The Influence of Leadership Style on Employee Performance: A Systematic Literature Review

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DOI: https://doi.org/10.54099/ijebm.v1i2.360

ABSTRACT

Purpose – This systematic literature review aims to synthesize several studies related to the influence of leadership style on employee performance. Methodology/approach – This study was compiled using Preferred Reporting Items for Systematic Review and Meta-Analysis from research related to the influence of organizational culture on employee performance. The data collection method uses the Population, Intervention, Comparison, and Outcome methods using 2 accesses, namely Google Scholar and Wiley Online Library. A total of 259 data were filtered using data inclusion criteria so that 30 data were obtained that were by the eligibility standards. Findings – it was found that there were forty-five (45) hypotheses related to leadership style and employee performance. Based on the effect and function of the data variables, they are grouped into four (4), namely, a significant positive effect, no influence and mediating variables, and moderating variables. Novelty/value – From the many types of leadership styles and various types of organizations, it is necessary to classify various studies related to leadership styles and employee performance in the last 5 years starting from 2017 to 2022. This systematic literature review uses data from Scopus and Copecernicus-indexed journals.

INTRODUCTION

Human resources have a strategic role in the organization because after all, human resources are the driving force of the organization (Bangun, 2018). Human resources also have a major influence that must be managed to improve organizational effectiveness and efficiency through human resource management to obtain, maintain, and develop them to support the achievement of organizational goals (Halisa, 2020).

Organizational goals will be achieved when the human resources in it work optimally (Sri Widodo, 2016). To achieve optimal productivity, of course, a leadership style is needed that is following organizational conditions so that it can influence, guide, and evaluate each individual or group within the organization (Istikomah & Haryanto, 2020).

In an organization, synergy is needed between the various stakeholders in it. These stakeholders include owners, directors, management, as well as line employees from each existing field of work who have an active or passive role to achieve organizational goals. This goal can be achieved if there
is a systematic management flow that is recognized by the leadership and all members of the organization (Sulastri, 2012). Good leadership is related to fairness in leading, having wisdom, and providing direction and instructions at a reasonable level (Tamimi et al., 2022). This means that leadership style is a determining factor in the rise and fall of employee productivity.

Istikomah & Haryanto (2020) also revealed that leadership is the main spear in an organization to achieve the goals the organization wants. The existence of a leader makes the management of an organization to be directed according to planning and able to provide examples or guidance regarding the duties and responsibilities of each field under it. So that good leadership can improve the quality of the productivity of their subordinates (Siti Nur Aisah, 2020).

Based on the description above, it is clear that one of the most important factors in improving employee performance is leadership style. This systematic literature review aims to synthesize several published studies relating to the influence of leadership style on employee performance. Sources of research data using secondary sources from previous studies.

METHOD
This systematic literature review was compiled based on the preferred reporting items for systematic review and meta-analysis (prisma) from research related to the impact of leadership style on representative execution. Data collection uses the population, intervention, comparison, and outcome (pico) method. This literature review data collection method uses 2 accesses, namely google scholar at https://scholar.google.com/ and Wiley online library at https://onlinelibrary.wiley.com/.

Table 2.1 PICO

<table>
<thead>
<tr>
<th>Population</th>
<th>Company employees and organizational members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intervention</td>
<td>Leadership style</td>
</tr>
<tr>
<td>Outcome</td>
<td>Employee performance improvement</td>
</tr>
</tbody>
</table>

The strategy that will be used by the author is to find appropriate literature using the pico method. The keywords used to search Garuda and Google Scholar are (influence/relationship) and (leadership) and (in improving/towards) and (employee productivity/performance). Researchers get some literature that is by what is desired. After using the pico method, the next step is to extract data/literature that has been collected using the inclusion criteria, aiming to narrow down the data obtained so that researchers can find and collect appropriate literature.

Data Inclusion Criteria

This systematic literature review will take various study designs in terms of inclusion criteria as follows:

Table 2.2: data inclusion criteria

<table>
<thead>
<tr>
<th>Type</th>
<th>inclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Literature type</td>
<td>Research articles</td>
</tr>
<tr>
<td>Publication Year</td>
<td>2017-2022</td>
</tr>
<tr>
<td>Origin of literature</td>
<td>International</td>
</tr>
<tr>
<td>Language</td>
<td>English language literature</td>
</tr>
<tr>
<td>Literature standard</td>
<td>Scopus or Copernicus-indexed literature</td>
</tr>
<tr>
<td>Sample</td>
<td>Employees or members of the organization</td>
</tr>
<tr>
<td>Research methods</td>
<td>Correlational</td>
</tr>
</tbody>
</table>

After determining the data inclusion criteria, it is continued by searching for articles on Google
RESULT AND DISCUSSION
The author has conducted a review of the literature that has been collected. After collecting data in the form of literature, the authors then filter the literature using pico and data inclusion criteria to obtain literature that can be assessed as appropriate according to research needs. For this reason, the following is a description of the results of a literature review of these data.

General Characteristics Of The Literature Review
The following are general characteristics of the literature that will be reviewed with justifiable validity. General characteristics contain summaries and main points of discussion from the selected literature in tabular form in the form of meaning. General characteristics in this literature review refer to data inclusion criteria.

In the year of publication, there were 9 articles published in 2019, 7 articles in 2020, 6 articles in 2018, and consecutively 4, 2, and 2 in 2021, 2017, and 2022. These articles come from various countries ranging from Asia to Europe. Most of them came from Indonesia as many as 17 articles or around 56%. In addition, articles also come from China, Iran, Saudi Arabia, the Netherlands, Taiwan, Pakistan, India, Timor Leste, Spain, and Germany.

The articles studied were entirely in English and it is certain that they are credible articles because they come from Scopus or Copernicus-indexed journals. In addition, the suitability of the article with the theme is also very important. This relates to the relevance of the data to the research topic. So that filtering is done using data inclusion criteria.

Literature Review Analysis
The literature that has been reviewed is thirty (30) literature. Each literature has a diversity ranging from research designs, research methods, to different results and conclusions. There is literature that only examines the variables of leadership style and employee performance. In addition, some juxtapose with other variables. Among them are using motivation, knowledge sharing, organizational culture, job satisfaction, organizational commitments, and so on. So that it can be seen which variable dominates the influence on employee productivity.
One of the ways used to explore the literature is to examine the hypotheses in each literature. Through this method, it was found that there were forty-five (45) hypotheses related to leadership style and employee performance. Based on the effect and function of the data variables, they are grouped into four (4), namely, a significant positive effect, no influence and moderation variables, and mediation variables.

a. Positive and significant influence

Through the literature, it can be seen that there is an influence between leadership styles on employee performance. If the leadership style increases, the employee’s productivity also increases. There are twenty (20) hypotheses with the results of leadership style having a positive and significant effect on employee performance. Not only has a positive and significant effect, but also several of these articles show that leadership style is the variable that most influences productivity. This was revealed by Erina (2021) who stated that 75% of employee performance is influenced by leadership style.

Indicators of leadership style that have a positive and significant influence on employee performance can be explained from various aspects. These aspects can be explained through indicators of leadership style variables. Each organization has different aspects as indicators of leadership style variables. Arman et al. (2019) explain the aspects used are charismatics, inspirational motivation, intellectual stimulation, and individual consideration.

In addition, Gomar Sinaga et al. (2018) explain the leadership style indicators used in their research include charismatic, considerate, and intellectual haves succeeded in developing and communicating a new vision to achieve company goals, paying attention to the needs of subordinates, aligning subordinate goals and leaders, groups, and organizations and moving followers to exceed the expected productivity. Whereas in the productivity aspect, the indicators used are quantity of work, quality of work, knowledge about work, creativity, cooperation, awareness that can be trusted, initiative, and personal quality (Gomar Sinaga et al., 2018).

b. Has no influence

There are six (6) hypotheses that explain the insignificant effect. This means that if there is an increase or decrease in an aspect of leadership style, it will not affect any aspect of employee performance. This is revealed in the research of Eliyana et al. (2019) which states that leadership style does not affect performance either directly or indirectly.

Fakhril et al. (2020; Supriyanto et al. (2020) show that leadership style has little significance on employee performance. So it can be concluded that leadership style does not influence employee performance.

c. Moderating variable

As far as the research conducted by the researcher is by the data criteria in this literature review, there are four (4) data linking leadership style and employee performance from a moderating point of view. The variables of benevolent leadership and moral leadership were used to moderate the effect of the autocratic leadership style on employee performance (Gu et al., 2020). In addition, Rita et al. (2018) and Wang & Guan (2018) use organizational citizenship behavior and power gap variables as moderating variables.

d. Mediation variable

The data shows that there are fifteen (15) pieces of literature that link leadership style and employee performance from a mediation point of view. In the study of Fonseca da Fonseca Da Costa Guterresa et al. (2020) the mediating variable used is motivation. Not only using one mediating variable, there is also research using 2 mediating variables, namely organizational identification and work engagement (Buil et al., 2019).
Research conducted by Buil et al. (2019) used the hypothesis of the influence of leadership style on performance through organizational identification and work engagement partially and combined the 2 mediating variables into one hypothesis.

**Discussion**

Leadership style is a variable that includes a variety of styles. Some of them are included as data in this study such as transformational, autocratic, benevolent leadership styles, and so on. The leadership style that is widely discussed in the literature reviewed is the transformational leadership style. Transformational leadership style is a leadership style that identifies the changes needed, develops a vision that will pave the way for changes to be made, and implements the necessary plans for these changes to occur (Hasib et al., 2020).

In addition, each leadership style has various indicators. These indicators are used as a feature in the variables to be studied. Indicators are also used as a basis for providing clues or markers. An indicator serves to indicate the achievement of the desired thing. Indicators become a reference in achieving the targets.

In general, indicators of leadership style relate to the following abilities, decision-making abilities, motivational skills, communication skills, ability to control subordinates, ability to control emotions, and responsibility.

Of the thirty (30) literature examined, there are forty-five (45) hypotheses related to leadership style and employee performance. The results of this hypothesis will be grouped in the discussion. There are twenty (20) data with positive and significant results from the influence of leadership style on employee performance. Six (6) data say that leadership style and employee performance have no effect. Fourteen (15) data present a mediating relationship between leadership style and employee performance through mediating variables and some make leadership style a mediating variable and four (4) data show that leadership style influences employee performance through moderating variables.

Details are presented below:

a. **Positive and significant influence**

Positive influence means that there is a linear influence between leadership style and employee performance. If the leadership style increases, the employee's performance also increases. Likewise with the opposite, if the leadership style decreases or weakens, then employee performance decreases as well. Significant is a condition where the influence can be said to be significant or meaningful. There are twenty (20) hypotheses in nineteen (19) articles with the result that leadership style has a positive and significant effect on employee productivity. The measurement of this effect is based on the indicators of each variable.

The leadership style indicators used in the literature with a positive and significant influence on employee performance can be explained from various aspects. Each organization has different aspects as indicators in the leadership style variable. Arman et al. (2019) explain the aspects used are charismatic, inspirational motivation, intellectual stimulation, and individual consideration.

In addition, Gomar Sinaga et al. (2018) explain the leadership style indicators used in their research include charismatic, chivalrous, and intellectual have succeeded in creating and communicating a new vision to realize company goals, paying consideration to the wants of subordinates, adjusting subordinate objectives and leaders, bunches, and organizations and moving followers to surpass the expected productivity. While in the performance aspect, the indicators used are quantity of work, quality of work, knowledge about work, creativity, cooperation, awareness that can be trusted, initiative, and personal quality (Gomar Sinaga et al., 2018; Tianingrum, 2021).

Slightly different from the previous Pawirosumarto, Sarjana, & Gunawan (2017); Pawirosumarto, Sarjana, & Muchtar (2017) used encouraging and challenging the process, models of solving, easy collaboration, and inspiration as indicators of leadership style in their research. Meanwhile, this research uses four (4) performance indicators, namely understanding of knowledge, skill, expertise, and behavior necessary to do a good job and a more extensive analysis of the attributes and behavior of individuals.
Turay et al. (2019) explained that if the leadership style score which includes interactive, prioritizing, and tolerance aspects increases, the employee’s performance also increases which includes aspects of efficiency, quality, productivity, and timeliness. van Dorssen-Boog et al. (2021) training on leadership style also affects employee performance.

Another factor that makes the influence of leadership style has a positive and significant effect on performance because the applied leadership style is relevant to the state of the organization (Hadian Nasab & Afshari, 2019; Kalsoom et al., 2018; Rita et al., 2018). Leadership in an organization needs to develop staff and build a moral climate that results in high levels of performance, so leaders need to think about an appropriate leadership style (Gu et al., 2020).

In addition, transformational leadership styles are considered to be able to inspire those who are led and this type of leader is more concerned with common interests than personal interests (Anselmann & Mulder, 2020; Buil et al., 2019). The magnanimity of the leadership needs to give subordinates a sense of trust so that subordinates work harder and increase productivity (Purwanto, 2022; Roz, 2019).

Leaders are frequently seen as specialists of alter, since they play a critical part in coordinating subordinates in making choices, caring for and paying consideration to subordinates, and making a comfortable work environment (Fakhri et al., 2020). The results confirm the research hypothesis testing which is consistent with the ambidexterity leadership theory for innovation as well as previous research (Alghamdi, 2018; Ko & Kang, 2019).

Not only has a positive and significant influence, but also several of these articles show that leadership style is the variable that most influences performance. This was revealed by (Erina, 2021) who states that 75% of employee performance is influenced by leadership style.

### b. Has no influence

There are six (6) hypotheses that explain the insignificant effect. This means that if there is an increase or decrease in an aspect of leadership style, it will not affect any aspect of employee performance. This was disclosed in a study by (Eliyana et al., 2019) which states that leadership style does not affect performance either directly or indirectly.

Research by Fakhri et al. (2020); Supriyanto et al. (2020) show that leadership style has little significance on employee performance. So it was concluded that leadership style does not influence employee performance. According to H. et al. (2022) said that transformational leadership does not affect performance because educational staff can operate independently and there is a clear work schedule and standard operating procedures (Standard Operational Procedure).

Furthermore, Eliyana et al. (2019) add that the reason is that education personnel carry out the same routine tasks so that transformational leadership does not affect their productivity. This may be affected by a few variables, such as pioneers who pay less consideration to the characteristics of Transformational Leadership and lack of implementation Hasib et al. (2020).

Razak et al. (2018) revealed that to overcome this ineffective leadership style, it is suggested to encourage making strides in the application of transformational leadership styles, particularly in making a conducive work air and continuously being reasonable in giving awards to employees who have good performance.

### c. Moderating variable

Moderating factors are factors that reinforce or debilitate the relationship between the dependent variable and the independent variable. As far as the research conducted by the researcher is by the data criteria in this literature review, there are four (4) pieces of data from three (3) pieces of literature that relate leadership style and employee performance from a moderating point of view. The variables of benevolent leadership and moral leadership were used to moderate the effect of the autocratic leadership style on employee performance (Gu et al., 2020). Meanwhile, Wang & Guan (2018) use the power gap as a moderating variable. In addition, Rita et al. (2018) also only use one (1) variable, namely organizational leadership behavior.
The research of Gu et al. (2020) is interesting to study because it uses two (2) moderating variables. So we can compare which variables are more influential in moderating leadership style on employee creativity. Employee creativity is one of the factors of employee performance. The results show they ought to reexamine the prevailing negative see of authoritarian leadership, especially around work results such as creativity. Leadership behavior to illustrate that the paternalistic leadership measurements of benevolent and moral leadership act to decrease the negative impacts of authoritarianism proposes the have to reevaluate paternalistic leadership.

Furthermore, there is an indirect effect of authoritarian leadership on employee performance moderated by the power gap. Employees who believe that the leader should have a large level of authority over subordinates are considered to have a high power distance, while employees who believe that a lower level of authority should be considered to have a low power distance.

Lastly, Rita et al. (2018) use only one (1) moderating variable and show that organizational citizenship behavior does not significantly moderate the effect of leadership style on employee performance. Good leadership can affect employee performance but is not moderated by organizational citizenship behavior. This means that organizational citizenship behavior does not increase or decrease the influence of leadership styles on employee performance.

d. Mediation variable

As far as the search conducted by the researcher is by the data criteria in the literature review, Apart from being the independent and dependent variables, there are fifteen (15) pieces of literature that relate leadership style and employee performance from a mediation point of view. In the study of Fonseca Da Costa Guterresa et al. (2020) and Putra & Dewi (2019), the mediating variable used is motivation.

According to Putra & Dewi (2019), work motivation is an inward quality that empowers workers to realize individual and organizational objectives An successful and proficient administration fashion can propel representatives so that workers can work superior which in turn can make strides in their performance.

Eliyana et al. (2019) and Hadian Nasab & Afshari (2019) used organizational commitment as a mediating variable or Z variable. Although they both use motivational variables, the two articles produce different findings. The difference between the two lies in the leadership style used. Transformational leadership style does not have an impact on employee performance if it is mediated by organizational commitment. While authentic leadership style has a positive and significant effect on employee performance with organizational commitment as a mediation. Authentic leaders enhance EP by positively influencing their affective, normative, and sustainability engagement with the organization.

Transformational leadership is used as the dependent variable on employee performance in the research. The research of Buil et al. (2019) uses two (2) mediating variables, namely identification and work engagement. While in the study of Layaman et al. (2021) used a proactive knowledge-sharing variable. The results show that these three (3) variables mediate the effect of leadership style on performance. Comparisons were made to determine the most powerful factor mediating the influence of leadership style on performance between organizational identification and work engagement.

The significant positive effect of the transformational leadership style on performance mediated by collaborative human resource management indicates that companies will have many advantages if they invest in leadership development programs, especially in the line of human resource management. Human resource management is designed as a best practice for the provision and skills for management to manage its human resources.

Another hand, Mira & Odeh (2019) used authentic leadership style as a mediating variable between employee training style and performance. The findings of the study revealed that authentic leadership mediates the relationship between employee training on employee performance. In line with these results, job training affects employee performance mediated by job involvement. Leadership style is also used as a moderating variable in Gomar's research. Gomar Sinaga et al.
stated that transformational leadership mediates the effect of change management on employee performance. Spiritual and transformational leadership do not have a direct influence on employee performance. However, the presence of media variables, namely leader-member exchange (LMX) and organizational citizenship behavior (OCB) causes the effect to be significant.

CONCLUSION
Leadership style is a very broad variable. Research on the effect of leadership style on performance is very diverse. Starting from the various leadership styles, and the various indicators used to the mediating and moderating variables that contribute to increasing or decreasing influence. Leadership style is an aspect of an organization that has a very important role in achieving organizational goals. So the selection of a leadership style that is by local culture and wisdom needs to be considered. Whether or not leadership style influences performance depends heavily on the suitability of the leadership style used by an organization. This research can be developed by conducting a more detailed grouping.

ACKNOWLEDGMENT
Thanks to my parents, Mr. H. Hadri and Mrs. Sahmin, and my uncle Parhanuddin, SH. who have paid for mobility, Turn It In payments, publication fee and so on. Thanks also to Putri Galuh Ningtiiaz who has given us moral and material support until this article is ready to be submitted and published.

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Pawirosumarto, S., Sarjana, P. K., & Gunawan, R. (2017). The effect of work environment, leadership style, and organizational culture towards job satisfaction and its implication towards employee


