

EXPLORING THE IMPACT OF LEADERSHIP STYLES ON EMPLOYEE JOB PERFORMANCE - A CASE STUDY OF EMPLOYEES IN VIETNAMESE ENTERPRISES

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ABSTRACT

This study explores the impact of leadership styles on employee job performance in Vietnamese enterprises, focusing on authoritarian, democratic, and laissez-faire leadership styles. Through a questionnaire survey, 298 valid responses were collected and analyzed using SPSS 25.0, including descriptive statistics, reliability analysis, t-tests, ANOVA analysis, correlation analysis, and regression analysis. The findings indicate: (1) Authoritarian leadership has a significant negative impact on employee job performance; (2) Democratic leadership has a significant positive impact on employee job performance; (3) Laissez-faire leadership has a significant positive impact on employee job performance. This study emphasizes the flexible use of leadership styles to improve employee performance and suggests the reasonable application of democratic and laissez-faire leadership to foster responsibility and creativity among employees, ultimately enhancing company competitiveness and long-term growth.

Keywords: *Leadership Styles, Authoritarian Leadership, Democratic Leadership, Laissez-Faire Leadership, Employee Job Performance.*

1. INTRODUCTION

This study explores the impact of different leadership styles on the job performance of Vietnamese corporate employees, focusing on authoritarian, democratic, and laissez-faire leadership styles. Research indicates that leadership behavior can influence corporate success by 45% to 60%. Therefore, leaders must flexibly adjust their leadership approach based on corporate culture and management models to enhance employee performance and strengthen competitiveness.

Authoritarian leadership emphasizes authority and control, with leaders managing employees through directives. Democratic leadership encourages employee participation in decision-making, fostering teamwork and motivation. Laissez-faire leadership grants employees high autonomy, promoting innovation and individual development, making it suitable for highly independent work environments. However, the effects of different leadership styles may vary across cultural and industrial contexts, especially in Vietnam, where corporate culture differs from Western nations. Additionally, a leader's emotional intelligence impacts employee job performance. Bass (1990) suggested that if leaders can effectively manage their emotions and treat employees with empathy, they can enhance employee commitment and motivation. Conversely, excessively harsh leadership or emotional instability may lead to low morale, negatively affecting company performance. As global market competition intensifies, Vietnamese enterprises are increasingly integrating into international markets, posing

challenges for managers in selecting appropriate leadership styles to enhance employee job performance.

This study aims to bridge the research gap by empirically analyzing the effects of different leadership styles on Vietnamese corporate employees, providing valuable management insights for business leaders. Furthermore, it seeks to offer practical recommendations, enabling corporate managers to flexibly apply leadership styles based on corporate culture and employee characteristics, thereby improving job satisfaction and organizational competitiveness while driving long-term development. The study's objectives include:

- 1) Investigate the impact of authoritarian leadership on employee job performance.
- 2) Investigate the impact of democratic leadership on employee job performance.
- 3) Investigate the impact of laissez-faire leadership on employee job performance.
- 4) Provide management recommendations regarding leadership styles to improve employee job performance.

This study distinguishes itself from previous research by constructing a theoretical model on the impact of leadership styles (autocratic, democratic, and laissez-faire) on work performance. Prior studies have primarily focused on paternalistic, transformational, and transactional leadership, with limited exploration of these three distinctive leadership styles. This research adopts the leadership framework proposed by Lewin et al. (1939), defining autocratic, democratic, and laissez-faire leadership as independent variables. Work performance is measured using Borman & Motowidlo (1993), categorizing it into task performance and contextual performance as dependent variables. The study aims to enrich theoretical discussions on leadership styles and work performance while providing valuable insights for modern business management. The research framework is illustrated in Figure 1.

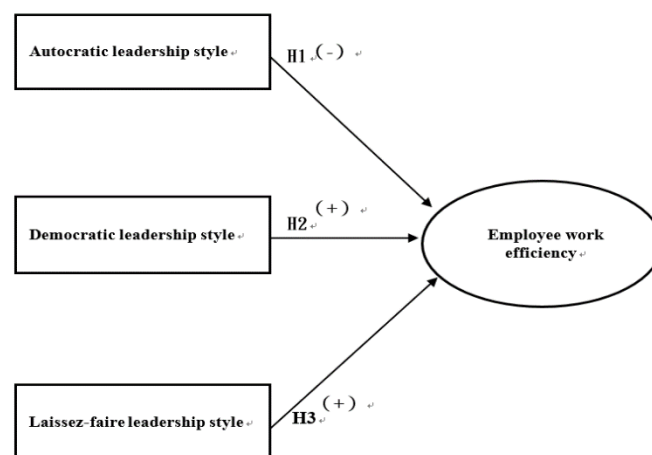


Figure 1. Research Framework Diagram

The purpose of this study is to explore the impact of leadership styles on employees' job performance. Based on the research objectives, literature review, and research framework, the following hypotheses are proposed for analysis. The hypotheses in this chapter are as follows:

H1: The authoritarian leadership style has a significant negative impact on employees' job performance.

H2: The democratic leadership style has a significant positive impact on employees' job performance.

H3: The laissez-faire leadership style has a significant positive impact on employees' job performance.

2. RESEARCH METHOD

This study adopts a cross-sectional survey research design targeting employees in both local and foreign-invested companies in Vietnam. A total of 300 questionnaires were distributed, and 298 valid responses were collected (99% effective response rate). The sample includes employees from various industries such as manufacturing and services, ensuring a wide applicability of the findings.

The survey instrument comprises five main sections:

- 1) Demographic Data: Questions on gender, marital status, age, education level, job position, work experience, and company type.
- 2) Authoritarian Leadership Scale: Adapted from the work of Lewin et al. (1939) and refined based on instruments by Wang (2021), Li (2023), and Dastane (2020). It includes seven items (e.g., “My leader is the final decision-maker”).
- 3) Democratic Leadership Scale: Consisting of eight items measuring the degree of participative decision-making and open communication (e.g., “My leader considers employee suggestions in planning”).
- 4) Laissez-Faire Leadership Scale: Includes seven items that assess the degree of freedom and autonomy provided to employees (e.g., “My leader allows employees to decide how to complete their tasks”).
- 5) Employee Job Performance Scale: Based on Borman and Motowidlo (1993), it assesses both task performance (e.g., “I achieve the work goals assigned to me”) and contextual performance (e.g., “I willingly assist new employees in adapting to the work environment”). The scale comprises eight items.
- 6) All items are rated on a 5-point Likert scale, where 1 signifies “strongly disagree” and 5 signifies “strongly agree.”

The questionnaire was distributed via the online platform (Google Forms) between September 15, 2024, and January 30, 2025. Participants were informed of the study’s purpose and assured that their responses would remain confidential and be used solely for academic research. Only fully completed questionnaires were included in the analysis.

Data were analyzed using SPSS 25.0 through the following steps:

- 1) Descriptive Statistics: To summarize participant demographics and the distribution of scores on the various constructs.
- 2) Reliability Analysis: Cronbach’s α values were computed for each scale (all exceeding 0.80), confirming internal consistency.
- 3) Validity Testing: The Kaiser–Meyer–Olkin (KMO) measure and Bartlett’s test of sphericity confirmed the appropriateness of the data for factor analysis.
- 4) Group Differences: Independent-sample t-tests and one-way ANOVA were employed to explore differences between demographic subgroups.
- 5) Correlation and Regression Analyses: Pearson and Spearman correlation coefficients were calculated to examine interrelationships among leadership styles and job performance. A multiple regression model was developed to assess the predictive power of the leadership constructs on job performance. Diagnostic tests (VIF, Durbin–Watson) were applied to ensure model validity.

3. RESULTS AND DISCUSSIONS

This section explains and discusses the survey data based on the statistical analysis results. It covers descriptive statistics, tests for differences among variables, as well as regression and correlation analysis results, thereby explaining the relationship between different leadership styles and employee performance.

The sample of 298 participants revealed: Basic Information: Among the respondents, 57% were male and 43% were female. The majority of respondents were between 21 and 40 years old. Most held a high school education or higher. Approximately 77.5% of the respondents were non-managers. Employee tenure was most commonly between 6 and 10 years. In terms of company type, Vietnamese local companies accounted for the largest share (approximately 62.8%).

The internal consistency of all scales was high, with Cronbach's α values as follows: Authoritarian Leadership: 0.832, Democratic Leadership: 0.903, Laissez-Faire Leadership: 0.819, Job Performance: 0.918. KMO values for each scale ranged from 0.731 to 0.864, and Bartlett's tests were significant ($p < 0.01$), confirming that the data were suitable for factor analysis and that the scales possessed good construct validity.

Correlation Results The study found a significant negative correlation between autocratic leadership and employee performance (correlation coefficient -0.352), while democratic and laissez-faire leadership styles showed significant positive correlations with performance (approximately 0.485 and 0.287, respectively). Additionally, different leadership styles were significantly associated: democratic and laissez-faire leadership had a positive connection, whereas autocratic leadership showed a negative correlation with the other two styles.

Table 1. Correlation Analysis of Three Leadership Styles and Various Dimensions of Employee Job Performance

Variable		Authoritarian Leadership Style	Democratic Leadership Style	Laissez-Faire Leadership Style	Employee Job Performance
Authoritarian Leadership Style	Correlation Coefficient	1	-0.273**	-0.176**	-0.352**
	Significance (Two-tailed)	0.000	0.000	0.000	0.000
Democratic Leadership Style	Correlation Coefficient		1	0.392**	0.485**
	Significance (Two-tailed)		0.000	0.000	0.000
Laissez-Faire Leadership Style	Correlation Coefficient			1	0.287**
	Significance (Two-tailed)			0.000	0.000
Employee Job Performance	Correlation Coefficient				1
	Significance (Two-tailed)				0.000

A linear regression analysis was conducted to examine the effects of the three leadership styles on employee performance. The results showed:

The standardized regression coefficient (β) for autocratic leadership was -0.215 ($p = 0.035$), indicating that excessive authoritarian control might hinder employee performance. The β for democratic leadership was 0.329 ($p < 0.000$), suggesting that a democratic management style significantly enhances employee performance. The β for laissez-faire leadership was 0.181 ($p = 0.002$), showing that this style also has a positive impact on employee performance. The adjusted R^2 value of the regression model reached 0.563, indicating that leadership styles explain 56.3% of the variance in employee performance. Diagnostic tests ($VIF < 2$; Durbin-Watson = 1.572) confirmed that the assumptions of multiple regression were met.

Table 2. Summary of Regression Analysis on Leadership Styles and Employee Job Performance

Independent Variable	Dependent Variable	Employee Job Performance						
	Standardized Coefficient (β)	t-value	p-value	R^2	ΔR^2	F-value	VIF	Durbin-Watson
Authoritarian Leadership Style	-0.215	-5.224	0.035*	0.570	0.563	32.048	1.093	1.572
Democratic Leadership Style	0.329	5.841	0.000***				1.120	
Laissez-Faire Leadership Style	0.181	8.736	0.002**				1.066	

Our findings provide robust support for all three hypotheses:

Authoritarian Leadership: The significant negative relationship, as indicated by a β coefficient of -0.215, suggests that excessive centralization of power and lack of consideration for employee input can lead to decreased job performance. Although such a style may be effective in urgent, high-pressure situations, its prolonged use risks diminishing employee autonomy, creativity, and overall job satisfaction.

Democratic Leadership: The positive effect ($\beta = 0.329$) underlines the benefits of participative decision-making and open communication in the workplace. Employees who feel involved and trusted are more likely to demonstrate higher levels of performance, likely due to an enhanced sense of ownership and commitment.

Laissez-Faire Leadership: With a β coefficient of 0.181, the laissez-faire approach appears to have a positive influence on performance, particularly in contexts where employees are mature, experienced, and capable of working independently. However, because this leadership style involves minimal supervision, it is essential that clear goals and periodic evaluations be in place to maximize its benefits.

The subgroup analyses further illuminate that demographic factors such as job position, age, marital status, and education significantly influence how employees perceive various leadership styles. These results suggest the need for tailored leadership approaches that account for the diverse characteristics of the workforce.

Based on our results, we propose the following managerial implications:

Balanced Use of Authoritarian Leadership: Utilize an authoritarian approach only when swift, decisive action is required (e.g., during crises). For day-to-day management, integrate employee feedback and participatory practices to mitigate the negative effects of an overly controlling environment.

Promotion of Democratic Leadership: Encourage open communication and collective decision-making. Developing a culture that values employee input can lead to greater organizational commitment and enhanced performance. Managerial training should emphasize the benefits of a democratic approach.

Selective Application of Laissez-Faire Leadership: Grant autonomy to experienced and self-directed employees, but ensure that performance targets, goals, and regular feedback mechanisms are in place. This approach can foster innovation and independent problem solving while preventing the drawbacks of insufficient supervision.

Customization Based on Employee Demographics: Recognize that factors such as age, job position, and marital status affect leadership perceptions. Managers should adopt differentiated leadership strategies to suit varying group dynamics and optimize performance outcomes.

4. CONCLUSIONS AND SUGGESTIONS

This study offers empirical evidence that leadership style significantly affects employee job performance in Vietnamese enterprises. The findings demonstrate that while authoritarian leadership is detrimental, democratic and laissez-faire leadership styles positively influence performance. These results contribute to leadership theory by highlighting the nuances present in non-Western contexts and furnish actionable managerial suggestions for achieving higher performance and innovation. Leaders are advised to adopt flexible, context-sensitive strategies that consider the demographic heterogeneity of the workforce for sustainable organizational development.

Despite the valuable insights obtained, the study has several limitations:

- 1) **Sample Scope:** The sample is limited to certain regions and mid-sized enterprises in Vietnam, which might not fully represent all industries or geographic areas within the country. Future studies should expand the sample to include diverse industries and regions.
- 2) **Cross-sectional Design:** Data were collected at a single point in time, limiting causal inferences and long-term effect analyses. Longitudinal research designs are recommended to capture changes over time.
- 3) **Variable Limitations:** This study focused solely on leadership style and job performance without incorporating additional factors such as organizational culture or economic conditions. Future research should employ more comprehensive models.
- 4) **Emerging Leadership Styles:** Future investigations might also explore transformational and situational leadership styles, as well as the impacts on employee well-being and work-life balance in the Vietnamese context.

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