational leadership to be a strong and effective form of leadership both theoretically and practically for the institutions and economic transformation in Ethiopia. The diversification of research methodologies and practical reforms in development of leadership and institutional culture, based on and adapted to transformational leadership theory, would enable Ethiopian institutions to maximize optimistic and individualized elements in practice to suit the proper context towards attaining sustainable growth, innovation, and positive social change.

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TÍMEA CSIZMADIA – ROLAND HOMOKI – ÁDÁM PFEIFFER

On Transformational Leadership: Pros and Cons

Abstract: The study examines the importance of transformational leadership in the complex and unpredictable environment of the 21st century. Compared to generative and ethical leadership approaches, the authors show how transformational leaders can foster development, motivation and innovation, while at the same time supporting their colleagues with individual attention. The different styles of leadership - transactional, servant, authentic - and their characteristics are also presented. It shows that transformational leadership can be a particularly effective tool for modern organisations in terms of transformation and change management, but also highlights the downsides of transformational leadership: the lack of stress management, the danger of excessive self-centredness and the failure to network. The key to success, the authors argue, lies in a flexible and reflective leadership attitude, which can effectively combine leadership skills that provide stability and encourage innovation, while adapting to the challenges of the organisational environment.

Keywords: Transformational Leadership, Transformational Leadership, Generativity, Leadership Styles

1 Introduction

Leadership is the personal, direct and indirect intervention in the processes of an organisation, primarily through influencing the people involved in those processes (Von Krogh et al., 2012).

In today's so-called VUCA (Volatility – abrupt; Uncertainty – unpredictable; Complexity – complex; Ambiguity – uncertain) world, we are experiencing increasingly volatile, unpredictable, complex and uncertain situations. In these complex situations, leaders play a key role in keeping the organisation functioning and sustained, by responding flexibly to changes in the workplace, to new demands, and indeed by being able to integrate often conflicting information (Baran & Woznyj, 2020; Cuhadar & Rudnák, 2022).

In a rapidly changing environment, leaders need to be motivated and determined to meet the challenges of the environment. A contemporary leader must be able to constantly navigate between a state of stagnation and innovation, while also meeting performance expectations.

2 Literature Review

2.1 The Phenomenon of Generativity

In many organisations, there is a growing demand for a democratic leader, a leader who empowers subordinates to work independently, thus increasing the efficiency of organisational life, which ultimately favours organisational adaptation (Roblek et al., 2023). A generative approach is not only concerned with profitability, but also with the needs and reactions of employees. A modern-day leader is able to create an organisational culture in which continuous improvement, innovation, creativity and a cohesive, retentive, shared energy are important values (Macaux, 2012). All of this fosters the ability to adapt strategically to environmental changes, resulting in an organization's ability to respond quickly and effectively to vibrant environmental influences and challenges (Bushe, 2019; Alma Çallı et al., 2022).

The phenomenon of generativity has been at the centre of research since Erikson (1950), but it has only really become a focus of management research in recent years.

One widely accepted theory is based on both the cultural expectation that older members of society should care for younger members of society and the inner desire to achieve symbolic immortality, which individuals can achieve by creating and/or caring for others (McAdams & de St Aubin, 1992). Together, this shapes the aspiration to generativity, which is embodied in generative leadership behaviour through commitment and the formulation of specific goals.

Clark & Arnold (2008) see generativity as an umbrella concept that can be embodied in different behaviours at different life periods. At younger ages, the aspect of gentility predominates, which focuses attention on the self with the need to acquire knowledge and experience. In adulthood, the focus shifts increasingly to the communal aspect, coupled first with the need to have children - to care for them, and later with the need to pass on experience and knowledge (Kim et al., 2017). Generative aspiration can manifest itself in a variety of behaviours, ranging from offspring care (Erikson, 1950) and behaviours aimed at helping the next generation (McAdams, 2013; Nagy et al., 2025) to any kind of voluntary activity.

2.2 A Comparisono of Curricular Leadership Theories

There are several approaches to leadership styles (Goleman et al., 2002; Maslennikova, 2007; McGregor, 1960). What they all have in common is that they view leadership styles as different patterns of leadership behaviour, through which the leader creates the atmosphere of the group, manages problems that arise, makes decisions, and ultimately influences the group (Lewin et al., 1939). The different theories of leadership provide a framework for interpreting the different attitudes. Early theories of leadership focus on the leader's behaviour, while contemporary theories of leadership tend to interpret the mechanism of influence more broadly, extending it to the leader's value system and other leadership attributes.

2.3 Modern Leadership Theories

So-called modern leadership theories were already emerging in the 1980s. The main difference from the earlier ones was that they did not focus on the leader as such, but on his relationship with his subordinates. There was an emphasis on the measurability of how a manager motivates his subordinates, how he delegates tasks or how information flows in the organisation. Instead of the distant, expert decision-maker, the ideal leader is now a direct, energetic - in every sense of the word - human figure who always has a word of encouragement for his or her subordinates (Safonov et al., 2018).

The early period of management science was characterised by an economic-rationalist view of man, which focused primarily on how to increase the efficiency of production, often at the cost of exploiting human labour. In this approach, the manager's power derives primarily from his formal position, and his main objective is to increase performance through reward and punishment. This leadership attitude, which reflects a reciprocal, short-term mindset and is mainly aimed at maintaining the day-to-day functioning of the organisation and enhancing current performance, is called transactional leadership.

2.4 Ethical Leadership

Leadership ethics is a phenomenon at the heart of contemporary leadership theories (Northouse, 2021). The process of leadership involves influencing both people and organisational values, which places moral responsibility on leaders (Beauchamp & Bowie, 1988). The basis of the concept of ethical leadership is rooted in Maslow's (1959) and Rokeach's (1967) concept of values and was first explicitly expressed in transformational leadership theory, which places great emphasis on values and morality.

Ethical leadership is characterised by the leader treating others with respect, prioritising the well-being of followers and what happens to them. Fairness and justice, as well as honesty and trust, characterise decision-making and relationships.

Through positive example, it builds an organisational atmosphere in which followers are committed to ethical behaviour. For the ethical leader, it is important to build a community where goals are jointly defined and jointly achieved (Beauchamp & Bowie, 1988).

2.5 Servant Leadership

Servant leadership is a leadership behaviour in which the leader focuses his or her full attention on the needs of followers, putting his or her own needs in the background. In essence, the leader turns to his followers with a supportive, helping, servant attitude and tries to do his best for their development (Greenleaf, 2002).

2.6 Authentic Leadership

The concept of authentic leadership was developed from a practical approach by George (2003) and from a theoretical approach by Avolio and colleagues (Avolio &

Gardner, 2005; Luthans & Avolio, 2003). Three definitions have emerged from these theories: the first is interpersonal, focusing on the importance of the leader's self-awareness and self-concept (Shamir & Eilam, 2005), the second is a transparent, inter-dependent process between leader and follower (Eagly, 2005), and the third focuses on the leader's developmental journey and the construction of his or her life story (Gardner et al., 2005).

2.7 Emergence and Distinctive Features of Transactional and Transformational Leadership

The transactional and transformational leadership approach was originally developed by Burns (1978). Transactional leadership focuses on transactions between leader and followers, the exchange of something of value for leaders to motivate followers to achieve organizational goals (Bass & Avolio, 1990; Burns, 1978). In this, the leader uses motivation, rewards, and punishment (Bass, 1985). In contrast, the generative leader discussed earlier tends to develop in employees the value of active action for the community and the shared achievement of organizational goals as intrinsic motivation (Ghislieri & Gatti, 2012). In the transformational leadership style, the leader-employee relationship is fundamentally driven by the needs and motivations of followers, which support the leader to effectively harness the capabilities and potential of followers while changing with them, i.e. the transformation is reciprocal and, if successful, profitable for the organisation (Bass, 1985; Burns, 1978).

In trans actionality, the emphasis is on control and maintaining the status quo, with the leader in an authoritarian role and expecting employees to conform to him. Such a leader punishes and rewards, thereby maintaining dependency on the employee. The advantage of this style of leadership for the subordinate is that he sees a clear link between performance and reward, which is particularly productive in the short term. The combination of clear requirements, structure and rules allows for a sense of routine, which provides a safe environment for the employee. Of course, there are two sides to the coin in this case: this attitude focuses on performance alone, which is de-motivating in the long run and undermines satisfaction, inhibiting creativity and innovation (Juhász & Krén, 2024).

In addition to the transformational, transactional leadership style, the literature identifies a third style: the avoidant/passive leadership style, but this, originally: laissez faire leadership style, is not really leadership, because the leader in this case plays at most a fire-fighting role, rarely intervening in the functioning of the organisation (Bass & Avolio, 1990).

Thanks to the changes that took place in the 1990s, positional rewarding and punitive leadership behaviour is beginning to be replaced by a transformational leadership style dominated by emotional intelligence. Emphasis in this trend is placed on how the leader can 'resonate' (Boyatzis & McKee, 2005) with his subordinates and how he perceives and manages their needs in different situations. Transformational leadership is a leadership style that inspires and encourages improvement. The transformational

leader seeks to transcend self-interest while expanding his or her desires, goals and aspirations. The transformational leader can reconcile organisational goals and interests with the needs, interests and goals of employees. In this understanding, the success of leadership is determined by how the leader manages change and transforms and transforms the organisation to achieve organisational objectives from the individual to the group.

In essence, transformational leadership is a leadership approach that aims to bring about positive change in the organisation and, in the thinking and behaviour of employees. Such a leader not only guides but also inspires, develops and motivates.

It has been cited as one of the most popular leadership models in the 21st century (Juhász & Krén, 2024). According to them transformation should not be conceived as a leader at the head of a company magically changing the worldview of all employees. Rather, transformation is a holistic process for the organisation: it takes place simultaneously in the subordinates and the leader.

Bass (1985) distinguishes 4 behaviours of the transformational leader:

- The charismatic-inspirational leader acts with confidence, exudes enthusiasm and conveys value by example. He or she aims to motivate the team to achieve common goals while having a positive impact on employee performance and engagement. He can credibly influence his subordinates through his ethics and ethical procedures.
- An intellectually stimulating leader is open to approaching problems from a new perspective and is also able to encourage his or her colleagues to see challenges as opportunities, as tasks to be solved. In this way, he or she fosters creativity, innovation and analytical thinking within the organisation.
- By applying personalised attention, the individualised manager makes each employee feel important and unique. The leader recognises individual development needs, helps employees to develop their skills and supports them in achieving their personal goals.
- A coach-oriented leader values trust, cooperation and teamwork as a priority, because he or she strives to create a work environment where employees feel comfortable and satisfied (Bajkai-Tóth et al., 2025). This is achieved by paying attention to individuals, encouraging collaboration, listening to subordinates, empowering them in their decisions and supporting them to develop their strengths.

All behaviours in the organisation take place in the context of culture (Hofstede, 2011). The leader adapts to the norms of the organisational culture with his/her typical leadership style, but organisational changes may bring situations in which the leader is no longer able to maintain the balance with his/her typical leadership style, and therefore the need for other leadership manifestations becomes urgent (Juhász & Krén, 2024).

Transformational leadership, according to Fehér (2010), is a process that aims to influence and change certain characteristics of the individual. Its focus is on values,

morals, standards and long-term goals. The transformational leader assesses the motives of the people he or she leads, the means of meeting their needs, and treats them as full human beings (Northouse, 2001).

On the other hand, transformational leadership theory also emphasises transformation at the organisational level. It describes how leaders initiate, develop and implement significant change in organisations (Dmytryshyn et al., 2025).

Through transformational leadership, employees increasingly take ownership of the organisation's goals: they are more conscientious and innovative, because they are aware of and willing to act on the company's values. However, it is also necessary for the leader to be able to transform. He or she must evolve and adapt to change, pulsate as one with the organisation and empathise with employees (Table 1).

The transformational leader therefore aims to positively transform people and the organisation, to develop strengths and build for the future, while the transactional leader focuses on the effectiveness of the present, working to rules and performance.

Table 1 Comparison of transformational and transactional leadership

	Transformational Leadership	**Transactional Leadership**
Main goal	Facilitating change and development	Stable operations, adherence to rules
Tools for motivation	Inspiration, vision, commitment	Rewards and punishment system
Manager-employee relationship	Individual attention and support for personal development	Formal, role-based relationship
Focus	Long-term goals, vision	Short-term goals, performance
Role of leader Role of leader	Role model, charismatic, mentoring	Assigning tasks, controlling, rule follower
Innovation and change	Strongly supported	Less emphasized, often resistant to it
Decision making	Based on collaboration and creative thinking	Hierarchical, managerial decision making dominates
Risk taking	Accepted, part of development	Avoided, threat to stability
Typical leadership behaviour	Coaching, visioning, empathy	Contract-based leadership, performance appraisal

Source: Authors' own edit

In the Hungarian literature, Szintay (1992) sees the transformational leader as the bearer of innovation. He states that the whole person is at the origin of global leadership, and that his aim is to retain the so-called hard factors (profit, turnover, liquidity, etc.) and to emphasise the soft factors (such as identity, integrity, social energy, mental resilience, environmental protection, human micro- and macro-culture, etc.).

The goal of global leadership can be identified in the pursuit of creating a human present and future, which is essentially achieved by building on human relationships, psychological contacts and bonds with subordinates (Szintay, 1992).

Transformational leadership, according to Fehér (2010), is a catch-all term to describe a wide range of leadership phenomena, including both efforts to influence at a personal level and efforts to transform entire organisations - or even cultures.

In addition to change management, the term change leadership is increasingly used in the literature, which emphasises the human means of influencing change. Change leadership also emphasises 'seeing-feeling' factors that influence behaviour, alongside 'analysing-thinking' factors (Kotter & Cohen, 2002).

Transformational leadership tends to emphasise the generic aspects of change, describing the manager's perception and behaviour towards employees and the company in general. Change leadership focuses on specific changes (White, 2010).

Today's successful leaders combine stability with dynamism, are both differentiated and integrated. They must have the outstanding ability to manage seemingly conflicting principles, such as change and stability, in a way that they reinforce each other (Juhász & Krén, 2024); Rudnák et al., 2022).

When employees feel that their leader understands and genuinely cares about their individual needs, their satisfaction levels increase, and their perception of leadership effectiveness improves. From the manager's perspective, if he/she actively listens and understands the needs of the subordinate and the demands, even contradictions, of the situation, he/she can adapt his/her behaviour specifically to the needs and the situation, thus increasing his/her own and the employees' effectiveness (Juhász & Krén, 2024).

In foreign literature, there is a noticeable distinction between the terms "manager" and "leader". Although both are preferably translated as "leader", there is a clear distinction between the two. A manager directs the processes from the top of the hierarchy, while a leader leads by example, guiding and leading others and working from feedback.

There is no doubt that the leader, in any field, is the most important factor in determining whether organisations succeed or fail. In fact, despite the fundamental failures that arguably led directly to the global economic recession, it is often still taken for granted that transformational leadership is a good thing and that leaders should have much more power than followers to decide what should be done (Tourish, 2013).

2.8 The Challenges of Transformational Leadership

The unpredictability of our times is forcing change in all sectors and for all their leaders. Filep's (2025) study of the Hungarian SME sector shows encouragingly that employees are not over-reliant on the manager's network of contacts and tend to build their own network of contacts. It finds that managers often fail to manage stress, which can be a significant disadvantage in a challenging environment. It finds that managers do not pay enough attention to emphasising that company successes are achieved jointly with employees, and even attribute too much of the success to themselves (Filep, 2025).

This can lead to a loss of trust among subordinates in the long term. However, literature suggests that the existence of trust in crisis situations is crucial. To establish trust, Czifra & Csukonyi (2022) focus on the ethicality, sense of responsibility and ambition focus of the leader (Rudnák & Szabó, 2019).

Among the potential negative effects of transformational leadership, Filep (2025) stresses the lack of networking, the tendency to glorify success and the failure to manage stress with increased caution.

Networking refers to the human ability to use and develop one's network of relationships with other people. The transformational leader plays an important role in this function, as he or she explicitly encourages his or her "followers" to do so. However, since followers can use the leader's already established network of contacts, they are not really motivated to build themselves. This is particularly true in the field of development and innovation, according to Filep. The existence of an effective social network can be crucial in the complex circumstances of the present, as everyone can be perceived as a knowledge node, and effectively connected knowledge nodes can provide excellent solutions to complex issues and problems (Filep, 2025). It is therefore worth paying attention to this potential negative impact on the transformational leader (Hamza et al., 2024).

Another important issue is the methodology and existence of stress management and stress reduction in the company (Garamvölgyi & Rudnák, 2022). The literature points out that in a state of exhaustion, the subordinates of the transformational leader lose their proactivity, and the sense of reassuring happiness is reduced. Teachers' perceptions of transformational leadership style (school principals) were associated with a decrease in happiness when they reported moderate emotional exhaustion (Niessen et al., 2017).

According to Li & Yuan (2017), the transformational leader can be described as both an angel and a devil. Depending on the period in which the organisation is going through, for example, in prosperous times, devilish functioning can also be enhanced. This can manifest itself mostly in boasting and self-centredness, which can lead to the development of power, superiority and malicious manipulation. In such cases, the gap between the interests of a leader with impressive rhetoric and those of his followers can become enormous (Tourish, 2013).

3 Conclusion

The goal of leadership today is no longer simply to maximise performance, but to align organisational and human values. The challenges of the VUCA world demand flexible, empathetic and future-oriented leaders. Transformational leadership is a central trend in modern leadership theory that emphasizes development, inspiration, and individual attention. Transformational leaders set an example, motivate, and help employees develop personally. In contrast, transactional leadership is based on stability and

compliance. While it may be effective in the short term, it can reduce employee engagement and creativity in the long term.

Of course, challenges do not avoid modern leadership trends. In the case of transformational leadership, stress management, excessive self-centeredness, and lack of networking pose risks.

Based on this overview, a successful leader must be able to combine the two leadership styles to suit organizational situations. Today's successful leader is a charismatic leader who can be both a stable support and an inspiring change engine in a modern organization.

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AHMED MOHAMED AL-HORR

A Systematic Review of Servant Leadership Theory with Country-Specific Connotations

Abstract: This study presents a systematic review of the servant leadership theory with an emphasis on its cultural adaptability and sector-specific relevance. Servant leadership, first conceptualized by Robert K. Greenleaf, emphasizes service to followers, ethical behaviour, and a commitment to the growth of people and communities. The review explores scholarly literature from diverse cultural contexts, identifying key themes, theoretical underpinnings, and practical implications. By including country-specific studies from Iran, Japan, and Sweden, the research highlights how servant leadership manifests differently depending on sociocultural and institutional factors. The findings suggest that while servant leadership has universal values, its implementation and perception are context dependent. Challenges such as measurement, gender dynamics, and integration with other leadership models are discussed. The study concludes with recommendations for future research and leadership development programs that consider cultural nuance and ethical imperatives.

Keywords: Servant leadership, culture, leadership theory, systematic review, ethics, comparative analysis

1 Introduction

Leadership studies have evolved to include a variety of theories and frameworks that explore how leaders influence, empower, and serve others. Among these, servant leadership has emerged as a distinct model that contrasts traditional hierarchical models by prioritizing the needs of followers.

The notion of servant leadership encompasses a wide array of concepts. Those who have encountered the notion of servant leadership are able to articulate the model in a variety of ways (Ingram, 2016).

Servant leadership has become an exciting area of research within the field of management. In this essay, we're going to look at the current state of scholarship on the fascinating topic of servant leadership theory and research. We'll be doing this from the perspective of two different individuals: first, we'll hear from an insider to servant leadership research, someone who has studied servant leadership for many years and therefore has a unique perspective on the subject. Then, we'll hear from an outsider to servant leadership research, someone who has studied leadership for many years but has not studied servant leadership. By sharing these perspectives, I'm excited to identify the key issues that servant leadership research needs to address in the future.

First proposed by Greenleaf (1970), the servant leadership model argues that true leadership begins with the desire to serve others. In today's complex and multicultural organizational contexts, this theory holds relevance due to its emphasis on empathy, listening, and ethical behaviour.

Servant leadership is a truly exciting concept that has enjoyed a surge in popularity among academics and practitioners alike. The consistent research evidence demonstrating its benefits to many stakeholders is truly inspiring. Like other leadership approaches, it is not without its critics, but this does not take away from its immense potential.

2 Literature Review

The literature on servant leadership has expanded considerably over the past five decades, beginning with Greenleaf's (1970) foundational work. He argued that the most effective leaders are those who serve first, and through this service, emerge as leaders. The idea marked a significant departure from traditional leadership paradigms that emphasized control, authority, or charisma. Spears (1995) operationalized the concept into ten characteristics including listening, empathy, healing, awareness, persuasion, conceptualization, foresight, stewardship, commitment to the growth of people, and building community.

Later contributions such as those by Laub (1999) and Liden et al. (2008) further developed measurement scales to empirically assess servant leadership. Liden's seven dimensions (emotional healing, creating value for the community, conceptual skills, empowering, helping subordinates grow and succeed, putting subordinates first, and behaving ethically) are widely used in organizational psychology.

Research by van Dierendonck (2011) emphasized the psychological mechanisms underlying servant leadership, proposing a multidimensional model combining altruism, humility, authenticity, and interpersonal acceptance. Parris and Peachey (2013) conducted a systematic review that revealed the growing legitimacy of servant leadership as a distinct theory with consistent positive outcomes across job performance, employee well-being, and ethical climates.

Despite its benefits, servant leadership faces criticism, particularly concerning its feasibility in competitive or authoritarian environments. It is often considered idealistic or impractical where short-term results are prioritized over long-term development. Moreover, servant leadership is culturally sensitive; high power-distance societies may interpret servant behaviours as weakness or indecisiveness (Hale & Fields, 2007). This has prompted a growing body of comparative and context-specific research, such as the adaptation of servant leadership principles in non-Western societies.

2.1 Theoretical Framework

The servant leadership model is rooted in moral philosophy, particularly humanistic and religious traditions that value humility, care for others, and collective well-being. At its core, the theory proposes that the leader's primary responsibility is to serve others—both their immediate followers and the broader community (Greenleaf, 1977). Unlike transformational leadership which seeks to inspire followers to achieve

organizational goals, or transactional leadership which operates on an exchange basis, servant leadership places the followers' development as the central concern.

The theoretical base of servant leadership overlaps with several other leadership theories:

Transformational Leadership emphasizes vision and inspiration but lacks the follower-first orientation of servant leadership (Hamza et al., 2024).

Authentic Leadership emphasizes self-awareness and ethical behaviour but may not necessarily emphasize service to others.

Ethical Leadership focuses on doing the right thing but is more concerned with moral management than the deep interpersonal commitment found in servant leadership.

In addition to Western frameworks, servant leadership resonates with religious and cultural paradigms. For example, in Islamic tradition, the concept of "Imamat" reflects leadership as a form of moral stewardship (Amanat, 2005). Similarly, Confucian and Buddhist traditions emphasize modesty, empathy, and collective harmony, aligning closely with servant leadership principles.

Servant leadership development is defined as a form of leadership development that is oriented towards personal development rather than performance or skills. Transformational learning is a process that occurs at a deeper level of the personality, i.e. beyond the development and acquisition of a set of skills or behaviours that influence others and achieve performance goals and objectives (Halawi & Van Dierendonck, 2025).

Servant leadership is defined as a form of leadership that is oriented towards the service of others, with the fundamental principle of prioritising the well-being and growth of employees, fostering their development to become optimal contributors to the organisation and the broader community. Leaders of this type are characterised by their profound dedication to their followers. The phenomenon under scrutiny commences with an innate sense of purpose that servant leaders experience in relation to service (Kangoma, 2023).

The theoretical robustness of servant leadership lies in its ability to bridge personal moral development with organizational ethics, contributing both to individual growth and collective advancement. It also supports the development of ethical organizational cultures that are more resilient, participatory, and inclusive.

2.2 Country-Specific Case Studies

Iran

In Iran, servant leadership is increasingly discussed in the context of public administration and education. Given the Islamic foundation of the state, the values of service, justice, and humility align closely with cultural and religious expectations.

Pirmoradi et al. (2020) studied female managers in Iran's healthcare and public education sectors and found that many naturally adopted servant leadership behaviours such as deep listening, ethical behaviour, and concern for community well-being.

However, implementation is not without challenges. In hierarchical government structures, servant leaders must carefully balance humility with authority to avoid perceptions of weakness.

Japan

Japanese leadership culture is deeply influenced by Confucian ethics, collective harmony, and lifelong loyalty to the organization. Servant leadership behaviours are frequently embodied in traditional Japanese corporate values such as kaizen (continuous improvement), ho-ren-so (structured communication), and homogenate (selfless hospitality).

According to Sendjaya (2015), Japanese leaders often serve their teams by promoting group consensus, emphasizing team welfare, and showing emotional intelligence. Although servant leadership is rarely labelled as such in Japan, its principles are embedded in practice through humble leadership styles and long-term orientation.

Sweden

Sweden's egalitarian values and emphasis on participatory decision-making make it fertile ground for servant leadership. Public institutions, especially in education and healthcare, have adopted inclusive models of governance where servant leadership behaviours are institutionalized.

Liden et al. (2015) noted that Swedish managers in non-profit organizations often engage in empowering followers, promoting ethical transparency, and contributing to community welfare. The Swedish context shows how servant leadership can thrive in flat organizational structures that encourage shared power and collective responsibility.

Table 1 Comparative Analysis of Leadership Theories

Authentic Leadership	Transformational Leadership	Servant Leadership	Dimension
Self-awareness and ethics	Inspiring vision and performance	Service to others	Focus
Engaged and respected	Motivated and transformed	Empowered and developed	Follower Role
Explicit	Implicit	Central to the model	Ethics
Self-regulation and values	Organization first	Others first	Leader's Priority
High	Moderate	High	Cultural Flexibility

Source: Author's own edit

3 Results

The systematic review of literature and case studies yields several key findings:

- Positive Impact on Organizational Outcomes: Across all reviewed literature, servant leadership consistently correlates with improved organizational citizenship behaviour (OCB), employee job satisfaction, trust in leadership, and ethical organizational climates (Liden et al., 2015; Bajkai-Tóth et al., 2025).
- Context-Dependent Manifestation: Servant leadership is a highly flexible model but must be adapted to local cultural norms. In high power-distance or authoritarian cultures, servant leadership may need to be blended with other models to gain legitimacy (Hale & Fields, 2007).
- Sectoral Suitability: The model is especially effective in sectors like healthcare, education, and non-profits, where ethical behaviour and long-term commitment are prioritized over short-term profitability.
- Gender Dynamics: Female leaders frequently exhibit servant leadership traits, often due to societal expectations of empathy, nurturance, and community orientation. This has led to greater attention on servant leadership in gender and leadership research (Barbuto et al., 2014; Yao et al., 2023).
- Organizational Transformation: Organizations implementing servant leadership models often report enhanced trust, reduced turnover, and increased employee engagement. However, successful implementation requires leadership training, cultural transformation, and ongoing support systems.
- Extended Discussion
- Servant leadership's impact varies by sector. In healthcare, it promotes compassionate care and enhances patient satisfaction (Neill & Saunders, 2018). In higher education, servant leaders support inclusive governance and student empowerment, especially in South Africa's decolonization efforts (Swart et al. 2022). In corporate settings, it fosters ethical climates and reduces turnover, especially in diverse multinational teams (Lemoine et al., 2019).
- Servant leadership also aligns with Sustainable Development Goals (SDGs) like decent work, reduced inequality, and responsible institutions. The overlap with ethical, transformational, and authentic leadership makes it a versatile, though sometimes ambiguous, model.
- One underexplored aspect is gender. Studies show female leaders are more likely to exhibit servant leadership traits (Barbuto et al., 2014). In Iran, female managers demonstrate empathy, commitment, and community-building more frequently than their male counterparts (Pirmoradi et al., 2020).

4 Conclusion

Servant leadership is not merely an ethical ideal; it is a practical leadership paradigm with empirically validated outcomes across cultures and sectors. The theory's strength

lies in its alignment with universal human values — service, humility, integrity — while being adaptable to various sociocultural environments.

In recent discourse about servant leadership, ethics has been identified as a pivotal concept. This is attributable to the substantial number of dishonours that are the consequence of unethical leadership behaviour.

The expanded literature and case studies reviewed in this paper show that servant leadership can significantly improve organizational functioning, especially in sectors that demand high ethical standards. It also supports gender-inclusive leadership by validating traditionally underrepresented leadership traits such as empathy and collaboration.

Also, successful implementation requires an awareness of context, organizational readiness, and a genuine commitment to personal transformation by leaders themselves. Future research should focus on how servant leadership can be operationalized in digital (Uslu et al., 2025), remote, and crisis environments, and how it can synergize with agile, systems, and adaptive leadership models.

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ZSUZSANNA SURINYÁNÉ KIS

Leadership for a Global Workforce: Applying Transformational Leadership to Support Inclusion and Performance of IT Specialists in German Organizations

Abstract This paper examines the role of transformational leadership in supporting international employees within the German workplace context. As Germany increasingly attracts global talent, particularly in high-demand sectors such as information technology, organizations face high challenges in fostering inclusion, motivation, and retention in culturally diverse teams. Based on the foundational work of Burns (1978) and Bass (1985), this study reviews the development of transformational leadership and its four core components: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. It investigates how these behaviours impact employee well-being, cultural adaptation, engagement, and innovation. Special attention is given to the German context, where formal communication norms and hierarchical structures may cause adaptation barriers for international professionals. The discussion includes empirical insights from the German IT sector, gender-related findings of leadership, and critiques of transformational leadership's conceptual and contextual limitations. The paper concludes with practical recommendations for German organizations that apply transformational leadership in multicultural teams. The findings suggest that transformational leadership can significantly improve outcomes in international work environments.

Keywords: Transformational Leadership, Organizational Change, Employee Engagement, Cultural Adaptation, International Employees

1 Introduction

In today's global labour market, the integration of international talent is both a strategic necessity and a significant challenge. It is particularly relevant in Germany, where the skilled labour shortage and rising demand for qualified professionals have increased the need for an international workforce (OECD, 2024). As Germany continues to attract highly skilled migrants in fields such as IT, engineering, and healthcare, leadership practices that support inclusion, motivation, and performance have become increasingly important. One leadership approach that is utilized in multicultural and dynamic environments is transformational leadership.

Transformational leadership is characterized by its focus on vision, inspiration, ethical behaviour, and individualized support (Bass & Riggio, 2006). In contrast to transactional models based on monitoring and rewards, transformational leaders aim to improve employee performance by building trust and supporting innovation and individual potential. This approach is particularly relevant in culturally diverse teams, where employees bring different norms, communication styles, and expectations into the community (Rockstuhl et al., 2011). In such settings, transformational leaders can

function as cultural mediators, fostering psychological safety and creating inclusive environments that support the successful integration of international professionals.

Germany's workplace culture is characterized by formal hierarchies, direct communication, and a high level of uncertainty avoidance (Hofstede, 2001). Cultural mismatches may lead to misunderstandings, disengagement, or even high turnover. Research shows that transformational leadership can manage these effects through individualized mentoring, intellectual motivation, and a vision that can overcome cultural boundaries (Kearney & Gebert, 2009). Furthermore, findings report that in high-performance sectors like IT, where time pressure and complexity are common (Syrek et al., 2013), transformational leadership positively impacts employee well-being and engagement in diverse teams (Jacobs et al., 2013).

This article explores transformational leadership with a focus on international employees working in Germany. The development of leadership theories is briefly described in the literature review. The main concepts of transformational leadership are also presented in this part. Then it examines its practical applications in organizational contexts, highlighting its impact on employee well-being, team performance, innovation, and inclusion. The second half of the article addresses how transformational leadership can be leveraged to support international professionals in Germany, focusing on challenges, engagement strategies, inclusive leadership behaviours, and recommendations for German employers.

Based on these objectives, the article addresses the following research questions:

- How does transformational leadership influence the cultural adaptation of international employees in German IT organizations?
- To what extent does transformational leadership improve employee engagement and well-being among international IT professionals in Germany?
- What roles do the four components of transformational leadership play in establishing inclusion and innovation in culturally diverse German workplaces?

2 Literature Review

2.1 Theoretical Background of Transformational Leadership

Leadership theories have developed from emphasizing personal traits to focusing on context and employee engagement. Early trait theories emphasize that leaders are born and have characteristic features like confidence and intelligence (Stogdill, 1948). Behavioural approaches highlight the observable actions taken by leaders (Hemphill & Coons, 1957). Contingency theories propose that effective leadership depends on situational alignment (Fiedler, 1967).

Transactional leadership is based on a system of reward in return for task completion (Burns, 1978). The importance of empathy and service to other people is emphasized in servant leadership (Greenleaf, 1977), while authentic leadership highlights the importance of accountability (Avolio & Gardner, 2005). Distributed leadership

distributes power over the team (Spillane, 2005), and adaptive leadership addresses leading change initiatives (Heifetz, 1994). Transformational leadership concentrates on vision, supporting engagement, and autonomy (Bass, 1985).

Motivating and supporting followers to reach their highest potential and exceed expectations are the main characteristic features of transformational leadership. This concept was first introduced in 1978 by political scientist James MacGregor Burns, who distinguished it from transactional leadership by emphasizing the role of vision, values, and personal development over exchanges of rewards for performance. Transactional leadership means focusing on exchanges regarding performance, while transformational leadership presents a vision to the followers and motivates them for a purpose, and values (Burns, 1978).

In the 1980s, a psychologist, Bernard M. Bass, expanded the theory by introducing four essential components (Bass, 1985):

- Inspirational Motivation means that leaders convey a meaningful vision that inspires team members helping to create a common purpose for the team.
- Individualized Consideration means that leaders offer tailored support and mentorship, acknowledging each employee's individual needs and guiding them toward reaching their full potential.
- Intellectual Stimulation encourages a culture of innovation, where leaders challenge existing assumptions, promote critical thinking, and support the exploration of new ideas and perspectives.
- Idealized Influence describes leaders who act with integrity and strong ethical principles, setting a positive example that builds trust and earns the respect of their team members.

These elements create a framework that enables leaders to manage performance, engagement, innovation, and change within the organization in a global context.

2.2 Transformational Leadership in Organizational Contexts

Transformational leadership plays a critical role in the dynamic global corporate environment, which can be characterized by organizational changes. Such changes are essential for improving the company's profitability. Process optimizations, cost reduction, digital transformation, and continuous improvement initiatives are all activities that need a leader who can present a vision and a purpose to engage employees (Bass & Riggio, 2006). Transformational leaders could align their followers around shared objectives and values and can be extremely effective in leading complex organizational changes.

Transformational leaders motivate employees by creating a common purpose. Leaders who show inspirational motivation and provide individualized support build trust, enable autonomy, and foster commitment among employees. This leads to stronger engagement and better performance (Judge & Piccolo, 2004). In multicultural teams, transformational leadership creates an inclusive and supportive working

environment, where international employees can adapt to different cultural working environments, which increases retention of the workforce at the company.

Research conducted in the German context shows that women in leadership roles are more likely to use a transformational leadership style compared to men (Stempel et al., 2015). In addition, women leaders were perceived as more effective, reaching higher team performance and greater employee satisfaction than men in Germany (Rohmann & Rowold, 2009). Abrell et al. (2011) conducted a longitudinal study evaluating a leadership development program in Germany that combined feedback, training, and coaching to enhance transformational leadership. The results indicated that transformational leadership significantly showed gains six months after training and continued to increase over time. Additionally, leaders' performance and subordinates' Organizational Citizenship Behaviour also developed positively throughout the evaluation period. Transformational leadership plays an important role in increasing employees' emotional attachment and sense of obligation to their organization. However, these effects can differ depending on the context. Research findings in Germany highlight that followers help form and sustain transformational leadership because their personality features and personal beliefs about leadership influence how they perceive and accept transformational leaders (Felfe et al., 2004).

Employees' well-being tends to improve under transformational leadership. This leadership style helps to build trust (Bajkai-Tóth et al., 2025), supports professional growth, and provides meaningfulness in a corporate environment. Empirical evidence reveals that transformational leadership mitigates stress. Syrek et al. (2013) found that in IT environments, transformational leadership helped employees manage high time demands by promoting a healthier balance between work and personal life and reducing burnout symptoms.

Jacobs et al. (2013) also highlighted those higher levels of transformational leadership result in greater employee well-being at German companies. Their findings suggest that a leadership style characterized by trust, meaningfulness, and personal development enhances well-being.

Bunjak et al. (2022) explore how transformational leadership impacts employees' adoption of IT innovations, especially through shared leadership. Their study finds that when leadership is distributed among team members, the positive influence of transformational leadership on IT adoption is strengthened. The study highlights how both individual and organizational elements contribute to successful digital transformation. Through transformational leadership, employees are encouraged to take ownership and participate actively in digital innovation efforts (Uslu et al., 2025).

Transformational leadership is widely recognized globally as a powerful leadership approach that enhances employee well-being, commitment, and performance. Its beneficial effects are evident across various industries, particularly in fast-paced sectors such as information technology and communications. Female leaders use transformational qualities more frequently. This leadership style is not only beneficial in managing stress and promoting innovation but also in creating inclusive, high-performing

environments. This is particularly valuable for international teams in complex cultural dynamics.

2.3 Challenges and Critiques of Transformational Leadership

Although transformational leadership is regarded as an effective leadership model, it has its limitations and has been criticized concerning its theoretical, practical, and contextual applicability.

Yukl (1999) claims that transformational leadership can be effective, however, it has conceptual limitations. The leader´s influence processes are not described concisely and the relation between the leader´s behaviour and the process is not defined.

Antonakis et al. (2003) highlight that transformational leadership is not always precisely specified in different contexts. Its key elements often overlap and the perception of leadership can depend on the setting like the corporate environment or the leader´s gender.

Van Knippenberg & Sitkin (2013) analyse four major issues regarding the effectiveness of transformational leadership: ambiguous definitions, inadequate models, lack of distinction between leader actions and outcomes, and unreliable assessment methods.

Northouse (2016) emphasizes that transformational leadership can be misused when leaders manipulate followers and suppress critical thinking. This leads to pseudo-transformational leadership which has no ethical foundation. Tourish (2013) claims that transformational leadership can create narcissism often harming the organizations. Tourish & Pinnington (2002) argue that transformational leadership can promote a form of corporate cultism, where persuasive leaders discourage disagreement in favour of unity.

Cultural factors also have an impact on the influence of transformational leadership. Research shows that this leadership style may work differently in international contexts, particularly in low power-distance societies where employees participate actively in decision-making. (Dickson et al., 2003).

In conclusion, although transformational leadership offers several benefits and positive outcomes, its effectiveness depends on contextual settings and should be approached with critical awareness. Rather than considering it as a universal solution, its practical restrictions and moral problems must be handled.

3 Transformational Leadership and International Employees

Adapting to a new workplace can be both demanding and engaging for international employees. The management and communication styles, problem-solving strategies, expectations, performance evaluation, hierarchies, and workplace dynamics can be different from that of their home country (Hofstede, 2001). In such situations, transformational leadership can support expatriates and enable their adjustment to the new corporate culture. This leadership style focuses on the company´s values, the vision of

the executives, and personal development. These are all components of a corporate environment where foreign employees feel accepted, inspired, and motivated (Bass & Riggio, 2006).

Transformational leaders align their vision with organizational goals while fostering an inclusive environment where employees with diverse cultural backgrounds can succeed. A culturally diverse workforce can offer varied viewpoints and unique skills, enriching collaboration and strengthening overall team performance. Research findings demonstrate that transformational leaders can strengthen team cohesion and increase performance in multicultural contexts (Kearney & Gebert, 2009). The effectiveness of this method depends on the leader's cross-cultural awareness and the organization's commitment to inclusivity (Rockstuhl et al., 2011).

In the following, the four elements of transformational leadership will be analysed in a culturally diverse context.

- Inspirational Motivation Transformational leaders present a clear vision, reinforcing employees' commitment across cultures. In their cross-cultural research, Caza et al. (2021) identified inspirational motivation as a key driver of organizational satisfaction regardless of cultural background.
- Individualized Consideration Empirical findings demonstrate that social support and individualized consideration improve cultural adaptation and employee performance in a foreign context (Lee et al., 2013).
- Intellectual Stimulation Encouraging creative problem-solving and welcoming new ideas helps international individuals share their perspectives without concern for nonconformity (Dickson et al., 2003).
- Idealized Influence Leaders who model ethical behaviour and integrity earn trust across cultural boundaries. One large-scale study demonstrated that idealized influence enhances followers' trust and organizational commitment on a global scale (Islam et al., 2021).

Transformational leadership can enable the cultural integration and career development of expatriates by encouraging confidence and fostering inclusive workplace values (Rudnák et al., 2023). While it offers strong potential in diverse teams, its effectiveness depends on the preparedness of the leader, organizational culture, and employee expectations. Applied with cultural sensitivity, it is a people-centred approach that empowers the international workforce.

3.1 Cultural Challenges and Adaptation in Germany

International employees in Germany often face significant cultural and professional adaptation challenges, particularly around communication norms, workplace hierarchy, and integration into team dynamics (Garamvölgyi & Rudnák, 2023). Germany's workplace culture tends to emphasize formality, directness, planning, and adherence to rules—factors that may contrast with the more relational or flexible approaches common in other countries (Hofstede, 2001). As a result, international professionals may experience misunderstandings, isolation, or difficulty building trust, especially in

organizations with low cultural sensitivity or limited diversity practices (Froese & Peltokorpi, 2013).

Excluding international employees from informal communication and lack of German knowledge can hinder the adaptation process. Even when English is the official working language, nuances of workplace humour, feedback styles, or unwritten social rules may alienate newcomers (Lauring, 2008). These issues can negatively affect job satisfaction, performance, and retention if not addressed by the organization.

This is where transformational leadership can play a key role in supporting cultural adaptation. Leaders who show individualized consideration and provide mentorship and emotional support tailored to the foreign employee's background and adjustment needs can foster inclusion (Bass & Riggio, 2006). Furthermore, by promoting intellectual stimulation, leaders encourage diverse viewpoints and create a climate of openness where international employees feel safe to contribute ideas without fear of being misunderstood (Rockstuhl et al., 2011). Inspirational motivation helps create a unifying vision that overcomes cultural differences, while idealized influence builds trust through fairness and consistency. These are all critical in cross-cultural teams (Kearney & Gebert, 2009). Transformational leaders act as cultural bridges, helping international professionals navigate unfamiliar environments. This way expatriates can develop a sense of belonging and unlock their potential within German workplaces.

This conceptual understanding is supported by empirical evidence from Germany. Engelen et al. (2014) present research findings on the influence of transformational leadership behaviours in German firms, highlighting the importance of aligning leadership practices with national cultural dimensions. Based on data from 954 firms across eight countries including Germany, the study demonstrates that all six transformational leader behaviours positively affect a company's innovation index. In the German context, characterized by low power distance, high individualism, and moderate uncertainty avoidance (Hofstede, 2001), certain behaviours proved particularly impactful. Presenting a vision showed the strongest effect, aligning with Germany's emphasis on autonomy and self-direction. Providing individualized support and having high-performance expectations were also highly effective, reflecting cultural preferences for goal-oriented management. Intellectual stimulation is also relevant in Germany's moderately structured environment. It is important to emphasize that providing an appropriate model and accepting group goals emerged as culturally universal behaviours, reinforcing their value across diverse contexts. These findings underscore the necessity of tailoring transformational leadership practices to national cultural profiles to maximize their impact.

Dickson et al. (2003) argue that transformational leadership needs careful cultural tailoring in Germany. Because German culture is characterized by low power distance (Hofstede, 2001), employees expect participative, consultative decision-making. Leaders who act too top-down can meet resistance. Due to Germany's high uncertainty avoidance, there is a strong cultural demand for precision, order, and planning. As a result, loosely articulated visions may be viewed with scepticism and regarded as lacking practical feasibility. German organizations prize technical competence, rationality,

and professional distance. Germans appreciate decisiveness and performance orientation highly. Consequently, transformational leadership can be effective when it is based on clear processes, planning, and shared goals. Linking vision to defined processes and exact implementation aligns with German cultural norms (Dickson et al., 2003).

3.2 Enhancing Employee Engagement through Transformational Leadership

Employee engagement is a critical element of organizational performance, particularly in knowledge-focused sectors like IT. For international employees, engagement is not only task clarity and job security, but it includes psychological safety, recognition, and inclusion (Kahn, 1990). In Germany's increasingly multicultural IT teams, transformational leadership has emerged as a key approach to building motivation, engagement, and a sense of belonging.

Transformational leaders support international talent by articulating a shared vision (inspirational motivation), encouraging diverse thinking (intellectual stimulation), and offering individualized mentorship (individualized consideration) (Bass & Riggio, 2006). These behaviours enable international employees to align with organizational goals while feeling valued and supported. Jacobs et al. (2013), in a study of IT professionals in Germany, found that transformational leadership significantly enhanced employee well-being and work engagement, especially when leaders were perceived as fair and inclusive.

Syrek et al. (2013) showed that in high-pressure IT roles, transformational leadership played a protective role by helping employees maintain their energy levels and manage their responsibilities more effectively, despite tight deadlines and workload stress. By creating a climate of trust and shared purpose, transformational leaders helped international employees stay motivated even under high workload conditions, which is a frequent challenge in the tech industry.

To sum up, transformational leadership creates a work environment that promotes commitment, lowers turnover intentions, and enables international IT professionals in Germany to thrive.

3.3 Building an Inclusive Workplace

Creating an inclusive workplace is essential for leveraging the full potential of a diverse workforce, particularly within culturally heterogeneous environments such as the German labour market. According to Bass and Riggio (2006), transformational leadership promotes inclusive practices by setting an ethical example, supporting respectful interactions, and valuing cultural differences within the team. Through idealized influence, transformational leaders establish fairness and serve as role models for inclusive behaviour, while individualized consideration ensures that employees' distinct backgrounds, needs, and experiences are recognized and valued.

Another critical function of transformational leaders is fostering cultural competence within teams. By promoting learning and empathy, they help prevent and

resolve cross-cultural misunderstandings, which is an important task in culturally complex settings (Rockstuhl et al., 2011). This is particularly relevant in German workplaces, where expectations around communication styles, hierarchical norms, and time orientation may differ considerably from those of international employees.

Empirical findings from European organizations indicate that inclusive leadership practices aligned with transformational behaviours positively impact team performance, psychological safety, and interpersonal trust in diverse teams (Nishii & Mayer, 2009). By combining visionary leadership with empathy and ethical behaviour, transformational leaders create environments where diversity is considered a strategic advantage. In the context of Germany's globalized workforce, such leadership is needed for building inclusive, high-performing organizations.

3.4 Practical Implications

As Germany's workforce becomes more international, organizations must adopt leadership strategies that support collaboration in multicultural teams. Transformational leadership provides a people-cantered framework to address this demand. To implement it effectively, German companies should prioritize leadership development in emotional intelligence, cultural awareness, and inclusive communication (Abrell et al., 2011; Rockstuhl et al., 2011).

Embedding individualized consideration into performance systems and training managers to mentor diverse staff are key practices. Visioning workshops can also support inspirational motivation and intellectual stimulation by aligning teams around shared goals while encouraging diverse input (Kearney & Gebert, 2009). Multinational IT firms like SAP and Siemens have reached success by combining transformational leadership with structured onboarding and intercultural coaching (Froese & Peltokorpi, 2013).

Supporting leaders with inclusive HR policies, such as avoiding bias in recruitment and mentorship for international staff, further reinforces this approach. Organizations that adopt transformational leadership across all levels are better positioned to enhance innovation, engagement, and retention in Germany's globalized labour market (Bass & Riggio, 2006; Nishii & Mayer, 2009).

4. Conclusion

This study examined the relevance and application of transformational leadership for international employees in Germany. Presenting theory and empirical research, it demonstrates transformational leadership as a culturally responsive and adaptable approach for managing diverse teams in today's global labour market.

Key characteristics, such as vision, personal development, and trust-building, make transformational leadership particularly effective in multicultural environments, where employees meet unfamiliar norms and communication styles. In this context,

transformational leaders promote psychological safety, engagement, and cultural adaptation.

Empirical data from German organizations, especially in sectors like IT, supports its positive impact on well-being, job satisfaction, and performance (Syrek et al., 2013; Jacobs et al., 2013). When combined with inclusive HR practices and cultural training, it also strengthens team cohesion and innovation (Abrell et al., 2011; Bunjak et al., 2022). It is worth noting that perceptions of transformational leadership are shaped by gender, and female leaders are often seen as more transformational (Stempel et al., 2015).

However, its effectiveness depends on context. In rigid or hierarchical settings, adaptation may be necessary, and the emotional demands on leaders require institutional support. For German firms, embedding transformational principles into leadership and diversity strategies can enhance their ability to attract and retain international talent, while fostering innovation and long-term resilience.

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OTTÓ TAKÁCS

The Theoretical Foundations and Practical Application of Business Management in a Contemporary Organisational Context
Analysis of a Comprehensive and Credible Management Approach

Abstract: Originally conceptualized by James MacGregor Burns (1978) and developed empirically by Bernard Bass (1985), sales leadership represents a fundamental approach to organizational leadership based on the exchange between leaders and followers. This comprehensive review synthesizes current theoretical foundations, historical development, practical applications, and contemporary research trends in the field of sales leadership. Through a systematic analysis of recent empirical studies and meta-analyses, this research examines the core components of dealership leadership - contingent reward and exception-based leadership - their effectiveness in different organizational contexts and compares them with other leadership styles. The analysis reveals that although transformational leadership generally shows superior overall effectiveness, deal-breaker leadership has significant value in structured environments, crisis management and goal-oriented contexts. Contemporary research shows renewed interest in hybrid leadership models that integrate business and transformational approaches, particularly in digital work environments. The paper identifies critical research gaps, including limited Hungarian and European contextual studies, insufficient longitudinal research, and inadequate examination of cultural moderators. Future research directions emphasize the need for culturally adapted implementations, technology-enabled applications and integration with new organizational theories to address the complexities of modern business environments.

Keywords: Sales Leadership, Conditional Rewards, Exception-Based Leadership, Organisational Effectiveness, Leadership Theory, Full Spectrum Leadership Model

1 Introduction

Leadership effectiveness in contemporary organisations requires a sophisticated understanding of different approaches that are consistent with organisational contexts, cultural environments and strategic objectives. Bargaining leadership, characterised by exchanges between leaders and followers, represents one of the most empirically validated, yet contextually nuanced, theories of leadership in organisational science. Originally conceptualized by Burns (1978) in a political context and then adapted to an organizational context by Bass (1985), dealership leadership has evolved into a comprehensive theoretical framework with significant practical applications in a variety of industries and cultures.

The theoretical significance of deal-breaker management lies in the fact that it provides a systematic approach to motivation through contingent rewards and structured performance management, providing clarity and accountability in organisational relationships (Cropanzano & Mitchell, 2005). In contrast to leadership theories that

emphasize personal charisma or inspirational motivation, deal-breaker leadership operates through clearly defined exchange mechanisms where followers receive rewards, recognition or corrective action depending on their performance and compliance with predetermined expectations (Yukl, 1999). This approach proves particularly valuable in environments where structured operations, immediate performance outcomes and clear accountability mechanisms are required.

Recent meta-analytic evidence shows that deal-breaking leadership, particularly its conditional reward component, maintains significant predictive validity ($\varrho = .39$) for organizational outcomes, sometimes outperforming transformational leadership on specific performance criteria (Judge & Piccolo, 2004). Contemporary research shows a renewed interest in applications of transactional leadership, with bibliometric analyses indicating 266 published papers and 7,993 citations over the past decade (Santosa et al., 2023), with a significant increase during the COVID-19 pandemic, when organizations demanded increased structure and clarity in virtual work environments (Ali et al., 2021).

However, significant research gaps remain, particularly in the areas of cultural adaptations, longitudinal efficiency studies and integration with new organisational theories. The limited availability of contextual research in Hungary and Central Europe is both a current limitation and a significant opportunity for academic contribution, especially given the unique post-transition organisational cultures in the region.

This comprehensive analysis aims to address these gaps by synthesising the current theoretical basis, examining historical development patterns, analysing practical applications across industries and identifying future research directions. The study aims to provide a thorough understanding of the role of sales management in contemporary organizational contexts, while laying the groundwork for future empirical research and theoretical development.

2 Literature Review

2.1 Theoretical Foundations and Conceptual Framework

Business management theory is based on several interconnected theories that explain its mechanisms and effectiveness. Social exchange theory provides the primary theoretical basis (Cropanzano & Mitchell, 2005), according to which relationships are formed through cost-benefit analyses and reciprocal exchanges, where leaders and followers enter implicit or explicit contracts, exchanging performance for rewards, recognition or other valued outcomes. This framework explains how trust, commitment and performance evolve through balanced exchanges over time, establishing the basic logic of the effectiveness of deal-making leadership Bajkai-Tóth et al., 2025).

The theory also draws heavily on the principles of operant conditioning and reinforcement, where behaviours are shaped by consequences (Graen & Uhl-Bien, 1995). Conditional reward systems operate on a positive reinforcement schedule, while exception-based leadership employs negative reinforcement and punishment

mechanisms. Research shows that consistent application of these reinforcement principles increases the predictability of performance and provides clear behavioural guidance to organisational members.

Expectancy theory provides further theoretical grounding, particularly through Vroom's expectancy-instrumentality-valence framework (Antonakis & House, 2014). Business leaders enhance followers' expectancy beliefs by clarifying the relationships between effort, performance and outcomes, like House's Path-Target Theory, where leaders clarify pathways to goal achievement and remove barriers to performance.

The Full Spectrum Leadership Model (FRLM), developed by Bass and Avolio (2004), puts business leadership into a comprehensive framework that incorporates laissez-faire, business management and transformational approaches. This model suggests that business management is necessary but not sufficient for optimal efficiency, providing a basis for more advanced management approaches while maintaining independent value in appropriate contexts.

2.2 Basic Components and Features

Business management includes three primary dimensions within the FRLM framework. Conditional rewards represent the most effective deal-making component, where managers clarify expectations, set targets and provide rewards when followers meet defined performance criteria. The meta-analytic evidence shows strong predictive validity ($\varrho = .39$) for conditional rewards for organizational outcomes based on the principles of operant conditioning, where behaviours with positive consequences are more likely to be repeated.

An active form of exception-based management involves managers actively monitoring performance, monitoring for deviations from standards and taking proactive corrective action (Gottfredson & Aguinis, 2017). This approach, rooted in control theory and error management principles, involves setting clear standards, continuous monitoring and immediate intervention when problems arise. Research indicates that this approach maintains moderate effectiveness, particularly in structured environments where quality control and safety compliance are required (Montano et al., 2017).

The passive form of exception-based management represents the least effective deal-breaking component, where managers wait until problems become severe before taking corrective action (Fletcher et al., 2019). Based on exception management principles, where intervention is only taken when deviations exceed acceptable thresholds, this approach tends to show weaker relationships with positive outcomes compared to active management approaches, although it may be appropriate in work environments with high autonomy.

2.3 Historical Development and Key Contributors

The intellectual origins of managerial leadership can be traced back to Weber's (1947) framework of rational-legal authority, which conceptualised authority based on legal-rational structures, bureaucratic efficiency and rule-based systems. Weber's work

established the principle that managerial effectiveness can derive from formal authority and structured processes, rather than from personal charisma or tradition.

Burns (1978) revolutionised leadership studies the conceptual distinction between business and transformational leadership. As a Pulitzer Prize-winning historian and political scientist, Burns defined deal-making leadership as "when a person takes the initiative to engage with others in an exchange of something of value", emphasizing the moral dimensions and relational paradigms that shifted the focus from individual attributes to dynamic leader-follower interactions.

Bass (1985) transformed Burns' conceptual framework into an empirically testable theory through his 1985 work "Leadership and Performance Beyond Expectations". In contrast to Burns, who saw business and transformational leadership as mutually exclusive, Bass argued that they could coexist and complement each other. His contributions included the development of psychological mechanisms to explain the effectiveness of business leadership, the creation of empirical testing frameworks and the translation of political leadership concepts into organisational contexts.

Avolio's collaboration with Bass has led to methodological refinements, including the development of the Multifactorial Leadership Questionnaire (MLQ), the primary tool for measuring salesperson leadership behaviours. Their partnership produced the Full Spectrum Leadership Model, which provides a comprehensive framework for business leadership that has been validated in a variety of cultural and organizational contexts over thirty years of systematic research (Avolio & Bass, 2002).

2.4 Comparative Analysis with other Management Styles

The meta-analytical evidence reveals complex links between salesmanship and other management approaches. Judge & Piccolo's (2004) comprehensive meta-analysis of 626 correlations from 87 sources revealed a strong positive correlation (r = .80) between transformational and deal-breaking conditional reward leadership, indicating significant conceptual overlap while retaining distinct predictive validity.

Transformational leadership tends to show superior overall effectiveness (validity coefficient .44) compared to business leadership (.39), especially in terms of long-term organisational outcomes and follow-up development. However, conditional rewards surprisingly showed stronger relationships than transformational leadership for several specific criteria, especially in project-based and goal-oriented contexts where clear performance indicators facilitate the exchange.

Recent research on credible, ethical and servant leadership reveals high correlations with transformational leadership (r = .82-.85), indicating potential construct redundancy. However, servant leadership emerges as uniquely valuable, showing significant incremental variation across transformational approaches for multiple organizational outcomes, while authentic and ethical leadership show limited additional predictive value (Hoch et al., 2018).

Situational management theory receives mixed empirical support despite its popularity in practice, with limited construct validity compared to transformational-

business-relationship approaches. FRLM provides a more comprehensive coverage of leadership behaviours with a stronger empirical foundation in different organisational contexts.

2.5 Contemporary Research Trends and Applications

Contemporary research shows a renewed interest in hybrid leadership models that integrate deal-making and transformational approaches (Dong, 2023). Recent studies show that effective leaders adaptively use both approaches, where deal-making leadership provides necessary structure and clarity, while transformational elements inspire long-term commitment and innovation. This integration proves particularly valuable in digital work environments where clear performance expectations need to be balanced with inspirational motivation.

Digital transformation contexts offer new applications for business management principles. Research conducted during and after the COVID-19 pandemic shows that the effectiveness of virtual teams requires increased structure and clear performance indicators, making business management elements key in distributed work environments. Technology-mediated interactions enable more sophisticated application of exception-based management principles through digital monitoring and feedback systems.

Cross-cultural research shows considerable variation in the effectiveness of sales management in different cultural contexts. High power distance cultures show greater acceptance of deal-making hierarchical structures, while uncertainty avoidance correlates with stronger positive responses to deal-making clarity and structure. European research indicates different patterns between North/West and South/East European responses to deal-making approaches, although Hungarian-specific research remains limited.

Industry-specific applications reveal contextual patterns of efficiency (Richards, 2020). Healthcare contexts show a particular aptitude for business-binding approaches to clinical protocols and safety compliance, while manufacturing contexts benefit from clear performance indicators and quality control applications. Service industries show moderate efficiency, especially in structured operational environments where consistent delivery standards are required.

3 Results and Analysis

3.1 Efficiency Patterns in Organisational Contexts

The empirical evidence shows that the effectiveness of dealership management varies significantly by organisational context and implementation approach. The meta-analytic results show an overall effect size of 0.39 for performance outcomes in environments with stronger relationships. Highly structured contexts, including military organizations, health care clinical settings, manufacturing facilities, and financial

services, show maximum efficiency, while moderate efficiency appears in educational institutions, government bureaucracies, and large corporate hierarchies.

Research in the health sector provides compelling evidence of the effectiveness of business leadership. Studies involving 212–532 participants in several healthcare contexts show positive correlations with organisational change readiness, job satisfaction and performance outcomes, especially when combined with psychological empowerment approaches. Ethiopian hospital studies show significant predictors of organisational change readiness (β-coefficient significant at the p < .05 level), while paediatric health studies show effectiveness in completing tasks with minimal errors and in handling crisis situations requiring rapid decision-making.

Research in tourism and hospitality using structural equation modelling (n = 532 employees) reveals positive relationships between entrepreneurial leadership and organizational agility, mediated by organizational trust and ambidexterity (Rudnák et al., 2025). Egyptian five-star hotels and travel agencies show improved service quality indicators and enhanced crisis management capabilities during industry disruptions, indicating value in service environments where consistent quality delivery is required.

Project management effectiveness emerges as a key application area, with a meta-analysis of 64 effect sizes from 41 primary studies revealing moderate but significant associations (r = 0.29, p < .001) between business management and project success. Studies of 224 development projects by Ethiopian NGOs show that conditional rewarding leadership is positively associated with project success, with clarity of project purpose as a significant moderator, indicating that deal-making approaches prove most effective when objectives are clearly defined and measurable.

3.2 Comparative Effectiveness Analysis

A systematic comparison with transformational driving reveals complementary, non-competing relationships. While transformational leadership exhibits stronger overall validity coefficients (.44 versus .39), the conditional reward components of deal-making leadership show surprisingly strong performance on specific criteria, sometimes outperforming transformational approaches in structured, goal-oriented environments.

Contemporary research emphasises the value of balanced implementation rather than exclusive reliance on any single approach. Validation studies in Colombia (n = 577) using the Full Spectrum Leadership Model confirm that both transformational and business leadership show positive correlations with effort, effectiveness and satisfaction, supporting adaptive leadership approaches that situationally combine both styles.

Cross-cultural patterns of efficiency reveal important variation in leadership style preferences and outcomes (Tsai, 2022). Studies of the Sierra Leone banking sector (n = 820 employed) using structural equation modelling show that management is particularly efficient in high uncertainty avoidance cultures, with superior performance in structured banking operations and increased compliance with regulatory

requirements. This suggests that cultural values significantly moderate the effectiveness of deal management.

The industry-specific comparative analysis indicates that efficiency is highly dependent on task characteristics and organisational requirements. Manufacturing and production environments favour business-driven approaches due to clear output targets and quality control requirements, while R&D and creative industries prefer transformational approaches that encourage innovation and discovery behaviours.

Digital transformation and virtual driving applications

The COVID-19 pandemic has accelerated research into the application of business management in a virtual environment, revealing both opportunities and challenges for digital implementation. Studies looking at software development teams between 2020–2023 show that deal management elements, particularly conditional rewards and clear performance expectations, have become key to the performance of virtual teams when traditional monitoring methods have proven inadequate.

Research on e-leadership integration indicates that effective virtual leadership requires modifications to traditional business approaches. Digital tools allow for a more sophisticated application of exception-based leadership principles through automated monitoring and feedback systems, while conditional reward systems need to be adapted for virtual delivery while maintaining motivational effectiveness. Research shows that virtual store management requires enhanced communication protocols and modified reward systems to maintain effectiveness.

Applications of hybrid working models show particular promise for business management integration. Contemporary research indicates that distributed work arrangements benefit from the clear performance indicators and accountability structures provided by dealership approaches, while requiring inspirational elements of transformational leadership to sustain engagement and motivation across geographic boundaries.

4 Limits and Boundary Conditions

The limitations of innovation and creativity represent major limitations of business management applications. Meta-analytic evidence reveals potential barriers to long-term organisational innovation, reduced creative thinking in R&D environments and limited effectiveness in uncertain problem-solving contexts. These barriers are particularly salient in knowledge-intensive industries that require continuous innovation and adaptation.

The limitations of employee development consistently emerge in studies, indicating reduced effectiveness in developing long-term talent, cultivating intrinsic motivation and supporting career development (Rudnák et al., 2023). Research suggests that exclusive reliance on business-like approaches can create compliance-oriented rather

than engagement-oriented organisational cultures, limiting organisational learning and adaptive capabilities.

Change adaptation challenges are reflected in transformational change initiatives, cultural change requirements and emerging technology adoption contexts. While deal-breaker leadership proves effective in terms of operational stability, it shows reduced effectiveness when organisations require fundamental transformation or cultural evolution, indicating the need for complementary leadership approaches during major organisational transitions.

Future research opportunities and gaps

There is a critical gap in cultural adaptation research, especially in Hungarian and Central European contexts. The limited availability of research specifically examining the effectiveness of business leadership in post-transition economies offers significant opportunities for academic contributions, especially given the unique organisational cultures and leadership approaches that characterise these regions.

Longitudinal effectiveness studies remain inadequate, with most research relying on cross-sectional designs that fail to capture patterns of leadership development or long-term organisational outcomes. Future research should employ longitudinal designs that track leadership effectiveness over time, examining how business management approaches evolve and adapt to changing organizational circumstances.

Technology integration research needs to be extended to understand how artificial intelligence, automation and digital platforms are influencing business leadership practices (Uslu et al., 2025). Contemporary organisations are increasingly relying on technology-mediated leader-follower exchanges, creating new opportunities and challenges for effective implementation of business leadership principles.

5 Conclusion

This comprehensive analysis reveals that business leadership retains considerable theoretical and practical value in contemporary organisational contexts, despite its often marginalisation in the management literature in comparison to transformational approaches. A systematic review of current research shows that the effectiveness of deal-ership leadership is highly dependent on contextual factors, implementation approaches and integration with complementary leadership styles, rather than being an inherently inferior approach to organisational leadership.

The theoretical foundations of sales management are based on robust psychological and organisational principles, including social exchange theory, operant conditioning and expectancy theory, providing a scientific basis for its continued relevance. The historical development from the rational-legal authority of Weber (1947) through the conceptual innovation of Burns (1978) to the empirical validation of Bass (1985) and Avolio demonstrates the cumulative nature of scientific development, providing a strong foundation for future theoretical development and empirical investigation.

Contemporary applications are showing strength in structured environments, crisis management and goal-oriented contexts where clear performance expectations and immediate feedback are proving valuable. Healthcare, manufacturing, project management and financial services are showing consistent positive results from implementing business leadership, while digital transformation contexts are providing new opportunities for technology-enabled applications of traditional business principles.

The comparative analysis emphasises complementary, non-competitive relationships with other leadership styles, supported by meta-analytical evidence of hybrid approaches that integrate deal-making structure with transformational inspiration. These finding challenges previous assumptions of mutual exclusivity while supporting adaptive leadership models that tailor approaches to organizational requirements and contextual needs.

Significant research gaps remain, especially in the areas of cultural adaptations, longitudinal efficiency patterns and Hungarian-specific applications. The limited availability of research in Central Europe offers significant opportunities for scientific contributions, especially given the unique post-transition organisational cultures and management approaches that characterise these regions. Future research should prioritise culturally adapted implementations, technology-enabled applications and integration with new organisational theories.

The practical implications suggest that organisations should develop balanced management approaches rather than relying exclusively on any single style. Business leadership provides valuable structure, clarity and accountability that supports organisational effectiveness, especially when combined with transformational elements that inspire long-term commitment and innovation. Leadership development programmes should emphasise contextual sensitivity and cultural adaptation while maintaining theoretical rigour and empirical validation.

Future research directions should focus on addressing the identified gaps through longitudinal designs, cross-cultural validation and technology integration studies. The field offers significant opportunities for PhD level researchers to contribute to both theoretical development and practical applications, particularly in increasingly complex organisational environments that require sophisticated understanding of leadership effectiveness patterns and contextual moderators.

This analysis establishes that business leadership, when properly understood and implemented correctly, represents a valuable component of comprehensive leadership approaches, rather than an outdated or inferior alternative to contemporary leadership theories. The continuing evolution of organizational contexts, cultural environments, and technological capabilities ensures that business leadership principles remain relevant for academic study and practical application in a variety of organizational settings.

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Diána Eszter Bujdosó – Jieqian Zhang

Charting the Leadership Landscape of Change: A Bibliometric Review of Change Management Models

Abstract: This study offers a comprehensive bibliometric analysis of the scholarly landscape surrounding change management models, with particular emphasis on leadership perspectives. Based on 1,316 publications from the Web of Science database (1975–2025), the research employs CitNetExplorer, VOSviewer, and the Bibliometrix R package to uncover the intellectual foundations, thematic trends, and strategic positioning of key contributions. Foundational models - such as Lewin's three-step model, Kotter's eight-step process, the ADKAR framework, the McKinsey 7S model, and Kübler-Ross's five stages of grief - emerge as enduring conceptual anchors across decades of literature. These frameworks are not only frequently cited but continue to shape both theoretical inquiry and practical leadership strategies in organizational transformation. The results highlight the coexistence of structured, performance-focused approaches with more human-centric, psychological, and context-sensitive interpretations of change. Thematic mapping and co-citation analysis reveal a field that is both mature and evolving, offering valuable insights for scholars and practitioners seeking to align leadership with effective change implementation.

Keywords: Lewin, Kotter, ADKAR, McKinsey 7S, Kübler-Ross

1 Introduction

In an increasingly volatile global business environment, the capacity for organizations to adapt to change is essential. Change management, once treated as a set of tools or leadership techniques, has evolved into a complex, multidisciplinary research field. From economic disruptions to sociocultural transitions and technological advancements, organizations must continuously reinvent themselves to maintain competitiveness and relevance. As a result, various models have emerged to conceptualize how organizations can successfully implement and manage change – ranging from Kurt Lewin's foundational 3-step model to the widely adopted frameworks of John Kotter and the ADKAR model.

This study aims to systematically map the evolution and conceptual architecture of change management models using advanced bibliometric methods. By analysing co-citation patterns, keyword co-occurrence, and the intellectual lineage of the literature, the research reveals the underlying structure of scholarly discourse in the field. With a dataset of 1,316 scientific publications, this study not only captures historical influences but also identifies current themes and emerging frontiers within change management research.

2 Literature Review

The changes brought about by globalisation manifest in distinctive ways in each country, yet in numerous pivotal domains, most countries have undergone analogous transformations. These responses often materialise in the face of economic and social crises, which, when they occur, have the capacity to engender substantial changes for companies (Zhang & Rudnák, 2024, Yang et al., 2021, Yao et al., 2023).

In the context of organizational change, employees can have different reactions, where some of them accept and engage with it, and others completely refuse and resist it. Hence, companies should permanently settle for the best and introduce a fruitful leadership style along with a good change management strategy to ensure the company's prolonged survival and prosperity (Hamza et al., 2022).

Given the dynamic business world and influential trends shaping how companies' function, resulting in resistance, anxiety, and confusion, thereby affecting employees' performance and well-being, it is crucial to adopt an effective leadership approach (Hamza et al., 2024).

Continuous changes in the labour market, such as economic fluctuations, technological developments and social trends, have a significant impact on both employers' job requirements and workers' career prospects (Rudnák et al. 2023). Aligning these processes requires considerable effort on both sides. Job search and job change is a driving force in the labour market, and career dreams and unfulfilled expectations, as well as many other factors, push workers to move on and face new challenges. However, the current socio-economic situation, the impact of different geopolitical policies and the opportunities available in each region can have a major influence on whether a new or a new start is made (Bujdosó & Rudnák, 2025).

Bujdosó et. al. (2025) explores in their survey analysis, that emotional support, transparent communication, personalized measures are essential to mitigate the negative effects of changes. Their results underline the need to focus on managing the employee experience during change for the long-term success of the company.

In 2007, German American psychologist Kurt Lewin pioneered the study of social, organizational and applied psychological variables in the United States. In his seminal book, Principles of Topological, he presented a three-stage principle of change management (Onyekwere et al., 2023).

John Paul Kotter, a well-known management consultant and professor at Harvard Business School, has developed a model to help organizations manage change effectively (Onyekwere et al., 2023). Kotter's eight-step model describes a process by which an organization transitions from an existing state to a new, desired state. Based on the results of a survey of 288 companies conducted in November 2002, one of the three most popular change management models is Kotter's.

The successful change management model was developed by Hiatt (2006) at the Prosci Learning Center. The ADKAR change management model consists of five elements: awareness, desire, knowledge, capability and empowerment, which build on

each other and focus on important areas of change such as assessment, leadership, employee engagement, training and empowerment.

The arrival of the era of big data, making the "data" becomes a key point of library restructuring, but also making the digital library construction faced with big challenge. With the impact of big data technical, and the drive of user requirement, its achiever" data library services" paradigm transformation has become a trend. Liu (2020) introduces the McKinsey 7S management model into the field of library data management and services, and analyses it from seven aspects: strategy, structure, system, style, staff, skills, and shared values.

Kübler-Ross's five-stage model of death and dying-denial, anger, bargaining, depression and acceptance is one of the most popular theoretical models to come out of the 20th century. An obscure theory of the dying process come to dominate our understanding of emotional processes altogether (Bernau, 2024).

Bibliometric techniques have gained considerable traction across diverse academic disciplines due to their capacity to reveal the structural and developmental contours of scientific fields. Particularly during periods of empirical proliferation, where research becomes fragmented or contradictory, bibliometrics provides a powerful framework for synthesis and interpretation. However, science mapping remains a multilayered, resource-intensive process that often demands the use of specialized software, much of which is not freely available. The Bibliometrix package in R, as introduced by Aria & Cuccurullo (2017), simplifies this process by offering open-source access to the key functions required for bibliometric analysis.

VOSviewer, developed by Van Eck & Waltman (2009), offers a complementary visualization environment. Its distinguishing strength lies in its graphical clarity, enabling the intuitive display of complex bibliometric networks, especially in large datasets.

CitNetExplorer is specifically tailored for the exploration of citation networks. It supports the tracking of knowledge development within a domain and is particularly useful in conducting systematic reviews or mapping intellectual influence across clusters (Van Eck & Waltman, 2014).

Additionally, techniques like search engine optimization are relevant in digital knowledge retrieval, where ranking algorithms significantly affect information visibility and user engagement (Shing, 2024; Uslu et al., 2025).

3 Methodology

The research utilized the Web of Science database, considering publications dated from 1975 up to May 20, 2025.

To refine the search strategy, multiple keyword combinations were tested. The outcomes were evaluated, and the most reliable and meaningful results were obtained using the following keyword combinations:

TS = ((("ADKAR" OR "kubler" OR "Mckinsey" OR "lewin" OR "kotter") AND ("change" OR "manag*" OR "leader*" OR "theor*"))), Timespan: from 1975 up to 14 May 2025.

A total of 1,316 bibliometric records were compiled after collecting complete entries and cited references from the database. Missing citations were manually supplemented, and duplicate entries were eliminated to ensure data integrity. The subsequent analysis was grounded in established bibliometric methodologies, incorporating natural language processing, big data techniques, and algorithmic processing to identify recurring patterns through keyword co-occurrence and co-citation networks. The Bibliometrix R package served as the core analytical tool for conducting a comprehensive evaluation.

To ensure robustness, the study employed methodological triangulation, applying various cluster analysis techniques to explore the foundational literature, internal structure, and strategic positioning of research within domains such as e-marketing and recruitment. The workflow unfolded in three main phases: First, CitNetExplorer was used to map the temporal evolution of the field and identify seminal publications. Next, VOSviewer grouped publications based on semantic proximity of keywords. Finally, the science mapping module of Bibliometrix enabled a nuanced analysis of conceptual linkages and thematic evolution.

4 Results

The research utilized the Web of Science database, considering publications dated from 1975 up to May 20, 2025.

4.1 Overview of Dataset

The dataset consisted of 1,316 documents, with the average citation rate per document being notably extremely high, exceeding 22.61.

Many of the articles were authored in USA (33%), the UK (9%), Australia (5%), China (4%), Canada (4%), and Germany (4%).

When examining the sources based on the publishing journals, most relevant papers have been published in a relatively small group of journals. The journal Harvard Business Review published more than twice as many articles as the second most active journal. The ranking of the leading journals is presented in Table 1.

Table 1 Ranking of the top journals by the number of published motivational related articles

Journal	Rank	Published Articles
HARVARD BUSINESS REVIEW	1	43
JOURNAL OF SOCIAL ISSUES	2	20
JOURNAL OF ORGANIZATIONAL CHANGE MANAGEMENT	3	14
JOURNAL OF CHANGE MANAGEMENT	4	13
OMEGA-JOURNAL OF DEATH AND DYING	5	11
GIO-GRUPPE-INTERAKTION-ORGANISATION-ZEITSCHRIFT	6	10

|		
JOURNAL OF APPLIED BEHAVIORAL SCIENCE	7	9
HUMAN RELATIONS	8	8
JOURNAL OF ADVANCED NURSING	9	8
JOURNAL OF MATHEMATICS AND MUSIC	10	8
MUSIC THEORY SPECTRUM	11	8
SUSTAINABILITY	12	8
ACADEMY OF MANAGEMENT EXECUTIVE	13	5
JOURNAL OF MUSIC THEORY	14	5
JOURNAL OF NURSING CARE QUALITY	15	5
LIBRARY MANAGEMENT	16	5
THEORY & PSYCHOLOGY	17	5
ACADEMIC MEDICINE	18	4
AMERICAN JOURNAL OF PSYCHOLOGY	19	4
FRONTIERS IN PSYCHOLOGY	20	4
INTERNATIONAL JOURNAL OF PSYCHOANALYSIS	21	4
JOURNAL OF BUSINESS ETHICS	22	4
JOURNAL OF CLEANER PRODUCTION	23	4
JOURNAL OF DENTAL EDUCATION	24	4
JOURNAL OF LIBRARY ADMINISTRATION	25	4

Source: RStudio, n = 1,316

4.2 Results of the Cluster Analysis

4.2.1 The intellectual Roots of Research

The publications were grouped using three different approaches. The first categorization is based on their intellectual foundations. The CitNetExplorer software algorithms identified eight distinct clusters. The distribution of articles across these eight clusters is shown in Figure 1.

The largest group of publications focuses on the approaches of change in practice (432 publications, Cluster No. I/1). This cluster explores reflective and conceptual approaches to organizational change, emphasizing the interplay between academic theories and real-world practice. It highlights how scholarly, and practitioner perspectives can inform each other in understanding and navigating change. This cluster emphasizes the theoretical foundations of change, with a strong focus on Lewin's planned change model. While Burnes' reinterpretation is the most influential, the presence of earlier work reflects longstanding academic interest in Lewin's legacy. In the past 40 years, Lewin's approach to change, particularly the 3-Step model, has attracted major criticisms. The cornerstone article of this cluster seeks to re-appraise Lewin's work and challenge the validity of these views (Burnes, 2004).
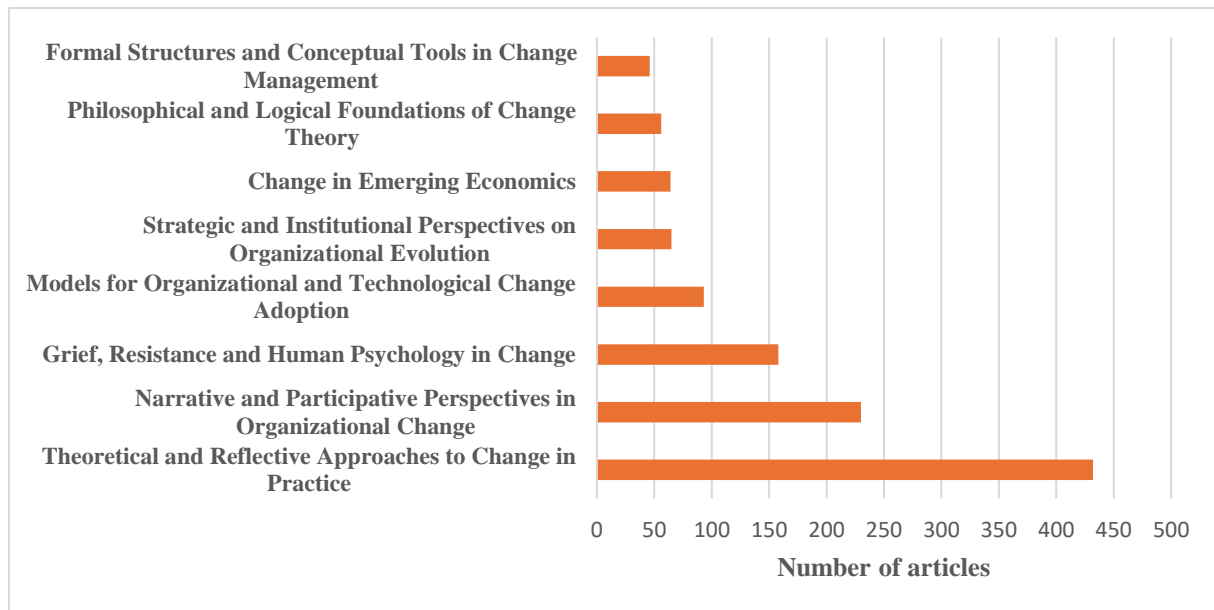
Figure 1 Number of articles in the different clusters by the intellectual bases of the research
Source: CitNetExplorer, n = 1,316

The second cluster analyses the narrative and participative perspectives of organizational change (230 publications, Cluster No. I/2). The studies in this cluster examine how change is communicated, understood, and implemented through stories, metaphors, and participative methods. It emphasizes the role of employee involvement, cultural narratives, and leadership communication in fostering successful transitions. Kotter's seminal work dominates this cluster both in terms of influence and historical position. The cluster centres on narrative strategies, leadership involvement, and employee participation as key levers of successful organizational transformation. The cornerstone publication notes, that Guiding change may be the ultimate test of a leader - no business survives over the long term if it can't reinvent itself. But human nature being what it is, fundamental change is often resisted mightily by the people it most effects: those in the trenches of the business. Thus, leading change is both essential and incredibly difficult (Kotter, 1995).

Papers assigned to the third cluster analyse human psychology of change (158 publications, Cluster No. I/3. Focusing on the emotional and psychological aspects of change, this cluster includes work on loss, resistance, acceptance, and adaptation. It reflects a human-centred approach that acknowledges the internal experiences and reactions individuals go through during organizational transformation. This cluster explores the emotional and psychological dimensions of change. The cluster's cornerstone is Kübler-Ross's model of grief provides a foundational lens for understanding individual responses to loss, transition, and transformation within organizations. Although most areas of human experience are nowadays discussed freely and openly, the subject of death is still surrounded by conventional attitudes and reticence that offer only fragile comfort because they evade the real issues (Kübler-Ross, 1969).

The fourth cluster is focusing on models for organizational and technological change adoption (93 publications, Cluster No. I/4). This cluster addresses structured

approaches to managing change, particularly in relation to technology adoption and organizational design. It emphasizes the importance of change models in planning, implementing, and sustaining transformation in systems-focused contexts. This cluster deals with the operational and structural aspects of implementing change. It combines contemporary concerns—like sectoral barriers—with foundational insights on fairness and justice in large-scale transformation.

The fifth cluster considers the strategic and institutional perspectives on organizational evolution (65 publications, Cluster No. I/5). Studies in this group explore change on a macro level, often analysing how organizations evolve in response to institutional pressures, strategic decisions, and policy environments. The focus lies on long-term development and adaptation in complex systems. This cluster investigates change from a strategic and institutional perspective. It addresses how management theories spread and evolve through power structures and organizational networks, integrating both classic and more recent conceptual developments.

The sixth cluster highlights the change in emerging economies (64 publications, Cluster No. I/6). This cluster brings attention to context-sensitive approaches to change management, particularly in relation to gender, entrepreneurship, and socio-economic development. It highlights the importance of inclusivity, empowerment, and local dynamics in shaping change processes.

The seventh cluster features the philosophical and logical foundations of change theory (56 publications, Cluster No. I/7). This highly abstract cluster explores formal and logical dimensions of change, drawing from philosophical inquiry and systems thinking. It includes theoretical frameworks that seek to understand change through structured, logic-based lenses.

The eighth cluster features formal structures and conceptual tools in change management (46 publications, Cluster No. I/8). This cluster investigates how formal models, conceptual structures, and abstract representations contribute to understanding change. The focus is on analytical tools and frameworks that enable deeper insight into the mechanisms and nature of transformation.

4.2.2 The Conceptual Structure of Research Directions Based on Co-Citation Analysis

The second approach analyses the articles based on the co-occurrence of different keywords in the abstracts, titles and keywords of the publications. The results of the analysis are summarised in Figure 2. This approach allows the visualisation of a very wide range of topics explored.

Figure 2 Co-occurrence of words analysis
Source: VOSViewer, n = 1,316

Publications were grouped by references. A detailed explanation of the algorithm can be found in Hota et al. (2019), where they use bibliometric analysis to empirically analyse research published between 1996 and 2017 on social entrepreneurship, using citation analysis, document co-citation analysis and social network analysis methods (Rudnák et al., 2025).

Through the examination of change management models' research outcomes, eight separate clusters can be distinguished based on the frequent co-occurrence of terms. The distribution and content of these clusters are visually summarized in Table 2.

The Applied Change Models in Healthcare and Education cluster (II/1., red, 63 items) focuses on the practical implementation of change management models in healthcare and educational settings. Keywords such as ADKAR, Kotter, patient safety, and teachers suggest that research in this area examines human-centred interventions, organizational effectiveness, and structured change approaches in critical public sectors.

Organizational Psychology and Leadership in Change Contexts cluster (II/2., green) centres on the psychological and leadership factors that influence organizational change. Core themes include motivation, engagement, transformational leadership, and performance, indicating that successful change processes are closely tied to personal characteristics and leadership dynamics.

In the Foundations of Change cluster (II/3., dark blue, 50 items), publications explore the theoretical and historical foundations of change management, with a strong emphasis on Kurt Lewin's work and social psychology. Keywords like organizational development, ethics, and power reflect an interest in the deep structural and interpersonal forces that shape organizational transformation.

The Change, Identity and Vulnerability in Health and Gender Contexts cluster (II/4., yellow, 39 items) highlights how organizational change affects vulnerable and marginalized groups, particularly through the lenses of health, gender, disability, and empowerment. It draws attention to identity, resilience, and psycho-social support as key factors in navigating change within sensitive or high-stakes environments.

The Strategic Decision-Making and Sustainability in Change Models cluster (II/5., purple, 36 items) focused on strategic aspects of change, brings forward themes such as decision-making, risk, resistance, and sustainability. The presence of terms like Lewin's change theory and readiness suggests a concern with the preparedness and long-term viability of change initiatives in increasingly complex global systems.

The Technological and Theoretical Advances in Change Management cluster (II/6., light-blue, 30 items) explores how new technologies and emerging theoretical frameworks influence change management. With keywords like artificial intelligence, big data, McKinsey, and social media, this cluster represents a forward-looking, innovation-driven perspective on organizational transformation.

Innovation and Knowledge in Organizational Change Practices cluster (II/7., orange, 28 items) emphasizes the role of innovation, knowledge management, and participation in the practical implementation of change. It often focuses on specific organizational contexts, such as SMEs and academic libraries, where adaptability and learning are critical success factors.

Strategic and Managerial Models of Organizational Change cluster (II/8., brown, 26 items) deals with high-level models of change, such as Kotter's change model, within the context of strategic management and organizational evolution. Keywords like diversity, higher education, and business point to the application of structured change frameworks in diverse institutional and sectoral settings.

Table 2 The cluster structure based on word co-occurrence

Applied Change Models in Healthcare and Education **(Cluster No. II/1) (total: 63 items)**
adkar, attitudes, care, challenges, children, collaboration, education, experience, guidelines, health-care, impact, intervention, kotter, outcomes, patient safety, people, policy, prevention, quality, students, success, teachers, therapy, time, workplace
Organizational Psychology and Leadership in Change Contexts **(Cluster No. II/2) (total: 58 items)**
commitment, culture, efficiency, engagement, information, leadership, metaanalysis, motivation, organizations, orientation, performance, personality, satisfaction, stress, transformational leadership, trust, work
Foundations of Change

(Cluster No. II/3) (total: 50 items)

action research, behavior, conflict, dynamics, ethics, frontiers, history, kurt lewin, management history, organizational development, patterns, psychology, power, science, social-psychology

Change, Identity and Vulnerability in Health and Gender Contexts
(Cluster No. II/4) (total: 39 items)

acceptance, covid-19, death, disability, empowerment, gender, health, identity, nursing, perspecitve, psychoanalysis, resilience, support, women

Strategic Decision-Making and Sustainability in Change Models
(Cluster No. II/5) (total: 36 items)

china, choice, circular economy, decision-making, energy, framework, lewin's change theory, model, readiness, resistance, risk, stability, sustainability, technology

Technological and Theoretical Advances in Change Management
(Cluster No. II/6) (total: 30 items)

artificial intelligence, big data, change, david lewin, knowledge, mckinsey, modal logic, music, social media, social psychology, space, topology, tranformational theory

Innovation and Knowledge in Organizational Change Practices
(Cluster No. II/7) (total: 28 items)

academic libraries, adoption, assessment, australia, change management, future, innovation, knowledge management, leading change, organizational culture, participation, smes, systems

Strategicand Managerial Models of Organizational Change
(Cluster No. II/8) (total: 26 items)

business, diversity, evolution, higher education, kotter's change model, management, models, strategic management, strategy

Source: VOSViewer, n = 1,316

4.2.3 Three-field plot visualization

A three-field plot was generated to visualize the dynamic interplay between cited references (CR), contributing authors (AU), and conceptual descriptors or keywords (DE) within the selected literature on change management models.

The left panel reveals the dominance of classical theorists such as Kurt Lewin, whose seminal works from the 1930s - 1950s are frequently cited. In the centre, Burnes B. emerges as a contemporary authority, acting as a key conduit between historical theory and current organizational practice.

The right panel highlights recurring themes such as change management, field theory, leadership, and grief, indicating a strong presence of both managerial and psychological perspectives in the discourse.

In Figure 3, the flow of connections illustrates how foundational texts continue to shape current scholarship and how key authors bridge theoretical foundations with modern applications.
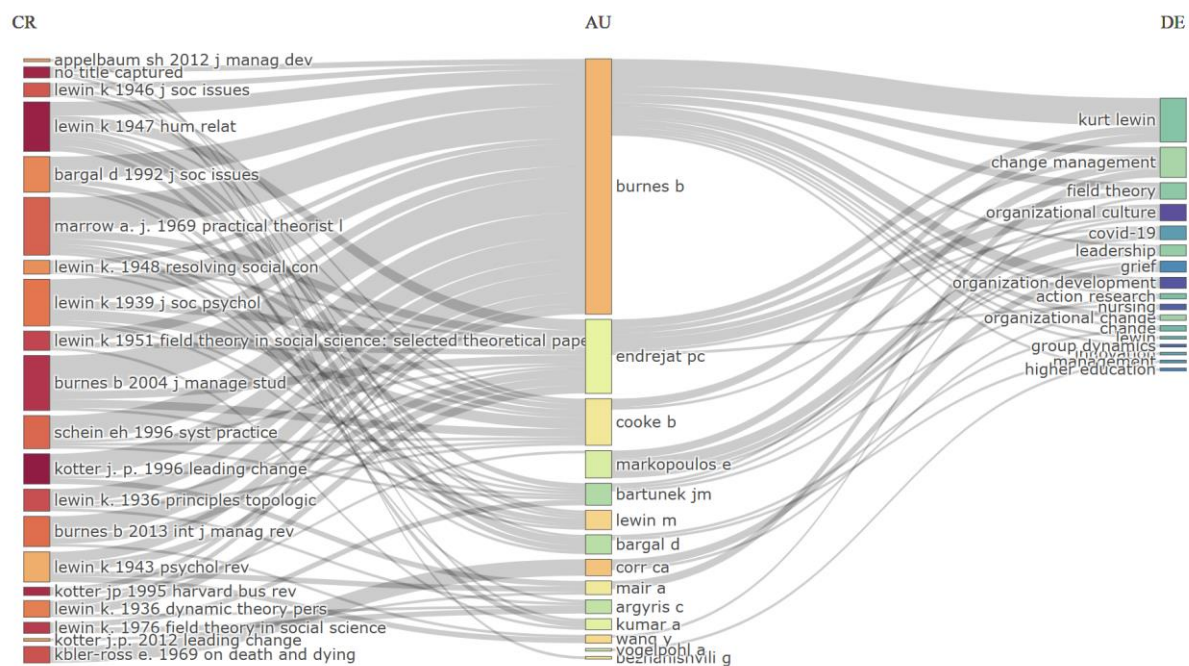
Figure 3 Three-Field Plot of Change Management Theories
Source: RStudio, n = 1,316

4.2.4 The Strategic Map of Publications

The strategic mapping phase of this study was guided by the methodological framework proposed by Cobo et al. (2012), utilizing SciMAT, a specialized open-source tool for conducting longitudinal science mapping. SciMAT's architecture includes a suite of modules that support each stage of the mapping process, from data cleaning and pre-processing to visualization and interpretation. Among its most distinctive features are: (a) a comprehensive module for preparing bibliographic datasets, (b) the application of bibliometric indicators to assess the relevance and impact of themes, and (c) a user-friendly interface that streamlines the configuration and execution of analyses.

Within the strategic map, density (Y-axis) indicates the internal development of a thematic cluster – higher values reflect stronger internal cohesion among its elements. Conversely, centrality (X-axis) measures the extent to which a theme is connected to other clusters in the research domain. A high centrality score implies a cluster's pivotal role in shaping broader academic discourse, positioning it as a central node within the overall intellectual landscape.

As depicted in Figure 4, Cluster III/1 is a highly central but still-developing theme, focused on organizational performance, outcomes, and structured change models. It forms a core foundation of the field, essential to most research, but may be undergoing conceptual renewal or diversification. Its large bubble size suggests it is also very prominent in volume and influence.

Cluster III/2 represents well-developed and highly relevant themes within the field, such as change in specific sectors (e.g., energy, education, health, diversity) or under localized conditions. These themes are key drivers of ongoing research, possibly offering new, context-sensitive models or insights applicable across sectors.

It is characterized by high density, suggesting conceptual maturity and internal cohesion, and high centrality, meaning it is well-connected to the broader literature.

Cluster III/3 with moderate centrality and density involves psychological constructs (e.g., resistance, perception, adaptation) rooted in Lewin's theories. Although less developed than managerial themes, this cluster anchors the human dimension of change, often informing leadership and communication strategies.

Cluster III/4's theme has low density and low centrality, indicating it is either a new, not yet developed topic or a declining area. The focus may be on how individuals or groups perceive and interpret change. It offers conceptual novelty but needs more empirical support and integration into core frameworks to become influential.

Cluster III/5 is well-developed but less connected to the core of the field (low centrality). It may focus on longitudinal, adaptive or biological models of change, offering depth but limited general relevance. A specialized research niche, likely valuable in theory building or future-oriented explorations, but currently peripheral to mainstream change management discourse.

Cluster III/6 is positioned near the centre, this theme is gaining attention, especially in connection with uncertainty, technological adaptation, and strategic decision-making in change. An emerging foundational theme with growing practical relevance and potential to evolve into a motor theme.

Thematic mapping reveals a nuanced conceptual landscape in the literature on change management models. The most influential and mature area is represented by Cluster III/2 (Context-Specific and Sectoral Change Themes), indicating strong interest in tailoring change strategies to specific environments.

Foundational but developing areas such as performance-oriented models (Cluster III/1) and psychological theories of change (Cluster III/3) form the core of scholarly discourse.

Innovation and risk-related themes (Cluster III/6) are emerging as strategic areas, reflecting current organizational challenges. Meanwhile, clusters like perceptual framing (Cluster III/4) and evolutionary models (Cluster III/5) occupy more peripheral positions—either as specialized niches or future-facing conceptual seeds.
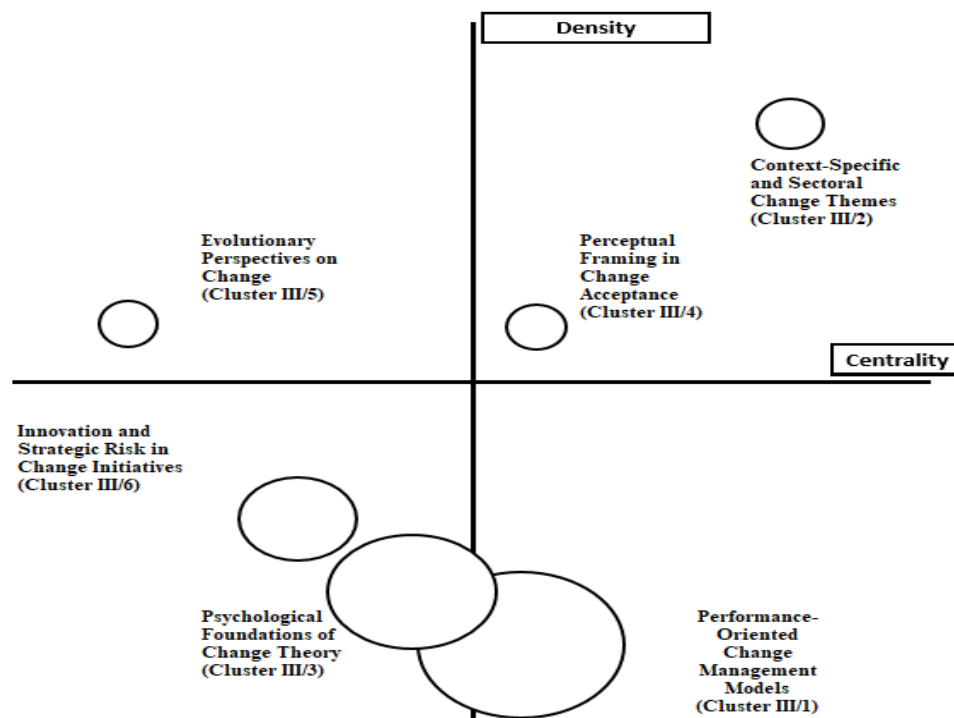
Figure 4 The strategic map of marketing related publications
Source: RStudio, n = 1,316

5 Discussion

The results highlight the intellectual diversity of change management as a research domain. Using CitNetExplorer, eight intellectual clusters were identified, with Lewin's foundational work and Burnes's reinterpretations forming the largest cluster. Kotter's influence remains pivotal in shaping narrative and participatory change processes, while Kübler-Ross's psychological model anchors the emotional dimensions of change resistance and acceptance.

The conceptual structure analysis revealed how different thematic groups coalesce around practical and theoretical concerns. Clusters focusing on healthcare and education, technological adoption, and organizational psychology suggest applied orientations, whereas those centred on power structures, logical models, and risk address broader institutional and strategic concerns.

The strategic map further deepens the interpretation by categorizing clusters according to development (density) and influence (centrality). The most central and well-developed themes reflect the field's orientation toward performance outcomes and sector-specific applications. Meanwhile, themes like "Perceptual Framing" and "Evolutionary Change" indicate potential future research directions or underexplored areas.

This triangulated approach offers a multidimensional understanding of how change is theorized, operationalized, and evolving within the literature.

6 Conclusion

This bibliometric study provides a comprehensive view of the theoretical and conceptual development of change management models over the past five decades. By integrating citation analysis, co-occurrence mapping, and strategic positioning, the research offers a rich and nuanced understanding of the field. The findings confirm the continued relevance of foundational models while also highlighting the rise of innovation, contextual sensitivity, and human-centric approaches.

Importantly, the study demonstrates how bibliometric methods can be effectively used to structure fragmented knowledge landscapes, guide literature reviews, and identify research gaps. As change remains an inherent part of organizational life, ongoing exploration of its mechanisms, impacts, and methodologies will remain vital. Future research could delve deeper into underdeveloped yet promising themes, thereby ensuring that theory keeps pace with real-world complexity.

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Authors of the Volume

Ahmed Mohamed Al-Horr
PhD-student
MATE, Doctoral School of Economic and Regional Science

Petar Angelovski
PhD-student
MATE, Doctoral School of Economic and Regional Science

Diána Eszter Bujdosó
PhD-student
MATE, Doctoral School of Economic and Regional Sciene

Tímea Csizmadia
PhD-student
MATE, Doctoral School of Economic and Regional Science

Alemu Alemshet Gebrewold
PhD-student
MATE, Doctoral School of Economic and Regional Science

Gutu Tesfaye Ginbare
PhD-student
MATE, Doctoral School of Economic and Regional Science

Szilvia Gölöncsér
PhD-student
MATE, Doctoral School of Economic and Regional Science
Roland Homoki
PhD-student
MATE, Doctoral School of Economic and Regional Science

Boukeloua Iheb
PhD-student
MATE, Doctoral School of Economic and Regional Science

Evelin Fatime Liber
PhD-student
MATE, Doctoral School of Economic and Regional Science

András Nagy
PhD-student
MATE, Doctoral School of Economic and Regional Science

Attila Tamás Nagy
PhD-student
MATE, Doctoral School of Economic and Regional Science

Ádám Pfeiffer
PhD-student
MATE, Doctoral School of Economic and Regional Science

Johanna Sipos
PhD-student
MATE, Doctoral School of Economic and Regional Science

Zsuzsanna Surinyáné Kis
PhD-student
MATE, Doctoral School of Economic and Regional Science

Ádám Szalai
PhD-student
MATE, Doctoral School of Economic and Regional Science

Aibar Tangatov
PhD-student
MATE, Doctoral School of Economic and Regional Science

Jieqian Zhang
PhD-student
MATE, Doctoral School of Economic and Regional Science