Czech University of Life Sciences Prague Faculty of Economics and Management Department of Business Administration



Bachelor Thesis

The Impact of leadership styles on organizational performance: Transformational Leadership

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

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Thesis title

The Impact of leadership styles on organizational performance: Transformational Leadership

Objectives of thesis

In various studies, researchers have presented diverse evidence indicating that each leadership style can be more effective than others in specific situations and areas of operation, depending on various factors. This research aims to provide a general overview of existing leadership styles and their effects on organizational performance. However, the primary objective of this paper is to assess the impact of the transformational leadership style on organizational performance. Furthermore, the research seeks to establish a correlation between organizational performance and the transformational leadership style based on the outcomes of this study.

Methodology

This research is designed as a qualitative study, simultaneously analyzing secondary sources related to the subject. A questionnaire survey will be conducted across various organizations with the aim of gathering responses regarding employee performance and their perceptions of the transformational leadership style. The results are expected to provide a deeper understanding of the subject matter, focusing on the current situation of organizations in the Czech Republic.

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Declaration

I declare that I have worked on my bachelor thesis titled " The Impact of leadership styles on organizational performance: Transformational Leadership" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break any copyrights.

In Prague on 15.03.2024

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The Impact of leadership styles on organizational performance: Transformational Leadership

Abstract

The research aim was an identification of transformational leadership impact to organizational performance. Current work investigated correlation between existing literature and current transformational leadership practices among various industries in Czech Republic. Semi-structured interviews were conducted with 7 participants, and complementary questionnaires were spread among interview respondents. 2 managers and 5 employees from various industries participated in interviews and questionnaires. Results showed a strong correlation between established literature and transformational leadership practices. Transformational leadership style indirectly influenced organizational performance through mediation of employee motivation and positive environment. Methodology approach and relatively small sample size created limitations for generalizability of the research. The outcomes were in line with existing knowledge and proved accuracy of the chosen transformational leadership theories. The results provided better understanding of effective strategies that influence to organizational productivity.

Keywords: Transformational leadership, leadership styles, organization performance, interview, correlation

Vliv stylů vedení na výkonnost organizace: Transformační vedení

Abstrakt

Cílem výzkumu byla identifikace vlivu transformačního vedení na výkonnost organizace. Současná práce zkoumala korelaci mezi existující literaturou a současnou praxí transformačního vedení u různých průmyslových odvětví v České republice. Byly provedeny polostrukturované rozhovory se 7 účastníky a mezi respondenty rozhovorů byly rozeslány doplňující dotazníky. Rozhovorů a dotazníků se zúčastnili 2 manažeři a 5 zaměstnanců z různých průmyslových odvětví. Výsledky ukázaly silnou korelaci mezi zavedenou literaturou a praktikami transformačního vedení. Transformační styl vedení nepřímo ovlivňoval výkonnost organizace prostřednictvím zprostředkování motivace zaměstnanců a pozitivního prostředí. Metodologický přístup a relativně malý vzorek vytvořily omezení pro zobecnitelnost výzkumu. Výsledky byly v souladu s dosavadními poznatky a prokázaly správnost zvolených teorií transformačního vedení. Výsledky umožnily lépe pochopit účinné strategie, které mají vliv na produktivitu organizace.

Klíčová slova: Transformační vedení, styly vedení, výkonnost organizace, rozhovor, korelace

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Introduction

It is hard to imagine nowadays world without a good management system. Since, almost every organization beginning from small start-up and finishing by big multinational corporation has hundreds and thousands of people who work together to reach their common goals as a business community. Thus, the organizations have a need for effective collaboration and people being able to properly manage teams of professionals. That is why in the current world, organizations pay attention into training and maintaining good managers who would be able to effectively operate their businesses and reach corporate goals. Understanding how to lead and influence other people is important skills that should be acquired by managers and leaders in these organizations. There are vast variability of leadership techniques and styles that could be useful in particular situation and be helpful in the way of achieving set expectations.

Current academic study is going to focus on the impact of leadership styles to a organizational performance, where the main attention would be brought to the transformational leadership style. The main aim is identification how transformational leadership influences work productivity, whether it is direct influence or impact happening through some mediating elements. Context of the study is Czech job market. Qualitative research would be conducted among employees from diverse industries in Czech republic in order to meet the goals of the research paper. Complementary tools as questionnaire are going to additionally support results and statements from primary interview research. There would be investigated correlation between theoretical knowledge in existing literature and real-life practices among Czech firms. It would contribute to a better understanding of effective managerial practices. Results can help managers and various businesses to implement effective managerial techniques and support in decision-making processes.

The literature review part is going to briefly introduce existing knowledge in leadership topic and give basic understanding of organizational performance. Next, the practical part consists of methodology and results of the finding, following with interpretations of the outcomes. Lastly, a brief summary of the main findings and further recommendations would be displayed in the conclusion section in the current paper.

Objectives and Methodology

Objectives

In various studies, researchers have presented diverse evidence indicating that each leadership style can be more effective than others in specific situations and areas of operation, depending on various factors. This research aims to provide a general overview of existing leadership styles and their effects on organizational performance. However, the primary objective of this paper is to assess the impact of the transformational leadership style on organizational performance. Furthermore, the research seeks to establish a correlation between organizational performance and the transformational leadership style based on the outcomes of this study.

Methodology

This research is designed as a qualitative study, simultaneously analyzing secondary sources related to the subject. A questionnaire survey will be conducted across various organizations with the aim of gathering responses regarding employee performance and their perceptions of the transformational leadership style. The results are expected to provide a deeper understanding of the subject matter, focusing on the current situation of organizations in the Czech Republic.

Literature Review

Organizational Performance

Based on Kridantoro et al. (2023) performance can be described as result of a work by group of people or an individual, according to groups or individual's supervisors and obligations, avoiding violation of moral, ethical, and legal laws. Organizational performance is equal to the economic outcome that organization produces. This performance is usually expressed in monetary profit. The main goal of performance is to ensure survival of the organization and at the same time to provide growth for the future. The performance consists of such elements as the sum of results, behaviors and professionalism of employees who work there (Sabino et al. 2021).

Many literatures describe how various external and internal factors influence organizational performance, especially the impact of leadership, organizational trust and human capital on employee performance(Kridantoro et al. 2023). Performance appraisal is the process when employee performance is compared to set standards by his supervisor. Such an appraisal should include evaluation, personal development of employees, system maintenance and documentation(Kridantoro et al. 2023).

Performance has two dimensions: tasks & context. While tasks are about the level of employee contribution in accomplishing a leader's given challenge, context means behavior of employees that contribute to the organization. These behaviors could be manifested in various forms such as climate, enthusiasm, cooperation, help and support (Sabino et al. 2021).

Leadership

There are many ways of describing leadership. It is as much as people amount who are trying to describe it, and due to it, leadership could mean different things from person to person. Over time scholars tried to give definitions for leadership, and over time it continuously

changed (Northouse 2021). Nowadays literature is rich in various theories of leadership, and there is tons of research and studies as empirical and conceptual (Dinibutun 2020). However, at the beginning of the 20th century authors could define leadership as an ability to influence the will of a leader to those who are led and to motivate obedience, respect, cooperation and loyalty. After a decade, leadership is usually described in multiple ways depending on which type of leader we are talking about, for example it could be described in different forms and types: authentic, spiritual, servant and adaptive leadership (Northouse 2021).

There are three different ways sociologists study leadership. They are micro, macro and meta. The first term, micro refers to leadership in small groups, the second one is for large organizations, and the last one is for social movements connected to leadership. Also, there is a difference between formal and informal leadership, where formal refers to ranks and positions, and informal leadership is when individual influences out of formal organizational structures (Simone I Flynn 2021).

The evolution and genesis of the "leader" word in English come from late medieval and early renaissance times when it described a person who showed a pathway for explorers, or "lead a touring party of soldiers or pilgrims through foreign lands". Another meaning could be a ruler with high status and authority (Muenjohn et al. 2018).

It is interesting to show how different various classification systems existed in the last century (Northouse 2021). During the twentieth century sociologists were concerned for social performance, motivation level and cooperation. Thus, interest for leadership in organizations and groups becomes higher, and they begin to make researchers on that topic. During that century there happened a lot of changes. While in 1930's leadership trait theories were dominant, later in 1950's behavior theories took main attention regarding to leadership theories. Later, during 1970's theories of "new leadership" emerged. New leadership theories were about different types of individuals who have charisma and can transform people. Researchers divided leaders into transactional and transformational (Simone I Flynn 2021). Leadership was defined in many ways by different writers differently. However, there was a consensus on leadership that it is a dynamic process, when individual influence, motivate and coordinate group of people (Muenjohn et al. 2018). In line with finding of Dinibutun (2020) leadership is a process when an individual influence a group towards

common goals and directing organization to make it more "cohesive and coherent". That is a social and highly complex process.

Leadership influences processes that determine a group's objective and their motivation to accomplish some tasks. Other definitions of leadership suggest looking at it as to "focus of group process", while others could say that is more about personal perspective, like as it is combination of one's born characteristics or traits. Thus, the term of leadership could be understood in a perspective of power or process of transformation, while third ones would suggest that it is about behavior. Additionally, some scholars could refer to leadership as a transformational process which mean that one is trying to transfer another in a better way, or to push to their limits and achieve more than they can (Northouse 2021).

In line with findings of Northouse (2021) & Khan Sarfaraz a Md. Ariful (2020) leadership definition would be as "Leadership is a process whereby an individual influences a group of individuals to achieve a common goal" if we would take into consideration concepts that were discussed earlier. To make definition clearer, leadership is the situation when transaction between follower and leader occurs, and one influences another. Leaders influence their followers and others, influence is crucial aspect for the concept, thus we cannot claim that leader cannot exist without influence. Also, it is required that the leader would have a group to influence to, group of people who is going to be led by leader to achieve goal together(Northouse 2021). In line with the evidence of Mishra (2021) leadership can be described as "process or act of influencing activities of an organized group in its efforts towards goal setting and goal achievement."

While at the beginning of 20'th century most research was describing effective leadership on the basis of their traits, some of the other researchers discussed that there are more factors that impact on effectiveness of leaders. These factors could be as: situation, environment or even relationship with subordinates. Furthermore, there is a discussion that characteristics as personal, social and work-related have big impact on effectiveness of leadership as well (Ahmad et al. 2018).

Based on Kridantoro et al. (2023) across many definitions of leadership we can take into consideration some universal elements such as: personal ambition and energy levels, desire to lead, having honesty and integrity, self-confidence, intelligence and professionalism.

However, Author discusses that leadership should be done through mentoring, motivation and positive encouraging its followers.

Nowadays, leadership is one of the most researched topics, and by the era of internet it is becoming more and more popular. Understanding leadership is important to understand how various organizations beginning from schools until businesses or corporations operate. Usually, success or failures of such modern organizations are attributed to leadership, due to this all these organizations need some form of leadership. Leadership has an extraordinary impact on the group of people by motivating and empowering people, pushing them to achieve things and go beyond their limits. If leadership is highly ineffective in the organization, the organization could even collapse (Muenjohn et al. 2018).

Also, leadership is important because leaders have an intermediate position between strategy creation and the operational base of the organization. In other words, leaders create/receive strategies which are focused on achieving common organizational goals, and on the other hand they are managing their followers and subordinates in a way of reaching preferred results. Thus, they are implementing strategies and policies to influence positively employee perceptions (Pereira a Gomes 2012).

Impact of leadership on organizational Performance

According to Ahmad et al. (2018) success of every organization depends on the efforts, commitment and engagement of their employees. That is why leaders have their main responsibility to deliver a high level of motivation to subordinates and keep their leadership style appropriate and aspiration achievable for employees. There is evidence that an appropriate leadership style in the organization can control job satisfaction and stress levels, subordinate performance and turnover.

Leadership has a significant impact on the organization, as leadership can increase an organization's effectiveness, productivity and contribute to its success (Muenjohn et al. 2018). Leaders determine the level of harmonization among team members and how smooth their collaboration between subordinates is (Mishra 2021). However, leadership can have

both positive and negative effects on an organization, but there is no doubt that appropriate leadership style is important for all organizations. Effective leaders show their awareness of the motivation and productivity of their followers. They are shaping the work environment which significantly affects employees, leaders' behaviors and actions that contribute to the work climate. By good work climate, these leaders can build confidence and cooperative spirit in their teams. Commitment is built due to the interpersonal and conceptual skills of leaders (Muenjohn et al. 2018). Additionally, such qualities as having strong vision is an important part of effective leadership. This includes, being able to assess market changes, competitors in the market and outsiders. Creating a good vision helps to maintain a good strategy for the team. Other important qualities of productive leaders are being open-minded and creating innovation (Ryan 2011). Leadership function is creating certain conditions that enforce organizational success through good practices and certain behavior of the leader (Nugroho a Narsa 2023).

Nowadays, the structure of the organization is based on teamwork instead of individual efforts because collaboration increases productivity. That is why the importance of cooperation and initiative of individuals increased. Thus, effective motivation and cooperation in a team are crucial to organizational performance. There are more variables that affect organizational performance such as culture, employee effectiveness, retention and satisfaction. However, all of them are influenced by different leadership styles. There is no doubt that leadership is a significant determinant of organizational performance and success (Dinibutun 2020).

There is multiple factors that impact organizational performance, and two of them are leadership and organizational climate. While leadership shapes culture and encourages subordinates for future achievements, culture has an impact on value level. Thus, culture has a direct influence as well as leadership on employee performance, since it creates an organization's obligations which must be fulfilled by employees to achieve agreed goals. On the other hand, culture shapes basic behavior for employees that can determine the level of commitment in an organization (Kridantoro et al. 2023). Leaders are needed to create a climate where innovation and creativity are needed (Nugroho a Narsa 2023).

According to Mon et al. (2023), an organization can increase the productivity of their employee in a few ways, such as by increasing rewards for employees. Higher rewards increase productivity and performance significantly, however, sometimes such methods do not meet the organization's goal. Accordingly, it is important to change the focus from rewards to the employee's perception of leadership.

Effective leadership is a necessity for organizations to higher performance, and according to studies conducted by (Mon et al. (2023), there is a direct influence of leadership and its styles on organizations' performance. These three factors influence to organization's performance: support & motivation from the organization, the capacity of managers or in other words their productivity. A leader must apply leadership to cultivate his followers, direct, and mobilize them (Kridantoro et al. 2023). Also, leaders shape the work environment, making it more inclusive and intuitive(Mon et al. 2023).

For good performance, there is needed good mental stability. Such stability can be achieved by having good self-confidence, flexibility of skills, self-reflection, establishing connections among peers and organizational awareness (Mishra 2021).

Having good leadership behavior is going to increase organizational performance. Six dimensions of leadership behavior exist: inter-unit collaboration, managing diversity, performance feedback, goal-directedness, employee development, and resource provision. The leadership concept itself consists of three dimensions: cooperation, role clarity and skills/knowledge(Nugroho a Narsa 2023). Leaders with good communication skills can use their potential better because conveying or presenting skills help leaders collaborate with their team smarter. They can build empathy and solve conflicts, mutual respect and good relationships with subordinates help leaders to deal with difficult situations. There are different ways of communicating with one another, thus using the proper style of communication is essential to achieve the team's goals (Mishra 2021).

The emotional state of the leader affects the performance of his subordinates. Improving emotional intelligence for a leader is essential so he can better understand and manage the political environment in the organization. Also, adequate emotional intelligence level of a leader indicates followers' increased performance, in case of low emotional intelligence leader would be incompetent in team leading and creating necessary changes. Based on studies, the positive mood of a leader creates good feelings among employees, whether negative creates only frustration (Mishra 2021).

However,, there is some evidence of the negative impact of leadership on organizational performance. The more advanced the leadership style is, the more complex the performance outcomes will be. Another factor could be the level of a leader's comprehension, which can affect organizational performance (Nugroho a Narsa 2023). The level of emotional intelligence is seriously correlated to the leader's communication level. Thus, self-awareness and understanding of oneself are significant in identifying own issues at work and correcting them, in other words, a leader would be able to change behavior according to the situation. Furthermore, lack of emotional intelligence in leaders affects corporate culture because poor emotional intelligence creates frustration in communication (Mishra 2021).

Lack of leadership can affect organizational performance, by providing less strict sanctions for the leader's followers who would have low discipline(Kridantoro et al. 2023). Leaders with effective leadership behavior further develop subordinates' capabilities, their collaboration and knowledge (Nugroho a Narsa 2023).

Leadership styles

Leadership style could be described as a way of a leader carrying his role, behaviors and attitudes that leader adopts. Styles could vary depending on the situation, traits, characteristics and is expressed differently by everyone. Leadership style is based on a leader's method to motivate his followers without being felt stressed or overwhelmed, at the same time achieving a common or organization's goal (Mon et al. 2023). There is no good or bad leadership style, however, some leadership styles are more suitable for one situation than another (Nugroho a Narsa 2023). Leaders should be flexible and be able to adjust styles, productive leaders "flex" their styles according to the team. Sticking to one leadership style that is comfortable for leaders is common practice, and many of these leaders cannot further adapt to the situation (Ryan 2011).

Various literatures provide different types and styles of leadership, however most of the leadership styles unit or cross with these five fundamental styles: autocratic, laissez-faire, participative, transformational and transactional. However, it is important to note that these styles are not mutually exclusive and have common things at certain points (Ahmad et al.

2018). Various leadership styles affect different groups or followers in an organization (Simone I Flynn 2021).

Choosing a proper leadership style is very important because it mobilizes the team and influences subordinates. Thus, appropriate leadership provides job satisfaction, hope and optimism. Emotional intelligence is key in aligning appropriate leadership. Emotional intelligence is the ability to hand as own, others' emotions. That is an important skill for leaders because such skill makes communication less stressful when individuals deal with inter-team conflict. It is an important tool in conflict management, organizational commitment and task performance. Consequently, leadership and emotional intelligence are interrelated with each other. A proper leadership style creates mutual respect, lucidity of work, clarity in decisions and better conflict management for employees. However, it is requested that the leader have emotional intelligence to provide such capabilities (Mishra 2021).

In the following section of the paper, various types of leadership styles are going to be explored and described.

Autocratic

This leadership style has another name – authoritarian. Autocratic leaders have full control over decision making and such leaders allow minimum input from subordinates in the decision-making process. This type rarely takes advice from others and mainly stands with their own opinion and judgment (Ahmad et al. 2018). Autocratic leadership style means that an individual has a desire to maintain a situation by creating order and gaining control over his followers. These kinds of leaders tend to regulate the actions of subordinates since their followers are highly demanded of tasks and results. According to autocratic leadership theory, leaders pay less attention to relationship orientation. Expectations of such leaders would be that followers should obey tasks and directions without questioning and challenging their ideas.

Leaders with autocratic leadership style have direct and open interaction with followers, they are highly assertive and wish to assert their wills, and discipline. Autocratic leaders are more

effective in situations where they have more knowledge and experience than their followers (Muenjohn et al. 2018).

Democratic

This type of leadership style has a low level of uncertainty avoidance which means they are more likely to be open to changes and adapt to these changes (Muenjohn et al. 2018). This makes them more open to new things, and new situations. Low levels of uncertainty avoidance make such leaders easier to manage change, so they can accept work adjustments with a higher level of comfort, pragmatism and adaptability (MasterClass 2022). This leadership style has a second name – participative leadership, and such leaders give

followers necessary information on issues or challenges and let subordinates participate in decision-making. While such a method could be quite slow, it makes decision-making more beneficial for subordinates. Thus, democratic leaders improve the level of commitment across their subordinates in the organization by giving them more power and responsibility (Ahmad et al. 2018).

Democratic leaders usually have personalities that are non-authoritarian. Such leaders are ready to listen to the opinions of their followers or groups. They are open to new solutions and ideas. Because democratic leaders let their followers participate in decision-making processes, outcomes tend to be more objective. Democratic leaders take into consideration more points of view than if they would make decisions all alone. Democratic leaders are trying to seek common ground during discussion, trying to find consensus with their followers. They value collective effort, which could be seen in the way democratic leaders enjoy collaborating with their team, rather than just standing above their followers. Good people skills help them to achieve a high level of social interaction.

Democratic leadership style is effective when a team has experienced members with good professional skills. In other cases, especially if followers are not experienced and do not have competence in their work, a democratic leadership style could be less effective than expected (Muenjohn et al. 2018).

Laissez-faire

This type of leadership is more desirable for followers. The main reason is that they give more space to followers than other leadership styles. The laissez-faire style of leadership involves minimal usage of their authority, giving even more space for the team than other leadership styles (Muenjohn et al. 2018). This leadership style has another name, which is delegated leadership. This leadership style is opposite to the authoritarian style, and such a leader allows subordinates to make decisions while the leader rarely participates in the process. In other words, most of the decisions come from subordinates themselves, while laissez-faire leadership style seldom advises on those decisions (Ahmad et al. 2018).

This has a negative side, meaning such leaders usually have a low level of performance and inappropriate results. However, there are exceptions, and this style can be useful in specific situations. An example of such situations is when team members have a high level of competence, and the team is open to collaboration with each other. The team should have a self-organizing structure and dynamics to be able to work well and coordinate itself. While the team is self-organizing, laissez-faire style leaders take the role of spokesperson who gets additional resources for the team from outside. A laissez-faire leader flows to the most qualified person in a group. This style of leadership can be good for consultancy teams, and software and advertising companies, showing effective work due to the work specifics these activities have (Muenjohn et al. 2018).

The effectiveness of this style is based on the competence of others around and works best when a leader is surrounded by professionals. Laissez-faire style has a negative relation to job commitments (Ahmad et al. 2018).

Situational Leadership

This leadership is effective when leadership is followed according to the situation and subordinates' characteristics. This type of leadership displays multiple types of leadership, and this style is mostly visible in present-day organizations (Ahmad et al. 2018). they are determined by given situations and qualities for their subordinates (Simone I Flynn 2021). Situational leaders can adopt one of four leadership styles depending on two factors: relationship with subordinates & task behavior. Style depends on the readiness level of

followers. Readiness level is the ability or wish of followers to function, it has 4 stages from total unwillingness to total willingness to do the task. These styles which situational leadership can take are telling, selling, participating and delegating (Dinibutun 2020).

Charismatic leadership

To describe charismatic leaders and their leadership style, we must discuss the background of the "charismatic" word. Because the definition of charismatic is changing from one literature to another, however, the concept of it can be described quite precisely. Charisma has origins in Greek language meaning "divine gift", which can be understood as attractive. Indeed, one of the main differences of charismatic leadership style from others is that charismatic leaders are attractive to their followers. Such a leader is an extraordinary person who enjoys influencing subordinates. Some elements such as their vision that challenges the current situation, emotive language, risk acceptance, genuine care, confidence and energetic look are especially attractive to charismatic leader's followers. Leaders with strong referent power tend to seem charismatic (Muenjohn et al. 2018). Referent power is an aspect of individuals with good people skills which positively generate respect from followers. These individuals can have charismatic leadership styles (Indeed Editorial Team 2022). Another power type called "expert", meaning a high level of competence, can also be seen relative to charismatic leadership style (Muenjohn et al. 2018).

This leadership style can be considered as one of the most influential across other types. Nowadays theories about this style are based on the work of sociologist, Max Weber. Based on his theory, charisma takes place during a crisis and makes the vision of the leader more attractive to his followers. Some researchers believe that leaders with charismatic leadership style are not born with traits that make them charismatic, individuals can also train to be charismatic (Dinibutun 2020). The mental model of charismatic leadership is designed to stress goals that are mostly positive and future oriented. Also, it is interesting to note that charismatic leaders tend to see people around them as creators of their destinies because these people take actions which are relatively unambiguous and well-known (Mumford et al. 2008).

Charismatic leadership and transformational leadership have things in common as if they both share elements such as effective articulation. This means the way both transformational and charismatic leadership styles share a vision for the future and give sense to their followers (Mumford et al. 2008). There is some evidence that charismatic leaders attract followers by following four steps: vision, expectations, example and courage. In the first stage, the leader communicates his vision by connecting the present moment with a better future. Then, by giving high expectations at work, leaders build confidence and self-esteem in their followers. Thirdly, charismatic leaders show examples of their values and vision by action or words. Lastly, they display emotions and courage to subordinates. This can have positive outcomes, as well as negative. Another negative outcome relates to unethical characteristics which could be associated with charismatic leaders (Dinibutun 2020). Charismatic leadership is effective in non-bureaucratic organizations. But also, theories about charismatic leadership ignore such elements as planning and decision-making (Mumford et al. 2008).

Ideological leadership style

Ideological leaders have mental models that emphasize goals; however, these goals are not about the future, the goals are built around achievements that happened in past, according to the ideological leader's personal experience. These types of leaders tend to seek subordinates who have the same values and share their beliefs (Mumford et al. 2008).

Pragmatic leadership style

Pragmatic leaders do not stress goals as other types, the mental model of these leaders allows them to create goals based on the opportunities and warning of the current situation they are in. Thus, the image of the goal is more related to the situation rather than being global. Thus, the logical framework of these leaders is based on current reality and people who are competent enough in the situation to understand their leader better (Mumford et al. 2008).

Servant leadership style

This type of leader puts wellbeing of their followers to a higher priority than their welfare, and they are acting as servants towards the team (Simone I Flynn 2021). Servant leaders put the interest of followers ahead of their own. Such leaders usually have these characteristics: Empathy, awareness, listening, persuasion, conceptualization, healing, foresight, stewardship, commitment, and community building. In modern days, this type of leadership is becoming more and more popular due to its role in secondary and postsecondary education becoming integral (Steven R 2023).

Transactional leadership style

Transactional leadership is considered a traditional approach in management (Simone I Flynn 2021). Transactional leaders focus on short-term results, when they are focusing on doing the right things, and seek profitability (Steven R 2023). The fundamental principles of transactional leadership are control, organizing and planning for short-term periods. Such principles let subordinates motivate themselves according to their self-interest (Ahmad et al. 2018). According to Simone I Flynn (2021) this type of leadership uses such techniques as conditional awards, active management by expectations & passive management by deviation. This means that the leader uses a punishment-reward system in performance recognition, checking and correcting followers' work in case of mistakes. This type of leadership is common in structures where authority levels are high, and employees are motivated by increased pay or fear of termination and other forms of punishments or rewards.

Transactional leaders usually have clear communication with their followers, and they make sure that employees do obligations based on work contracts, after which the leader can reward them. By applying conditional rewards for good results for employees, leaders get extra effort from their followers (Ahmad et al. 2018). This type of leader fosters feelings of selfishness and avarice among their subordinates (Simone I Flynn 2021). Usually, followers of transactional leaders receive the support and resources that they need, in exchange for their work and performance. Such leaders' management is done by exception and can be neither active nor passive. Management by exception means that the transactional leader is going to make corrections to subordinates' work if it is needed. Passive exception management means that leaders intervene in subordinates' work after a problem arises and these problems become serious (Steven R 2023).

Transformational leadership

In comparison to transactional leadership, transformational leaders have long-term views, they tend to focus more on the future and doing the right things (Steven R 2023). According to Simone I Flynn (2021) transformational leadership has a better influence on followers than transactional leaders, for example, followers tend to have higher performance and satisfaction levels. The main difference between transformational leadership is that its focus is on the morals and motivations of subordinates, while transactional leaders are focused on the self-interest of followers. Transformational leaders characterize their teams, and these teams tend to be high-performing, flexible and motivated. Such leaders have matured moral and emotional development.

Another name for transformational leadership is the visionary or inspiring leadership style (Ahmad et al. 2018). This type of leadership is considered one of the most popular types and is highly investigated by researchers. Transformational leadership has gained popularity in the last 30 years when researchers changed their focus from autocratic and democratic leaders, who were dominant since the end of the first half of the 20th century (Muenjohn et al. 2018). This popularity might be explained. Based on Northouse (2021) transformational leaders emphasize followers and their intrinsic motivation and this feeds into nowadays trends in work. The term transformational leadership can be defined in the way a leader approaches his followers (Northouse 2021).

Transformational leaders spend a large amount of their time mentoring people around them, their subordinates. They need to exhibit motivation, intellectual stimulation, influence and individual considerations in their followers. Thus, transformational leaders' followers achieve self-respect and put additional effort into achieving common goals that challenge

them and at a high level (Ahmad et al. 2018). Another definition given by Northouse (2021) is that individuals who collaborate with followers' motives to achieve common goals could be described as transformational leaders.

So, usually, leaders that have transformational leadership styles can evoke high levels of cooperation and commitment from subordinates (Muenjohn et al. 2018). Trust has the role of mediator between transformational leadership and subordinates' performance (Mishra 2021). Some other studies found that transformational leadership has a positive effect on justice within the organization and job characteristics (Ahmad et al. 2018). This type of leadership infuses morale and values among followers. Transformational leadership offers an appropriate avenue for performance (Mishra 2021). Transformational leaders tend to make renewals in the organization through new policies within the organization (Simone I Flynn 2021). Transformational leadership affects both contextual and tasks aspects of performance. These aspects were defined earlier, look to the "Organizational performance" chapter (Northouse 2021).

According to Steven R (2023) there is a leadership style that stands between transformational and transactional, and that is called executive. Executive leadership is about putting focus on and highlighting behavior that creates or communicates the direction of the future. In other words, executive leaders emphasize the importance of achieving goals and obtaining resources, closely resembling the principles of transformational leadership theory.

This type of leadership is hugely related to emotional intelligence, so some studies show a positive relationship between transformational leadership and emotional intelligence, shortly - EI. EI has the role of bridge between subordinates' involvement and transformational leadership style. Consequently, researchers suggest developing high self-esteem and influencing skills in people at the workplace with a good level of EI (Mishra 2021). Transformational leaders have a strong influence on their followers and astoundingly affect their engagement on the emotional level. Thus, they influence subordinates' desire for achievement (Muenjohn et al. 2018).

Some studies suggest that there exists another type of leadership that has both elements of transformational and charismatic leadership - outstanding leadership. This type of leadership emerges in specific conditions and situations. They could be crisis, change and turbulence (Mumford et al. 2008).

Usually, researchers use MLQ or Multifactor Leadership Questionnaire (Bass a Avolio 1995) to measure the level of quality of leadership in an individual and his performance. It can measure both transactional or transformational leader and their qualities, even though it is a complicated and qualitative task. These are the categories included in the questionnaire: charisma, influence, inspiration, intellectual stimulation, consideration of followers, conditional awarding, and active & passive management (Simone I Flynn 2021).

In 1978 transformational leadership was sharply distinguished from transactional leadership (Muenjohn et al. 2018). Some other studies suggest that the difference between transformational leadership & transactional leadership is that the first one focuses on engaging with followers to create connections and motivate them. Transactional leadership is more about the "bulk of leadership models" where leaders are more focused on exchange with their subordinates, by offering them promotions or punishments(Northouse 2021). According to Mishra (2021) transformational leadership style is preferable rather than transactional or laissez-faire leadership styles, because of the emotional intelligence aspect that transformational leaders have. This aspect means that transformational leaders are concerned about their followers. The author says the study proves that transformational leadership is more effective than other leadership styles. Based on Simone I Flynn (2021) transformational leadership styles. Based on Simone I Flynn (2021) transformational leadership styles. In the environment of business, medical, industrial, educational, and military environments transformational leadership is the most suitable type.

However, later during the 1980s' researchers had to change their perspective on it. They claimed that the transformational leadership style is more of an "augmentation" to transactional leadership (Muenjohn et al. 2018). Sometimes, a combination of both transactional and transformational leaders can be effective in increasing the motivation and productivity of employees. This is becoming popular among organizations. However, it is important to use the right leadership style to match situations and goals in the organization (Ahmad et al. 2018).

Furthermore, according to Northouse (2021) transformational leadership can be described as a single continuum to transactional leadership. Look at the figure below.

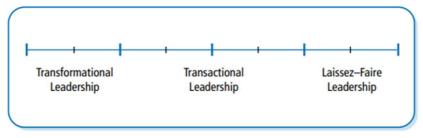


Figure 1: Continuum of Transformational leadership style to Laissez-faire style.

According to Pereira a Gomes there are two types of transformational leadership. The first one is individual when the leader is influencing followers directly and each separately. The second type is group, where the leader is influencing followers as a whole group. Transformational leaders have the power to change the values, beliefs and attitudes of employees (2012).

Transformational leadership dimensions

Based on Muenjohn et al. (2018) transformational leadership style can be described in these 4 elements or behaviors Northouse (2021):

Idealized influence

A leader's capacity to elicit followers' attachment, emotional responses as strong feelings of trust, respect and admiration for himself, and his capacity to function as a role model (Muenjohn et al. 2018). It provides followers with a sense of mission and vision (Northouse 2021). Transformational leaders play as good role models for subordinates and set high standards for appropriate ethical behavior. Followers emulate Leaders with high morality (Yahyaee et al. 2021).

Inspirational motivation

Capacity to communicate challenging future goals and high expectations from subordinates. By evoking motivation from followers, leaders provoke a high level of cooperative effort

Source: (Northouse 2021)

(Muenjohn et al. 2018). Leaders may use symbols and emotional interests to focus followers to achieve more than they could (Northouse 2021). Transformational leaders motivate and make followers eager to perform beyond expectations. Leaders tell employees the importance of duty and responsibility in front of the company (Yahyaee et al. 2021).

Intellectual stimulation

The inclination of leaders to challenge established ways of work and thinking, encouraging them to new and innovative approaches in work. This develops creative problem-solving in subordinates (Muenjohn et al. 2018). Leader challenges followers to be creative, by confronting their own beliefs and values (Northouse 2021). Transformational leaders seek employers' ideas and recognize followers' innovation and creativity (Yahyaee et al. 2021).

Individualized consideration

Capacity to interact with followers as individuals and respond accordingly to their specific needs in the workspace, such as recognition, support, and guidance (Muenjohn et al. 2018). In such a supportive climate, leaders function as coaches and advisers for their followers (Northouse 2021). Transformational leaders pay attention to followers' needs, alarms and requests of employees, leaders function as mentors (Yahyaee et al. 2021).

One of the ways of measuring transformational leadership, in other words, the presence of transformational leadership style in individuals is the MLQ questionnaire created by Bass and Avolio in 1990- 95 (1995) That is a quantitative tool which particularly shows the presence of leadership style and its difference from transactional leaders. However, since some results taken from this questionnaire were controversial, researchers thought to re-evaluate the concept of transformational leadership (Muenjohn et al. 2018).

Influence of transformational leadership to subordinates

Various research made a list of leaders 'behavior elements influencing followers based on the result of their work. These are elements that can be seen in transformational leader's behavior:

- Followers feel a connection and identification with the leader.
- Followers have emotional and excitement degrees collaborating with leaders.
- Followers have a high sense of self-esteem and self-efficacy.
- Followers trust and have confidence in their leader.

Based on Northouse, s. (2021, s. 174) and their result from a questionnaire of 90 questions about leadership, they have found common strategies that transformational leadership use to impact on their followers.

The first one is a clear vision. Clear vision, which is easy to understand and simple, but at the same time motivating others to change makes the team feel more empowered. Especially if this vision meets the needs of the organization. Second, is that leaders play the role of social architects. They shape values and meaning for subordinates, creating powerful inspiration, group identity and even new philosophy for the organization. The next one is trusting which leaders show by bringing predictability and reliability. Transformational leaders establish trust in the organization, thus creating more integrity in the team of followers. Fourth, transformational leaders emphasize their strengths and change their focus to their positive sides. Creative deployment of self creates an impact on followers by bringing higher levels of confidence and expectations (Northouse 2021).

Transformational leaders are related to identifying group units, changing their perception and creating belief in self-sufficiency. Employees with a high level of self-sufficiency have more confidence in their competencies. Also, such leaders help followers to adopt behavior that promotes achieving common goals (Pereira a Gomes 2012). Examples of transformational leaders: Nelson Mandela, Mother Theresa, Martin Luther King, and John Kennedy (Muenjohn et al. 2018). Studies showed that transformational leadership style has strong positive correlation with productivity and employee satisfaction (Tambe a Krishnan 2000).

Limitations of transformational leadership

There are a few limitations that researchers and studies show from the perspective of transformational leaders. It can be as:

- 1. This type is defined more by the effect on followers rather than specific behavior related to the individual.
- 2. Personal characteristics are often part of the definition of a transformational leader. For example: the level of energy, visions and emotional intelligence of the leaders.
- 3. The term transformational in the case of leadership could be used universally, in various list of situations.
- 4. There is no exact situation when transformational leadership is more effective than others. However, some studies show that transformational leadership is needed in changing environments and can be less effective in stable environments (Muenjohn et al. 2018).

Additionally, other authors as described Northouse (2021) suggest that transformational leadership can be effective in an environment with negative outcomes.

Practical Part

Methodology

The aim of the following paper was to find a correlation between existing literature theories and ongoing practices in the Czech Republic, according to the impact of transformational leadership style on organizational performance. According to Nguyen et al. (2023) only a small number of studies checked the influence of the transformational leadership dimension on organizational performance and organizations' outcomes.

Both qualitative and quantitative research approaches were used in the following paper. Primary qualitative research as semi-structured interviews were conducted among various employees and managers in the Czech Republic. Additional quantitative tools such as questionnaires were spread across participants of interviews. While the primary research method is qualitative study, quantitative tools, namely questionnaires, served as complementary support which provided additional depth and comprehensiveness to overall research findings. Quantitative research shouldn't be considered as an additional independent research tool and has the role of enriching current results of the qualitative framework.

The following research was conducted in the Czech Republic. The focus group was employees and managers who work either remotely or in the office, some of them had a hybrid form of work. Companies or branches where these employees and managers work are varied and have different spheres of specialization. The companies selected for the research encompass a diverse range of organizational profiles, including international corporations, non-governmental organizations (NGOs), innovative startups, and locally operated enterprises, reflecting a comprehensive exploration of the business landscape. Interviews were conducted among both employees and managers. 7 participants took part in the interviews. These participants were selected randomly across the Czech Republic, and Prague. The Target group was chosen in different organizations and spheres of work, to gain better and deeper understanding of the situation in the Czech job market. Participants were contacted through the personal contacts of the researcher. Information about participants:

Participants	Age	Gender	Education Level	Position	Duration of the position	Industry
Employee 1	25	Female	Graduate	UX Designer	2 years	Video Games
Employee 2	24	Male	Undergraduate	Statutory compliance intern	l year, l month	Equipment pooling
Employee 3	22	Male	Undergraduate	HR intern	7 months	Conglomera te
Employee 4	22	Female	Secondary Education	Local Committee President	2 months	Non-profit organization
Employee 5	28	Male	Double Postgraduate	Project Manager	7 years, 3 months	Software Services
Manager 1	20	Male	Secondary Education	Design manager of plant products	2 years	Wood furniture
Manager 2	37	Female	Secondary education	General hotel manager	5 years	Hospitality

Table 1: Personal information of interview participants

Source: Own result

The format of the interview is semi-structured. The structured part of the interview consists of 5 questions, divided according to specific impacts of transformational leaders. Additional questions were asked according to the responses of the participants. Each interview took approximately 25 minutes. In-person interviews were recorded by mobile phone, whether online interviews were recorded by online video and chatting platforms. Recordings later were transcribed using Word application and analyzed according to the meaning of interviewees' responses. Interview questions were pilot tested on 2 university professors and with 5 random volunteer participants.

Questions for the interview are based on the existing literature on the following topic.

Organizational performance is affected by such factors as commitment, work engagement, organizational learning and social responsibility (Lin et al. 2024). The performance is positively affected by the intrinsic motivation of employees. Also, the hypothesis that transformational leadership positively affects intrinsic motivation is supported by the result of a study conducted by Khan et al. All four elements of transformational leadership (idealized influence etc.) actively participate in the outcome of employee's intrinsic motivation. Transformational leaders help employees to think good about themselves, by creating an environment where justice, respect and support affect employees' self-motivation about their work. Thus, an employee's performance in such an environment is higher and more effective (Khan et al. 2020). In line with Jiatong et al. (2022)transformational leadership style plays a significant mediation role between employees' work engagement and their performance. Such leaders increase work engagement and positively affect subordinates' performance in the workspace. The study result shows that both job performance and transformational leadership are positively connected to job commitment and engagement levels. The author discusses that job performance would be increased if leaders would pay more attention to supporting an engaged workforce. Based on MonjeAmor a Faíña (2020)work engagement is higher when a leader gives access to resources and information, gives feedback, and gives opportunities for learning and developing.

To sum up, existing literature suggests that transformational leadership increases employee's performance by creating positive work performance and giving opportunities for learning and development. This increases employees' work commitment & engagement and strengthens corporate responsibility and work motivation. Consequently, transformational leadership directly and indirectly increases the performance of the subordinates.

Based on the earlier outlines, interview questions were crafted to find a correlation between knowledge from the pieces of literature and practical experiences of the participants. These are 5 main ideas that interviews questions consider:

- Engagement and productivity

- Positive work environment
- Motivation beyond rewards
- Consideration of personal needs
- Role modeling

for employees.

Additionally:

- Employee engagement
- Skill development and knowledge enhancement
- Creating a positive work environment
- Motivational strategies
- Risk-taking for achievement

for managers.

Following these ideas, two versions of the interview were created. The first version targets employees, seeking to understand their perspective on managers and transformational leadership's impact on individual performance. The second version is tailored for managers who have a transformational leadership style, aiming to explore the view of how they affect the performance of their subordinates.

Version 1, questions for employees:

- 1. Did your leader provide you with any opportunities for learning and development at your workplace?
- 2. What specific actions or behaviors from your leader contribute to a positive work environment for you?
- 3. Apart from job-contract rewards, what other forms of motivation do you receive from your leader?
- 4. How does your leader consider and address your personal needs within the workplace?
- 5. What specific qualities or behaviors do you admire in your leader as a role model?

Version 2, questions for managers:

- 1. Do you encourage teamwork and a sense of belonging among your team members?
- 2. Do you have training programs, mentorship opportunities, or other initiatives you have implemented to help your team members excel in their roles?
- 3. Do you prioritize creating a positive work environment for your team?
- 4. Aside from traditional rewards, do you employ other motivational strategies to inspire and motivate your team members?
- 5. Do you provide feedback for your employees that helps them to grow professionally and personally?

Additionally,, questionnaires were conducted across these employees and managers, intended to augment and contextualize the insights gleaned from the interviews. The main aim of the quantitative research in the following paper is to provide evidence that both participants and employees of managers perceive their leaders as possessing a transformational leadership style. It's important to note that the quantitative component of the research is integrated within the broader qualitative framework, serving to enrich rather than stand alone as an independent analysis.

Questions were based on a survey provided by Molek et al. (2023), where researchers tried to find preferences of leadership styles in manufacturing and various service companies. The survey itself is derived from the MLQ questionnaire (Bass a Avolio 1995) and contains 94 elements. Research inquiry questions are valid and were assessed among 3 thousand people. The questionnaire used in this study was derived from the original survey of Molek et al. (2023) and was chosen for its suitability for the subsequent research. The questionnaire has 10 questions and uses a Likert scale from 1 to 5, where 1 means totally disagree and 5 means agree. A quantitative study was spread online. Questionnaires were pilot tested among 3 university professors and 3 volunteer strangers. The sample group was interviewees who participated in the qualitative study, thus allowing to get more information about research participants' perception of leadership style and understand subject better. Participants who were managers distributed questionnaires among their team members to mitigate self-

perception bias regarding their leadership style and to enhance objectivity. The sample size is 9 people including interview participants and employees of managers. The low numbers of sample size explained by the complementary nature of the current quantitative tool, which serves as additional support for primary qualitative approach.

Questionnaire:

My leader....

- 1. Talk optimistically about the future.
- 2. Spends time teaching and coaching.
- 3. Sacrifices of their own benefit for the good of the group.
- 4. Considers me as an individual and not just as a member of the group.
- 5. Treats me as a person with different qualities, needs, and abilities
- 6. Helps me to develop and progress.
- 7. Trusts us to achieve goals.
- 8. Suggests new ways of accomplishing tasks.
- 9. Emphasizes the importance of goals.
- 10. Talks about the values and beliefs of the organization.

The constructive collaboration of both qualitative and quantitative approaches helps to make a better understanding of the subject and more precisely draw conclusions from the results of the study. The framework where primary research is a qualitative study, supported by quantitative tools could be insightful for giving future recommendations. The combination of these techniques, interview and questionnaire, creates a synergy and greater effectiveness rather than using each approach independently (White 2002). Using multiple approaches makes qualitative research more credible because successful constructive collaboration of various tools could mutually cover each method's weakness (Mwita 2022). Qualitative studies hardly can be generalized because of the relatively small size of the sample group. Another issue that can arise is researcher bias, where results and data collection could be affected by the presence of the researcher. Since direct interaction with participants could affect in a conscious or unconscious level to the participants' responses. Researchers could somehow sympathize with respondents, which would influence the results Mwita (2022). Collected data depends on the honesty of the participants and the accuracy of their responses Sheppard (2020). The environment which researchers created may affect data collection (Mwita 2022).

A qualitative study is more flexible and gives space for respondents to give more in-depth information on the subject. That allows researchers to ask additional questions that could be hard to reach in quantitative or other types of study. Such methods as interviews, observations and other types of qualitative studies are more valuable resources in the sense of the richness of collected data (Mwita 2022). Qualitative interviews give more in-depth information than any other research methods because participants don't have limitations in their responses and share stories in their own words and interpretations. That especially matters when researchers aim to find "how" some social phenomena happen (Sheppard 2020). The current study's aim is to measure the social of a social process as the impact of leadership style on organizational performance.

Qualitative tools decrease the chances of missing data since the direct interaction of investigators helps participants to better understand questions, making it possible to collect enough data. Notwithstanding the limitations of qualitative studies, the main advantage of such methods is in providing depth information and data that cannot be reached by quantitative studies. Stories and firsthand experiences of participants cannot be measured through quantitative tools, and need opportunities for them to share their feelings, values and beliefs (Sheppard 2020).

Results

Significant findings from the research are displayed in the current results section. The intelligent verbatim transcription method was applied to interviews. Phrases and sentence structure are kept as in the original interview responses. Grammar mistakes and broken sentences were edited without losing their original meaning. A full transcribe with extended details of interviews can be found in additional materials for this thesis. This section consists of two parts: primary qualitative and complementary quantitative support research results.

Qualitative research results

Engagement and Productivity

There is a common pattern when transformational leaders give opportunities for selfdevelopment to employees. These opportunities had the form of online platforms like Coursera, and special workshops. In most organizations existed a special internal knowledge system, and additionally that, some transformational leaders provided employees with personal assistance and mentorship to help them grow professionally and personally. Employees say that these changes contribute positively to both their professional growth and personal development.

"I like to go to workshops and some game events here in Prague. So now my leader can provide me with some free tickets to such events, so I appreciate it.... Provided opportunities for learning development? So yes, there is a big platform for only our team. There are lots of materials and resources from... our previous colleague's information and like video tutorials on how to do our UX work better.... I think this opportunity was powerful and insightful for me." - Employee 1

"Our company has an internal knowledge system. So, like a lot of the basic things, well, not just basics like even some more complex things"

"But you know, I told my boss: 'Hey, I'm comfortable doing the work I'm doing right now, but I would like to learn something more.' You know, 'these complex calculations that you do. I would like to learn what you do.' And so as soon as I told him about this the next week... me and my boss sat together for three hours, and he explained to me a lot of the calculations. Now, thanks to his time and effort, I'm able to do these tasks which I couldn't do before. So, in a way, he's helping me grow my skills." – Employee 2

"... I've received some licenses. For example: Coursera that like an online platform for training and also in the work I am... a lot of development on project management. So, organizing events by myself... Then there was a huge development in the HR processes as a whole." – Employee 3

"Absolutely. He encouraged it [learning and development], not just provided he encouraged. He guided and mentored us to go deep into the topics and enabled us, OK. These are the important skills that you should have that you should learn and always make us ask the question. 'Why do you need somebody else's help? Why can't you do it?' You know he would emphasize on it." – Employee 5

"... So actually, we have language courses. We have also software about what we are doing if someone wants to improve in this field. It's amazing how the company can prepare you to do any kind of job related to hospitality... I think they improve a lot" – Manager 2

Leaders paid attention to encouraging team meetings and bonding among their subordinates. One participant reported that it was helpful to get feedback and grow professionally after such meetings. Tasks were given according to the subordinate's capabilities and preferences.

"... Every spring we have a retrospective so we [team] can discuss what was good, what was not good, what we need to improve... I think it's really helpful from the project manager site to organize such a meeting." – Employee 1

"I always think that teamwork is a very important part of any company or any team to finish some work in perfect or at least 80% of the work... So, there was a team where they had the previous leader that was leading 4 persons. While the team was good individually, it was not effective ... I spend days and maybe one week to actually see what is the actual motivations and their strengths, their weaknesses. And then I just adjust their working descriptions, they adjust their jobs and it works. I did some work that I'm not good at, but I was also able to divide the work into the rest of the team members as well" – Manager 1

"Yes, we do. We try not only doing jobs like the typical commitment job. We always try also to care about their free time and to have time together [teambuilding]. This is healthy for the team when you can also use some time for recreation." – Manager 2

Teamwork wasn't enforced by the leaders; instead, employees were given the freedom to choose their activities. Teamwork in one company had a free-choice nature, where employees could choose task types and people with whom they could interact. Employees showed increased interest in their jobs after choosing tasks that fit their preferences.

"... he doesn't force like he doesn't force teamwork upon you. Like he just gives you the option of teamwork... He says: 'OK, see if you can do this. But if you can't do this, nothing to worry about. You can ask so and so person, and you can collaborate, and you can do it together.'" – Employee 2

"... he's not, you know, dividing the work or delegating the work between us [team]. But it's rather us who go to him and select the work... engagements, you know like larger, larger from the beginning because I'm doing the stuff that interests me that I want to work on." – Employee 3

Transformational leaders gave access to independence at work and supported employees with their innovative ideas helping to bring these ideas to life. Employees received managerial support in fostering positive changes in the workspace. These leaders demonstrated genuine concern about the future growth of employees as individuals.

"I'm allowed to join, let's say higher leadership meetings. Work on a project, work on the projects that I like and where I would like to develop myself." – Employee 3 "... he would help us learn a lot, but he would also be very supportive... we were filling timecards, and it was a very painful process, so I wanted to automate [process]. So, I just took my time, and started learning by myself and doing it on my own. He knew I was working on something he never asked me, never said anything. He [leader] said. 'If you need any help you let me know' and I went ahead. I showed him the system. He said, 'OK, this is good. Make these changes. This is good.' and we deployed it [new system] all over the company." – Employee 5

"I allow them to create ideas. I always say like: 'If you have some ideas to improve something here, just push them to me, let me know and I recognize them with the bonus', and they develop very well when they have this kind of motivation of course." – Manager 2

The opportunities and support provided by transformational leaders to motivate employees have a beneficial influence on their performance and engagement within both their individual tasks and team collaborations. A higher level of engagement in the team made employees more eager to fulfil their tasks, this resulted in enhanced productivity of the participants.

"It does impact your performance. Because like after, after a certain time like you know, like there are certain things that people expect from you, and you want to make sure that you fulfill their expectations." – Employee 2

- How did it impact your performance?

"I would say positively, it makes me more engaged for the work. So, I go to work. I like going to work. Let's say it like that. I like working. I like the team. I feel like I do more in that way than I would do if there weren't these opportunities."

- Does your motivation affect your job performance? "Does." – Employee 3 "It kept me motivated and willing to do more because just of the fact that I was able to grow and expand and stretch my legs and arms" – Employee 5

However, one participant said that she had increased motivation, and her productivity wasn't affected by her motivation level. Employee 4 who worked in a non-profit NGO couldn't say the specific increase in her efficiency in the workplace, however, she felt that leaders' actions kept her motivated and gave her more reason to keep working.

"Not the performance specifically, it is more giving me motivation and helping me to keep my motivation because then I don't think the performance is directly connected to it [motivation]... It gives me more purpose as to why I'm doing it [work]... my performance is like this [hand gestures: up and down creating waves], depending on my motivation. With this leadership."

You said your performance can also depend on your motivation, right?"Yeah, but also other factors." - Employee 4

Positive work environment and considerations of needs

During their challenging times and personal issues, employees received support from transformational leaders. Some subordinates received financial assistance from their families, while others received emotional support. One employee's family faced language barriers as they were from Vietnam. A transformational leader aided this family in adjusting to their new situation, relieving the employee's stress and personal concerns. This support led to improved performance in their manufacturing operations. Leaders displayed an understanding of employee concerns, demonstrated empathy and attempted to be objective.

"The first semester of my master's [degree] now, what was really like a positive aspect about my boss was the fact that he was very understanding... when I could just tell my boss: 'OK for these two weeks I can't work' You know, like after that I'll come back, and I'll be able to make up any lost hours [of work]. The company was very understanding regarding this." – Employee 2

"He [leader] is supportive. Even, like, open to mistakes and, you know, learning from and yeah, he basically like lets me choose my way of doing things and the things that I want to do." – Employee 3

"My leader, creates a space where I can discuss with her my issues that maybe I wouldn't discuss with my team... she provides me with the opportunity to share my feelings. She creates environment where she listens and is not judging." – Employee 4

"One of the cases that we had is one of the employees that good at the performance and ... the problem that he had is that the flat, the rental place of him is too far away from the factories [company]. So, we also provide support with an amount of fee for them [employee and his family] to actually moving from the far place to the place where it is close to the factory... families problems were that he did not spend time enough to talk the to talk their children and also because of the mothers. We provide two months of free home education. And then we put like more let's say 30 to 40% from the companies budget to provide the home teacher educations for the children of the employees. And of course, we also have some, I would say like mental support for staff of the parents... that how should mentor work in these situations, what would be better for the children and stuff. Because all of the employees at our place are Vietnamese. And a lot of them not to say like most of them, don't speak Czech." -Manager 1

"It's like I always try to solve the problem, talking with them [employees] they approach to me, and they say 'OK, I don't like what she does or what she's doing to me or what he's doing to me.' So, I try to see both [perspectives] of them [employees]. I can talk first separately, [to] see what happened and then I can try to fix the problem" – Manager 2

Transformational leaders consider the needs of employees and tried to provide these needs. Leaders didn't micromanage employees and let them be free with their time. "I had complete autonomy to finish my task in whatever way I saw fit... I made some demands to my boss saying: 'so these are my demands. If you want me to stay in the company, these are my demands.' One of my demands was that I get a raise in my salary... my boss said 'OK, I understand.' And he took care of this entire issue by himself in front of the HR... So, this was like a very good raise. And basically, this wouldn't have been possible if my boss didn't stand up for me." – Employee 2

"I would say it's, the lack of micromanagement, so that I have my own space. I can work without being checked on all the time. So, he [leader] gives me space" – Employee 3

"OK, we wanted to have juice. The next day he just gets a juicer. He just buys the juicer and the fruits and everything. And we'll have fresh juice every day now. So, he was very kind in that way, very humble." – Employee 5

Constructive and straightforward feedback, provided by transformational leaders when certain expectations weren't met. Employees reported that this feedback facilitated their professional and personal growth, ultimately enhancing their performance. Emphasizing the importance of feedback, the manager highlighted its role in maintaining satisfactory performance levels.

"The feedback is very straightforward. If I make a mistake he says 'OK, you made a mistake.' If in a certain area, in a certain task. If I have not fulfilled my task. I have not fulfilled the set expectations, he says. 'OK, this is an issue, you weren't able to do this [task].'"

- does it increase your performance after this feedback?

"Yes, because I can't fix my mistake if I don't know what mistake I made." – Employee 2

"Let's say not that regular ... Not deep [feedbacks], but it's rather informal... it's usually more focused on positive things I would say to him... it's definitely focused on like providing me with some tips how to let's say improve my, I wouldn't even say

performance, but like make some tips for my future career let's say..." – Employee 3

"And once a month I meet about 15-10 minutes with everyone [employees]. And I talk about the weaknesses, I talk about what we have to improve... I can manage the feedback with them. So, this is something that I care a lot because we deal with money, we deal with the system, with the software." – Manager 2

Both managers and employees expressed satisfaction with the positive work environment, noting that it helped to maintain a healthy atmosphere in the team. Employees found engaging with their leader beneficial. One particular transformational leader cultivated a positive work environment into a work climate, making employees follow positive rituals to increase level of overall performance and development.

"He really likes, wants the team to develop, wants the team to feel good. So, something that helps. And I mean it's, let's say harder, you know, not to do the work... But he takes everything into account, and you can always see some improvement in that way. So, it doesn't feel like you're just wasting your time, you know telling him [is helpful]" – Employee 3

"And our CEO [first leader] was living in the same city, but not with us, but he would come to our company guest house and make dinner for all of us and buy fruits and everything. And just make sure we have everything to feel like a home, like a family... The other one [second leader] enforced our belief in HRTCI is what we call humility, respect, trust, and continuous improvement, so that was their main approach his towards everything. And that the positive environment was created just because how he would always be calm and patient." – Employee 5

Motivation beyond rewards

Transformational leaders displayed personal recognition for employees' results. This personal recognition served as a powerful motivator for subordinates, leading them to feel a

sense of fulfilment from their work. Some subordinates said that beyond traditional monetary incentives, being personally recognized was a significant source of motivation. One employee highlighted that recognition held greater value when it was done publicly, in front of external stakeholders.

"Recognition for what I do and like recognition not only on a personal level, not only just my boss saying: 'Hey good work [employee name].' But recognition in front of peers and even in the presence of external actors. This is something that I appreciate. Being recognized even in front of the top people in the company in the department." – Employee 2

"The most important one would be recognition. So, I mean that when I do something, and my job is being used [personally appreciated] or anything... then it's like my [personal] work and not just like we [as a team] did it or anything [like that]" – Employee 3

"We were being heard till a certain point after things changed [in the company] but we were being heard in terms of active discussion, active opportunities, events, things to do... the fact of you being heard your inputs being heard by the management, by the company. You know that's a work satisfaction... you could freely interact and talk to them [CEO and board of directors] and they would listen to you" – Employee 5

Additionally, the followers got motivated by opportunities that leaders provided them. These opportunities included external activities outside of the workspace, where employees could travel or self-develop.

"I'm allowed to join, let's say higher leadership meetings. Work on a project, work on the projects that I like and where I would like to develop myself, stuff like that... And then there is then a chance to, you know, learn new things and connect with new people. Also, like taking part in some events and the work, travel, and stuff like that."

- Does your motivation affect your job performance? "Does." – Employee 3 "For a group of employees where they have one of the best products during a quarter or during like half of the year, then we would have this program to send them abroad to learn more about them, how to create a better product. It can be in China, it can be in Germany... They cannot stand working again without having the trip one more time or something like that. And then it's just in their minds, they're just going to have the motivation to strive for that trip again, for the trip abroad." – Manager 1

"If you're travelling with him, he would just maybe, you know, buy you something, buy for you something from the airport or upgrade to business class or he once took like a team of 40 people like the core team members flew us all to Dubai and we did a company off-site in Dubai in Marriott. And then it was a great event. And then we did a sightseeing" – Employee 5

"We have internships, actually we have hotels in other countries and also there is opportunity [that] they can travel there. It's like completely different because it's in another continent, but people like it and they had the opportunity to improve their knowledge and also to help the others [employees] in that place [foreign hotels]." – Manager 2

Role modeling

Leaders showed the capability to understand employees' possibilities and gave them appropriate activities.

"I would say the ability, the ability to understand the people who work for you. To understand their [employees] capability. But also understanding their weaknesses. So, in a way like what I think is good regarding my boss, is that like he loves you." – Employee 2

"With specific qualities: being calm and patient is probably also a key because not everybody is the same. Right. And so, everybody is different, but it doesn't mean that nobody is irreplaceable. Everybody is also replaceable, but they are all different. So, you need to see whose talent and strength is where and give it to them " – Employee 5

Followers admired their leaders' characteristics such as empathy, humility, open communication and trust Employee 3 appreciated how his transformational leader prioritized the team's well-being over the company's profits. This trend was echoed in the responses of other employees.

"The first thing could definitely be like empathy, and you know and being so caring about the team. That I just that I can always feel that I can like to rely on him [leader]... That he's gonna have our back as a team. Stuff like that. He's very open and honest. That's also great. ...Like he cares more about the team development than about the actual profits" – Employee 3

"Well, I told you [leader is] very humble and humble. Respect and trust, always listening to being open to communication very important... [Qualities] are collaboration and learning, sharing the learnings, focusing on it and making sure everybody benefits from one experience when you share you multiple" – Employee 5

Complementary quantitative research results

Table 2:	Results	of quantitative	research

	Items	Mean	Standard Deviation	Minimum	Maximum
1	Talks optimistically about the future	4.56	0.53	4	5
2	Spends time teaching and coaching	4.44	0.73	3	5
3	Sacrifices own benefit for the good of the group	3.33	0.87	2	5
4	Considers me as an individual and not just as a	3.89	1.36	1	5
5	Treats me as a person with different qualities, i	4.33	0.87	3	5
6	Helps me to develop and progress	3.89	0.93	2	5
7	Trusts us to achieve goals	4.11	1.36	1	5
8	Suggests new ways of accomplishing tasks	4.56	0.53	4	5
9	Emphasizes the importance of goals	3.67	1.12	2	5
10	Talks about values and beliefs of the organizat	3.78	1.09	2	5

Source: Own Result

Nine participants completed an online survey, responding to all 10 items in the questionnaire. All interview participants took part in the questionnaire, however managers spread the questionnaire across their team members. Due to the small size, the results cannot be generalized, however, it serves as an important supplementary tool for qualitative analysis. Descriptive statistics were calculated for each Likert scale item. The mean scores range from 3.33 to 4.56, and standard deviation scores range from 0.53 to 1.36. Overall, participants displayed strong agreement with statements regarding various aspects of transformational leadership. These included optimism about the future (item 1), investment in teaching and coaching (item 2), recognition of individual qualities (item 5), delegation of trust to the team

(item 7), and encouragement of innovative approaches to tasks (item 8). Notably, the standard deviation for these items was relatively low, indicating a consistent pattern of responses. Conversely, items with higher standard deviations tended to elicit more varied responses, with participants expressing neither strong agreement nor disagreement. The quantitative research findings indicate that the majority of participants strongly agree that their managers' leadership style leans towards being more transformational than otherwise.

Discussion

The central objective of this study revolves around exploring the influence of transformational leadership style on organizational performance. Through an examination of this correlation, the research endeavors to shed light on the impact of adopting a transformational leadership approach on the overall effectiveness and success of organizations. By further investigating this topic, the study seeks to contribute to a deeper understanding of how leadership practices can shape and enhance organizational outcomes.

Transformational leaders provide valuable support and growth opportunities to subordinates, going beyond professional development and helping followers individually to address their issues. This support and development help employees to stay motivated but also fosters a stronger sense of engagement both in their roles and within the teamwork. Positive environments characterized by mutual respect, constructive feedback and consideration for personal well-being contribute significantly to job satisfaction. There is a divergence of opinions among employees regarding the relationship between motivation and performance. While some participants believe that increased productivity derives from the inspiration provided by transformational leadership, other groups of participants couldn't report the direct relationship between these variables. However, there is a common consensus among participants that when their leader displays genuine concern about their future and prioritizes well-being of the team, followers tend to feel satisfaction and admire such qualities in their leaders. Other qualities as being open to communication, honesty and understanding followers' capabilities are important and highly valued by participants of the study. Overall, research participants report the positive effect of transformational leadership practices on their performance. Additionally, to interviews, questionnaire results supported that employees perceive their managers' leadership style as transformational. Consequently, complementary quantitative research adds moreover credibility to the results of primary qualitative study.

Results of the following research show that transformational leaders created conditions where employees receive increased motivation. Leaders directly and indirectly affect the follower's motivation. This correlates with the study of Khan et al. (2020) showing that transformational leadership directly and positively influences job motivation and

performance. The majority of research respondents reported that both professional and personal development opportunities positively affect their motivation to work in the organization. This is supported by the research of Northouse (2021) which reveals that transformational leaders who adopt roles such as coach or mentor, sharing knowledge, have a positive impact on inspiring their subordinates. Employees were happy to get new knowledge and become better professionals in their career realms. The driving force for the motivation of all participants was these opportunities. This correlates to the statement that transformational leadership evokes interest in employees in achievement beyond their expectation through motivation and opportunities to gain experience professionally Muenjohn et al. (2018) & (Northouse 2021). These opportunities consisted not only of development, but also included activities outside of the workspace and travel. Employees were eager to work more when companies and their leaders offered them access to workshops and training programs. Some companies used these travel opportunities as bonus reward systems and kept workers at high performance levels to get these rewards. For example, manager 1 and 2 used travel opportunities to increase followers' motivation:

"They cannot stand working again without having the trip one more time or something like that. And then it's just in their minds, they're just going to have the motivation to strive for that trip again, for the trip abroad." – Manager 1

"...people like it and they had the opportunity to improve their knowledge and also to help the others [employees] in that place [foreign hotels]." – Manager 2

Another source of motivation for employees was the personal assistance of leaders and their initial care for the team's well-being. This finding is further reinforced by Khan et al. (2020), which suggests that transformational leadership creates an environment for followers where fairness and personal support contribute to their self-motivation in performing their tasks. Support was received in various forms. Based on the research findings typically managers consider personal problems and issues of their followers trying to help them. Even if there was no requirement to address these concerns, and such focus wasn't included in the job agreement. Additionally, transformational leaders cared about the future of their employees, and both managers wanted better jobs for their subordinates than they had at the moment.

Mentorship is an important aspect that appears within the personal support of transformational leaders. It further strengthens positive relationships between employee and their managers. This leads to mutual trust and respect. Simultaneously support and mentorship created a positive work environment where the followers could feel inspired. Cherono et al. (2016) discusses that mentorship increases followers' motivation and job satisfaction. Mentorship significantly affects not only the personal motivation of subordinates, but it influences the performance of both employees and the organization.

The third and most valuable source of participants' motivation was personal recognition. The same results appear in the work of Danish a Usman (2010) where a positive relation of motivation and recognition has been confirmed. However, this relation appears to be insignificant and depends on the context. In the context of the current study managers personally recognized the value of everyone's job in their team. Employees felt that the results of their jobs were valuable, acknowledged and validated by managers. Through personal recognition, employees try to work better and keep their efficiency at the required levels to fulfil the expectations of the insignificance of the variables, by revealing a consistent pattern for individual appreciation impact on employee motivation. Two contradictions could happen due to differences of their research contexts.

The correlation between the outcomes and theoretical implications originates from leaders emphasizing the significance of duty and responsibility to employees, encouraging them to exceed expectations. This, in turn, has a positive impact on employees' performance (Yahyaee et al. 2021).

"And you want to make sure that you fulfill their expectations." - Employee 2

Employees could bring their results and must believe that they can influence the company. So, employees become more eager to work harder and leave personal outcomes to the common goal. Personal recognition appears to have a strong positive correlation with job performance (Masri a Suliman 2019). The findings of the study demonstrated a notable link between personal recognition and motivation as a mediator. However, the obtained data did not provide sufficient information to determine whether recognition significantly enhanced the efficiency of subordinates.

Summing up, there is consistency in participants' responses indicating that the primary driver of high productivity is the motivation generated by the factors described earlier (recognition, coaching and opportunities). According to the responses, motivation increased the productivity and performance of the followers. It plays a significant role in the efficiency of employees in the workplace. Productivity rises after personal appreciation, self-development and transformational individual attention to well-being through the mediation of motivation. In other words, the transformational leadership style directly impacted followers' motivation by creating a positive atmosphere and displaying genuine care, which further leads to enhanced organizational performance.

Transformational leadership directly impacts motivation, at the same time indirectly influencing team efficiency. Moreover, as motivation increases, not only does performance improve, but it also fosters collaboration among team members. Assbeihat found that there is an impact of collaboration on performance, and performance tends to improve when its members prioritize collaboration. Consideration of a good collaboration-performance relationship is possible when the team has a leader, otherwise self-directed group needs extra effort for good cooperation. Communication, trust and feedback foster better teamwork. (2016). However, results don't reveal a direct relationship between collaboration and job performance.

The positive work environment consists of a few main elements which are: mutual respect, fair condition at the workspace and respect (Khan et al. 2020). Followingly, these elements such as support, constructive feedback and absence of excessive control repetitive appears in the obtained data as the effect of transformational leadership. These elements include a positive work culture, fostered by transformational leaders, establishing a favorable work environment for employees. In line with Mishra (2021) trust plays a mediator role between job performance and positive workplace atmosphere.

Accordingly, a positive environment fosters job satisfaction that additionally increases motivation of followers to work harder, productively. When subordinates' needs are addressed by their transformational leaders, it enables participants to maintain effective work performance even in the face of personal challenges and difficult circumstances. Fulfilled requests fostered a positive work climate, creating a "family atmosphere". Subordinates' commitment for transformational leaders' qualities and the organization was reaction for mutual relationship and familial atmosphere, leading to enhanced employees' efficiency.

"And just make sure we have everything to feel like a home, like a family..." – Employee 5

The results fit with the theory that subordinates' efficiency is affected by their intrinsic motivation and positive work environment (Khan et al. 2020). There is consensus among participants that positive environment fosters their performance at workspace. Subordinates wanted to invest and gave better results to the companies and transformational leaders. Such an environment creates mutual benefits for company so for employees, by increasing job satisfaction in one hand, and enhancing productivity on the other hand.

(Discuss unexpected results, possible alternative explanation of the results)

In contrast, two participants reported that increased motivation and opportunities didn't foster efficiency in the workplace. Manager 2 expressed uncertainty about that development opportunities make employees work productive, however she agreed on improvement in skills and knowledges the subordinates(Jiatong et al. 2022). suggests that performance in hospitality is influenced by good teamwork, professionalism of employees, motivation and practicing new skills. Performance is heavily affected by the proper collaboration between team members. In the hospitality industry, managers could prioritize fostering effective teamwork and promoting seamless interaction among their staff members within the team. Similar results are visible in employee who work in non-profit, non-governmental organization. Employee 4 informed that her performance mainly affected by her discipline levels and not with motivation. However, in further investigation the responded controversy told that performance could be affected by her drive including also other factors at workplace.

"My performance is like this [hand gestures: up and down creating waves], depending on my motivation. With this leadership." – Employee 4

Finally, bringing up all parts together, obtained data shows direct and indirect impacts of transformational leadership on organizational performance. Transformational leadership style has a direct impact on employees' motivation. Leaders influence motivation through mentorship, personal recognition, support, teamwork, learning opportunities and external activities. The motivation plays a role of mediator between transformational leadership style and organizational performance. The second direct factor influencing productivity is the positive environment. Leadership support has a direct strong influence on a positive environment. Thus, transformational leadership style has indirect impact on organizational performance via employee's motivation and positive environment. However, there are contradictions in the result, when motivation doesn't always have an impact on the performance. This contradiction could depend on the context of the research, and further investigation are required to add information on the subject matter.

Results of the quantitative research revealed interviewees' personal perceptions for their managers' leadership style. All participants have strong agreement, neither moderate agreement that their managers' leadership style is transformational. All ten items of the questionnaire demonstrate consistent correlations and align with the findings from the qualitative research section. This adds further credibility to the results and strengthens the interpretation of the outcomes from the primary interview research.

Implications

The results are built on existing evidence of transformational leadership influence to organizational performance. The main aim of the study was to find differences between reality of managerial practices in the companies located in Czech Republic and existing literature on the subject. As a result, there are a lot of alignments and correlations between practice and theoretical knowledge.

Additionally, to that knowledge, outcomes of the research present deeper understanding of the processes that affect organizational efficiency in the context of the chosen country. It reveals most common practices and patterns that transformational leaders use in businesses operation in Czech Republic. Gathered data from interview respondents reflects which of these processes positively, nor negatively affect their performance, and which does not affect at all.

Since all participants who took part in the following paper were from diverse industries, the results gathered could be considered rather as more generalized. Thus, insights from this academic research could be utilized in the practical settings of various managerial contexts. Findings of this research may be valuable for adjusting and implementation different practices in workspace, or during decision-making processes within Czech Republic context.

Limitations

The relatively low number of participants in the qualitative study limits the generalizability of the research outcomes. Additionally, the methodology design contributes to the small scale of academic investigation. Qualitative studies require significant resource consumption, creating costs and obstacles for the research process. To address the lack of participants, the research focused on diversity, selecting interviewees from various sectors and companies to provide a broader picture of current managerial practices in the Czech Republic. Furthermore, to bolster the credibility of the study results, a complementary quantitative tool was utilized. This quantitative approach strengthened the research investigation, providing more coherent and precise results for the subject.

Conclusion

The primary objective of this academic paper was to assess the impact of transformational leadership styles on organizational performance. Through interviews conducted within the Czech job market context, the study investigated both the direct and indirect influences of these leadership styles. By employing both qualitative analysis of interviews and quantitative analysis of questionnaires, the study was able to draw robust conclusions. The findings indicate that visionary or transformational leadership has a substantial impact on enterprise productivity, mediated through employees' motivation and fostering a positive work environment. Furthermore, the results demonstrate a significant correlation between existing literature and managerial practices in the Czech Republic, highlighting the influence of transformational leadership on corporate effectiveness based on the experiences of Czech employees.

The qualitative study effectively fulfilled the objective of the current research by providing the necessary depth and insight that could not be achieved through alternative methods. Additionally, the questionnaire aimed to enhance the credibility of the interviews by uncovering important information regarding employees' perceptions of their managers. The research sought to identify correlations between literature and the reality of the Czech workspace, and the results indicated significant correlations between the two. Analysis of the data revealed that transformational leadership has a positive impact on performance through a diverse range of variables, exerting both direct and indirect influences on overall organizational productivity. This impact exhibited a complex nature, involving various interrelated variables rather than a stating as single factor.

Recommendations

It revealed insights into the impact of motivation and a positive work environment on performance, although it did not gather sufficient information to identify other factors affecting employee efficiency. The qualitative study highlighted the positive effects of transformational leadership on work engagement and teamwork, suggesting these variables function as mediating factors between company efficiency and transformational leadership, indicating an indirect influence of visionary leadership styles. However, the study did not identify further impacts of these variables on organizational performance. Moving forward, the study recommends further investigation into the direct effects of engagement, teamwork, and transformational leadership support on organizational performance within the Czech Republic workspace to gain a deeper understanding of the subject matter.

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