

Impact of the Leadership & Organizational Behavior on Employees Motivation: An Analysis

Dr. Sanaullah Aman

Assistant Professor, Department of International Relations, MY University Islamabad
sanaullah.aman@yahoo.com

Abstract

This paper aims to examine how various leadership styles influence organizational behavior, assessing the complex interaction between leadership practices and organizational outcomes. Leadership scholarships have evolved through eras (e.g. trait, behavioral, contingency) and organizational behavior has emerged as a distinct field, focusing on human factors in work settings. There is a broad consensus that leadership critically shapes organizational climate and performance. The analysis is based on an exhaustive review of peer-reviewed journals, seminal books, and authoritative reports on leadership theories and organizational behaviour. Sources were selected for their scholarly rigor and relevance, and insights were synthesized conceptually. The review shows that transformational, servant, authentic, and ethical leadership styles positively influence motivation, culture, team performance, adaptability and well-being, whereas more transactional or autocratic approaches yield limited engagement. Leadership drives employee engagement, motivation, commitment, and innovation, shaping organizational culture and change processes. However, effective leadership must navigate challenges like workforce diversity, resistance to change, and ethical dilemmas. Evolving factors such as globalization, demographic shifts, and technology adoption have broadened leadership's role. Organizations should invest in leadership development and inclusive culture-building. Leaders ought to practice ethical, empowering behaviors and adapt style to context. Human resources and educators should foster training in modern leadership approaches (e.g. transformational, servant) to promote engagement and adaptability for sustainable performance.

Keywords: Leadership Styles, Organizational Behavior, Employee Engagement, Organizational Culture, Transformational Leadership.

© 2025 The Authors. This is an Open Access article distributed under the terms of the Creative Commons Attribution Non-Commercial License.

1. Introduction

Leadership refers to the process of guiding and influencing others toward shared goals. Organizational behavior (OB) is the study of how individuals, groups, and structures behave within organizations and how this behavior affects organizational effectiveness. The dynamic relationship between leadership and OB is evident: leaders set the tone for culture, motivation, and group dynamics, while organizational context and human behavior, in turn, shape leadership outcomes. Over the twentieth century, leadership studies evolved from early “Great Man” and trait theories (which attempted to identify inherent leader attributes) to behavioral theories (which focused on leaders’ actions) and contingency models (which emphasized situational appropriateness of styles). These approaches laid a foundation for modern paradigms like transformational, servant, authentic, and ethical leadership, which emphasize vision, follower development, genuineness, and moral values. Research consistently finds that effective leadership is a pivotal determinant of positive organizational behaviour. For example, scholars note that leadership “has an impact on an

organization's performance" and hence on outcomes like productivity and morale. Thus, the paper's thesis is that skilled leadership fosters desirable OB outcomes – such as high engagement, productivity, adaptive culture and satisfaction – while poor leadership can result in disengagement, conflict, or stunted change. The central argument is that leadership style and quality fundamentally shape an organization's human environment and performance.

2. Literature Review

A wealth of scholarship links leadership theories to aspects of organizational behaviour. Early trait theory posited that certain enduring qualities (e.g. intelligence, self-confidence, integrity) distinguish leaders, but foundered on the inability to identify a definitive trait set applicable in all situations. Behavioral theories shifted focus to what leaders do, categorizing styles (authoritarian, democratic, laissez-faire) and generally concluding that participative styles produce higher follower satisfaction, while task-oriented autocracy may work short-term. Contingency theories (e.g. Fiedler) asserted that leadership effectiveness depends on matching style to context: no one style is universally best, but contingent on situational variables like group maturity or task structure. These early models contributed important insights (that leaders can be trained, that context matters) but often lacked consistency across settings.

Modern transformational leadership theory (Burns; Bass) emphasizes inspiring and intellectually stimulating followers toward higher goals. Empirical studies have found that transformational leaders boost employee motivation, commitment and citizenship behaviours, thereby improving organizational performance. For instance, Wang et al. report that transformational leadership positively affects employees' affective commitment and job performance, partly by fostering engagement. Servant leadership, introduced by Greenleaf, frames leaders as serving followers' growth and well-being. Research shows servant leadership correlates strongly with positive OB outcomes. Canavesi and Minelli, in a study of an Italian firm, found servant leadership increased employee engagement through mediators like empowerment, team cohesion, and positive climate. Authentic leadership focuses on leaders' self-awareness, transparency, and consistency. It is associated with higher follower trust and flourishing. For example, Wang et al. observed that authentic leadership significantly predicts employee trust and psychological flourishing in the workplace. Ethical leadership emphasizes integrity and fairness. It is linked with employee satisfaction and ethical climate: Guo finds that ethical leadership (EL) in Macau organizations positively influences job satisfaction by integrating moral values into practices and promoting transparency.

These leadership paradigms are often contrasted with transactional leadership, which relies on exchanges (rewards and penalties). Transactional styles can maintain productivity but tend to engender compliance rather than intrinsic motivation or innovative behaviour. Indeed, research suggests that while transactional leadership is not harmful, it "looks too weak" in terms of building commitment and satisfaction compared to transformational styles. Overall, the literature review indicates that leadership style is a key driver of diverse OB facets.

3. Methodology

This research is grounded in a systematic literature review. The methodology involved identifying, selecting, and synthesizing relevant academic and professional sources on leadership and organizational behavior. We searched databases (e.g. JSTOR, Emerald, Sage, Frontiers, Google Scholar) using keywords such as "leadership style," "organizational culture," and "employee engagement." Sources were chosen based on their scholarly credibility (peer review status, citation count) and relevance to the interplay of leadership and organizational behavior. The analysis is qualitative and conceptual, integrating theoretical and empirical insights from management, psychology, and organizational journals as well as authoritative texts. The criteria for inclusion were rigor (empirical or theoretical studies in reputable outlets) and currency (many sources from

the 2010s and early 2020s). Through this approach, the paper synthesizes established findings rather than presenting new empirical data.

4. Results (The Interplay of Leadership Styles and Organizational Behavior)

4.1. Impact of Various Leadership Styles on Organizational Behavior

Different leadership styles shape organizational behavior in distinct ways. Transformational leaders inspire followers to transcend self-interest, which tends to elevate motivation and proactivity. Empirical studies show transformational leadership increases employees' willingness to exceed expectations and to embrace organizational citizenship behaviours. Transformational leaders also instill commitment and a collective vision. By encouraging intellectual stimulation and individualized consideration, they foster employees' confidence to innovate. In contrast, transactional leadership – based on contingent rewards and corrective actions – tends to secure basic performance but generally fails to engender strong discretionary effort or deep engagement. Indeed, one analysis found that while transformational leadership yielded positive effects on performance, the transactional approach “looks too weak” in building employee commitment and satisfaction. Servant leadership emphasizes moral stewardship and follower development. It has been empirically linked to remarkably positive outcomes. For example, Canavesi and Minelli report that servant leadership significantly improves employee engagement by creating empowerment and team cohesion, and by nurturing a supportive climate. Authentic leadership – characterized by transparency and integrity – has been found to build deep trust and psychological well-being. In one South African manufacturing sample, authentic leadership strongly predicted followers' flourishing through increased trust in the leader. Ethical leadership reinforces normative values and fairness. It correlates with higher job satisfaction and performance; Guo's study in Macau found ethical leaders (who model moral values and open communication) led to greater employee satisfaction and productivity. In sum, leadership styles that are visionary, people-centered, and principled tend to cultivate positive organisational behaviour patterns, whereas more rigid or self-serving styles may constrain motivation and adaptability.

4.2. Employee Motivation and Engagement

Leadership critically influences how motivated and engaged employees feel. Transformational leaders, by articulating inspiring goals and offering support, increase intrinsic motivation: followers work with enthusiasm because they feel their work is meaningful. Similarly, servant leaders who empower subordinates and attend to their growth needs tend to boost engagement. For instance, Popli and Rizvi found a significant positive relationship between leadership style and employee engagement: organizations where leaders practiced participative and vision-based leadership saw higher engagement levels. Servant leadership has also been shown to lead to higher engagement via mediating factors – when employees feel empowered and part of a cohesive team, they report greater dedication to their work. Conversely, transactional leadership tends to focus on extrinsic motivation (rewards), which can produce acceptable performance but often lacks the enduring engagement seen under transformational or servant styles. Thus, effective leaders foster engagement by providing autonomy, recognition, and a sense of purpose, which manifests in greater energy and commitment to organizational goals.

4.3. Organizational Culture and Climate

Organizational culture – the shared values, assumptions, and practices within an organization – is profoundly shaped by leadership. Leaders transmit and reinforce culture through their behavior and decisions. Schein's model of culture suggests that a leader's values and assumptions become embedded into organizational norms. For example, a leader who consistently emphasizes innovation and ethical standards will shape a culture where those qualities become “the way things are done” in the organization. Transformational leaders, in particular, have been described as fostering a “transformational culture” characterized by a long-term sense of purpose and mutual

commitment. Canavesi and Minelli note that servant leadership creates a positive climate by attending to employee needs, thereby strengthening trust and loyalty in the organizational environment. When leaders model collaboration, ethical conduct, and vision, they create a climate of psychological safety and shared purpose. In contrast, authoritarian or purely transactional leadership can lead to cultures of compliance and low trust. In short, leadership style essentially sets the tone of organizational culture and climate. By role-modeling values, by mentoring and supporting employees, leaders embed cultural norms that influence every facet of organizational behavior, from innovation to ethics.

4.4. Team Cohesion and Performance

Leadership also plays a key role in fostering cohesive teams and strong performance. Cohesion – the sense of unity and collaboration among team members – often rises under inclusive, supportive leaders. Servant leadership, for example, intentionally builds teamwork by emphasizing community and shared success. Canavesi and Minelli's study found that servant leaders enhanced team cohesion, which then mediated higher engagement and performance. Transformational leaders similarly encourage team cohesion by aligning members to a common vision and by acknowledging individual contributions, which motivates cooperative effort. When leaders communicate effectively and delegate thoughtfully, teams are more likely to feel aligned and to pool their talents efficiently. The net effect is that teams led by engaged, visionary leaders typically perform better. Even in rapidly changing environments, cohesive teams under strong leaders adapt more quickly because members trust each other and follow guidance without losing morale. Thus, leadership behaviors that build trust, encourage collaboration, and recognize contributions are instrumental in boosting team spirit and effectiveness.

4.5. Organizational Change and Adaptability

Effective leadership is crucial during times of organizational change. Change initiatives often generate uncertainty and resistance, and leadership style can determine success or failure. Transformational leaders, with their focus on vision and motivation, are well-suited to guiding change: by inspiring buy-in and reframing challenges as opportunities, they help organizations to adapt. Empirical research indicates that transformational leadership is “a crucial element” for organizations undergoing major transitions and seeking positive adaptive change. Such leaders help employees see beyond immediate disruption to the larger mission, reducing resistance. Conversely, leaders who rely solely on routine or transactional tactics may find it difficult to mobilize support for change. Leaders must also exhibit flexibility and situational awareness. For instance, adaptive leadership theory suggests that successful change leaders diagnose the system and use different styles as needed (e.g., more directive initially, then collaborative). Overall, the literature underscores that leadership style influences how effectively an organization can change: visionary, communicative leaders tend to engender resilience and adaptability, whereas poor leadership can deepen inertia or chaos.

4.6. Employee Well-being and Job Satisfaction

Leadership profoundly affects employees' well-being and satisfaction on the job. Supportive, ethical, and inclusive leadership environments promote positive employee attitudes. Ethical leadership, by ensuring fair treatment and integrity, raises employee satisfaction; Guo's study shows that when leaders model moral conduct and organizational transparency, employee job satisfaction significantly increases. Authentic and servant leadership similarly support well-being. Leaders who show genuine concern, trust, and empowerment reduce follower stress and promote positive affect. Canavesi and Minelli reported that servant leadership contributed to positive organizational climate and employee proactive behavior, factors closely tied to satisfaction. Authentic leaders who foster trusting relationships create conditions for employee flourishing (a combination of happiness and meaning at work). Well-being is also supported when leaders

motivate employees with meaningful work and recognize achievements. In contrast, leaders who are unsupportive, inconsistent, or unethical often undermine employees' psychological health. Therefore, the quality of leadership is a key determinant of whether employees experience fulfillment and high morale at work.

4.7.Challenges and Considerations in Leadership and Organizational Behavior

While leadership has clear benefits, implementing leadership principles faces enduring challenges. Leading a diverse workforce, for example, requires cultural intelligence and flexibility; leaders must adapt their style to different cultural norms and generational expectations. Ethical dilemmas may arise when leaders balance short-term pressures against principles; in such cases, poor decisions (e.g. harsh cost-cutting) can harm trust. Resistance to change is another major hurdle: employees may cling to established routines or fear new direction, so leaders must communicate and involve staff to mitigate pushback. Rapid technological changes and digitalization also pose challenges: leaders must manage virtual teams, remote work, and tech-driven workflows, ensuring that engagement and cohesion survive in less face-to-face interaction. Effective leaders address these challenges by being proactive and inclusive – for instance, engaging in honest dialogue to tackle ethical issues, providing training to navigate new technologies, and championing inclusive cultures that respect diversity. Strategies recommended in the literature include continuous leadership development, organizational learning initiatives, and feedback mechanisms. In summary, leadership in practice requires balancing multiple pressures; awareness of these challenges and scholarly strategies for addressing them (such as empowering delegation or transparent communication) is essential for fostering positive OB outcomes.

4.8.Driving Factors in the Evolution of Leadership and Organizational Behavior

Several broad factors have driven the expansion and refinement of leadership concepts and organizational behavior understanding. Globalization has been influential: as companies operate across borders, there has been a shift toward cross-cultural leadership skills and more collaborative, less hierarchical leadership models. Leadership in global organizations requires appreciating diverse perspectives and leading through influence rather than command, which has spurred interest in inclusive and participative styles. Changing workforce demographics also drive new leadership approaches. The entry of millennials and Gen Z into the workforce – who often value purpose, flexibility, and inclusion – has boosted the popularity of transformational and servant leadership styles that emphasize empowerment and ethics. Technological advancement is another factor. The rise of digital communication and automation means leaders must facilitate continuous learning and innovation. Leadership research has increasingly integrated ideas like “digital leadership” and agility; organizations now expect leaders to harness technology to enhance collaboration (for example, using virtual platforms for team-building). These societal and economic shifts have underscored that leadership is not one-size-fits-all but must evolve with context. Academic scholarship reflects this: new leadership theories emerge to address these drivers. For example, authentic and ethical leadership are partly responses to widespread concerns about corporate misconduct in globalized, networked markets. In sum, forces like globalization, evolving workforce values, and technological change have broadened leadership's role and pushed organizational behavior research to integrate interdisciplinary insights (from psychology to information systems) in order to understand work in the 21st century.

5. Conclusion

In summary, this paper's comprehensive review confirms that leadership style and effectiveness are pivotal in shaping organizational behavior. Transformational, servant, authentic and ethical leaders tend to create more positive work environments – they heighten motivation and engagement, cultivate supportive cultures, and promote team cohesion, adaptability and employee well-being. By contrast, ineffective or rigid leadership can stifle these outcomes, leading to low

morale or resistance. These findings support the thesis that leadership is a critical determinant of organizational success: the manner in which leaders exercise their roles has a cascading impact on engagement, productivity and culture. However, harnessing leadership's benefits requires understanding context-specific challenges. Leaders must address ethical issues, manage diversity, and adapt to rapid technological change, as failure to do so can undercut potential gains. Thus, leadership offers enormous potential for positive outcomes, but only if applied with situational awareness and clear strategic intent.

6. Recommendations

Given the analysis above, the paper recommends the following actions for stakeholders. Organizations and Senior Management should prioritize leadership development programs that emphasize ethical decision-making, inclusivity, and emotional intelligence. For instance, training should encourage transformational behaviors (articulating vision, inspiring subordinates) and servant-oriented practices (coaching, empowerment). As Popli and Rizvi highlight, companies must foster appropriate leadership styles and HR practices that drive engagement to improve overall performance. Organizations should also establish mechanisms to identify and reward positive leadership (e.g. 360° feedback, mentoring) and align incentive structures so that ethical and collaborative leadership is recognized. Additionally, organizational policies should support a culture of open communication and continuous learning so that leaders can iteratively adjust to workforce needs and digital trends.

Leaders and Managers at all levels must commit to modelling the behavior they wish to see. They should build trust by being transparent and consistent, exemplifying the values of the organization in their decisions, and actively listening to employees. Given the demonstrated link between leadership and organizational outcomes, managers should regularly solicit employee input when making changes – for example, involving teams in planning new initiatives to reduce resistance. Leaders should also invest time in developing their teams (mentoring, providing growth opportunities) to apply the principles of servant leadership, thereby enhancing motivation and loyalty. In practice, this means scheduling frequent one-on-ones for coaching, celebrating team achievements publicly, and communicating a clear shared purpose.

Human Resources Professionals should integrate leadership considerations into talent processes. Recruitment and promotion criteria ought to evaluate candidates not only on technical skills but also on leadership qualities (e.g. empathy, ethical judgment, adaptability). HR can develop competency models that reflect modern leadership paradigms and incorporate these into performance appraisals. For example, performance metrics could include measures of team engagement or culture contributions. HR training can include modules on diversity management and digital literacy, equipping leaders to handle workforce demographic shifts and technological change. Importantly, HR should facilitate programs (e.g. cross-cultural training, innovation labs) that reflect the key driving factors identified (globalization, tech change), ensuring the leadership pipeline is prepared for future challenges.

Educators and Leadership Trainers should update curricula to include the latest scholarship on leadership and OB. Academic programs in business and public administration must cover contemporary paradigms like authentic and inclusive leadership, and stress the evidence linking leadership to organizational culture and effectiveness. Case studies used in teaching should reflect diverse organizational contexts and highlight both successes and failures of leadership. Furthermore, educators can play a role by teaching adaptive leadership skills – such as change management and crisis communication – given their importance in the digital era. Research and training should emphasize experiential learning (simulations, internships) so future leaders can practice skills in motivating teams and fostering positive culture. By preparing leaders to think critically about stakeholder values and societal trends, educators will help ensure that the

advantages of effective leadership are realized in practice.

In implementing these recommendations, stakeholders will promote leadership practices that align with organizational goals and human needs. By focusing on development, ethical standards, and alignment of systems and behaviors, organizations can harness leadership's full potential to foster engaged employees, strong cultures, and sustained performance.

References

- Ahmet Aydemir, & hakan Kolayış. (2023). The impact of power and leadership on motivation. *Journal of Population Therapeutics and Clinical Pharmacology*, 30(11), 184-192. <https://doi.org/10.53555/jptcp.v30i11.1850>
- Alice Canavesi & Eliana Minelli, Servant Leadership and Employee Engagement: A Qualitative Study, 34 Empl. Resp. & Rts. J. 413 (2022).
- Alice Canavesi & Eliana Minelli, Servant Leadership and Employee Engagement..., 34 Empl. Resp. & Rts. J. at 422–23 (2022) (identifying positive effects of servant leadership on engagement via empowerment and cohesion).
- Chow Tong Wooi et al., Lessons from the Major Leadership Theories..., 3 J. Bus. & Soc. Rev. Emerging Econ. at 148–49 (2017) (noting leadership's impact on organizational performance).
- Chow Tong Wooi, Lailawati Mohd Salleh & Ismi Arif Ismail, Lessons from the Major Leadership Theories in Comparison to the Competency Theory for Leadership Practice, 3 J. Bus. & Soc. Rev. Emerging Econ. 147 (2017).
- Hirawat, Shreya, The Impact of Leadership Styles on Employee Motivation (November 2, 2023). Available at SSRN: <https://ssrn.com/abstract=4714448> or <http://dx.doi.org/10.2139/ssrn.4714448>
- Jiatong Wang et al., Authentic Leadership, Trust (in the Leader), and Flourishing: Does Precariousness Matter?, 13 Front. Psychol. 798759 (2022).
- Jiatong Wang et al., Authentic Leadership, Trust... and Flourishing..., 13 Front. Psychol. at 798762–63 (2022) (finding authentic leadership significantly predicts employee flourishing through trust).
- Jiatong Wang et al., The Impact of Transformational Leadership on Affective Organizational Commitment and Job Performance: The Mediating Role of Employee Engagement, 13 Front. Psychol. 831060 (2022).
- Jiatong Wang et al., The Impact of Transformational Leadership on Affective Organizational Commitment..., 13 Front. Psychol. at 831060–61 (2022) (reporting positive effects of transformational leadership on commitment and performance).
- Kaimeng Guo, The Relationship Between Ethical Leadership and Employee Job Satisfaction: The Mediating Role of Media Richness and Perceived Organizational Transparency, 13 Front. Psychol. 885515 (2022).
- Kaimeng Guo, The Relationship Between Ethical Leadership and Employee Job Satisfaction..., 13 Front. Psychol. at 885523 (2022) (showing ethical leadership's positive influence on satisfaction).
- Sapna Popli & Irfan A. Rizvi, Drivers of Employee Engagement: The Role of Leadership Style, 17 Glob. Bus. Rev. 965 (2016).
- Sapna Popli & Irfan A. Rizvi, Drivers of Employee Engagement..., 17 Glob. Bus. Rev. at 973 (2016) (finding significant relationships between leadership style and employee engagement).
- Yang Zhang, Rethinking Trait Theory..., supra at 852–53 (2023).

Yang Zhang, Rethinking Trait Theory: Analysis of the Impacts of Trait Level on Leadership, in Proc. 2022 International Conf. Emerging Bus., Mgmt. & Econ. 852 (2023).