

Systematic Literature Review (SLR): The Influence of Leadership Style and Organizational Culture on Employee Performance

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Abstract

In an increasingly competitive organizational environment, leadership style and organizational culture play crucial roles in shaping employee performance and overall organizational success. This study aims to systematically analyze the influence of leadership style and organizational culture on work performance through a systematic literature review (SLR) approach. The review was conducted using three structured stages: (1) planning, which involved identifying the target population and relevant literature; (2) screening, where topics were selected based on inclusion criteria focusing on leadership, organizational culture, and performance outcomes; and (3) analysis, which synthesized findings to answer key research questions. The results indicate that transformational leadership—characterized by inspirational motivation, intellectual stimulation, and individualized consideration—has the most substantial positive impact on employee performance. Transformational leaders foster trust, creativity, and engagement, which in turn enhance productivity and job satisfaction. Furthermore, the study finds a significant and positive relationship between organizational culture and employee performance. A strong, adaptive, and value-driven culture contributes to improved collaboration, commitment, and efficiency within organizations. Conversely, weak or misaligned cultures can lead to reduced motivation and organizational conflict. The implications of this research highlight the necessity for organizations to cultivate transformational leadership practices and align their organizational culture with strategic goals to optimize human resource performance. By integrating leadership development programs with culture-building initiatives, organizations can create a sustainable competitive advantage through a motivated and high-performing workforce. The findings contribute to both theoretical understanding and practical strategies in the field of organizational behavior and management.

Keywords: business; leadership style; Systematic Literature Review; Employee Performance

INTRODUCTION

In the current era of globalization, competition between companies is very tight. To maintain and develop their business, companies are required to have good human resources (Sasongko et al., 2021). Human resources play a very important role in an organization and are the main drivers of all activities in the company in achieving the company's goals (Desia Prajitiasari et al., 2022). It is hoped that the presence of good resources will make it easier to optimize employee performance so that they can achieve the company's goals and compete effectively with competitors (Saputra & Adnyani, 2017). However, employee performance can be suboptimal even

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if the organization's resources are strong (Ikhsan et al., 2024). This situation can be caused by several factors, including leadership styles and organizational culture that do not match employees, resulting in less-than-optimal employee performance (Asmara et al., 2023).

In Regita's (2021) research, the results show that the transformational leadership style has a positive and significant effect on employee performance. This indicates that organizations with a transformational leadership style can improve both employee performance and morale (Garad et al., 2022; Nuraini & Hasanuddin, 2025; Qalati et al., 2022). However, Cahyani et al. (2021) found that leadership style has no effect on employee performance; regardless of the leadership style used by the leader, if the work environment and organizational culture are good, employee performance can still improve. Another factor affecting employee performance is organizational culture (Diana et al., 2021; Iskanto, 2023). Research by Cahyani et al. (2021) shows that organizational culture has a positive effect on employee performance, indicating that the better the organizational culture, the better the employee performance. Conversely, research by Putra et al. (2022) revealed that organizational culture does not have a significant effect on employee performance; when employee competence is good, the culture employed by the company does not substantially influence performance.

The inconsistencies in previous research findings create a compelling need for further investigation (Luo et al., 2023). While some studies emphasize the dominant role of leadership style, others highlight the stronger influence of organizational culture (Alateeg & Alhammedi, 2024; Nguyen et al., 2023; Xenikou & Furnham, 2022). These differing perspectives indicate that the relationship between leadership, culture, and performance may be situational and depend on factors such as organizational type, employee characteristics, and industry dynamics (Afandy et al., 2022). Thus, additional research is needed to clarify how leadership style and organizational culture interact to influence employee performance across various organizational contexts (Sharma et al., 2025; Virgiawan et al., 2021).

From a managerial standpoint, understanding these relationships is vital for organizations seeking to improve performance through human capital development. Leaders who understand how to adapt their leadership style and cultivate a strong, positive culture can better motivate employees and align individual goals with organizational objectives. By focusing on both leadership and culture, companies can develop a synergistic approach that enhances employee engagement, productivity, and overall effectiveness.

Therefore, based on the variation in previous findings, this research aims to re-examine the influence of leadership style and organizational culture on employee performance. The results of this study are expected to contribute both theoretically by enriching the literature on human resource management and practically by providing insights for organizations in developing effective leadership and culture-building strategies.

METHOD

The research method used was the qualitative method or systematic literature review research. The systematic literature review method was carried out in three stages, namely planning

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the population or target, topics that attract outcomes, contests, and determining research questions; then conducting the review by identifying string searches and data sources, selecting relevant literature, and synthesizing or extracting data; after which the review reporting was conducted.

The population used in this study consisted of three articles that discussed the relationship between leadership style and organizational culture with employee performance conducted in the Special Region of Yogyakarta. Previously, the researchers had obtained twenty-five articles on the influence of leadership style and organizational culture on employee performance, but these were then filtered by population or research object, resulting in only four literatures.

RESULT AND DISCUSSION

Results of Systematic Literature Review

Table 1. Results of Systematic Literature Review

Research Title	Year, Source, and Author	Variables & Methods	Research Results
The Influence of Transformational Leadership Style, Organizational Culture and Motivation on Employee Performance Study on PT. Pandawa Mandiri CCTV Jogja	2023, Journal of Sharia Economics, Finance & Business, Vol.5 No.3, 1189–1206, Yudi Prasetya Putra, Jajuk Herawati, Episilandri Sepryarini	Transformational Leadership Style, Organizational Culture, MotivationMethod: Quantitative	All variables (leadership, culture, motivation) have a positive and significant effect on employee performance.
The Influence of Organizational Culture and Leadership Style on Performance with Motivation as a Mediation Variable (BPR in Yogyakarta)	2021, Islamic University of Indonesia, Aprediakanina Regita W.	Organizational Culture, Leadership Style, Motivation, PerformanceMethod: Quantitative	There is a positive and significant influence between all variables; Motivation mediates the relationship between organizational culture and leadership to performance.
The Influence of Organizational Culture, Leadership Style, and Training on Employee Performance at the Office of the Yogyakarta Manpower and Transmigration Office	2021, Journal of Management and Science, 6(1), Ika Aprilia Cahyani, Jajuk Herawati, Epsilandri Septyarini	Organizational Culture, Leadership Style, Training, PerformanceMethod: Quantitative	Organizational culture and training are significant to performance; leadership is insignificant; All three have simultaneous effects.
The Influence of Leadership Style and Organizational Culture through Performance on Employees of PT Anjur Nauli Medan	2020, Journal of Great Accommodation, Vol. VII No.1	Leadership Style, Organizational Culture, PerformanceMethod: Quantitative	Leadership and organizational culture have a positive and significant effect both directly and indirectly on performance.

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Research Title	Year, Source, and Author	Variables & Methods	Research Results
The Effect of Organizational Culture, Leadership Style, and Organizational Commitment on Employee Performance through Motivation	2024, Journal of Management, Vol. 14 No.1, Jatiningrum et al.	Organizational Culture, Leadership Style, Organizational Commitment, PerformanceMethod: Quantitative	Organizational commitment has the least influence on performance. It is recommended to increase commitment and variety of research methods.
Leadership Style, Organizational Culture, and Innovation on Employee Performance	2022, Journal of Business Administration (JAB), Vol. 12 No. 2	Leadership Style, Organizational Culture, Innovation, PerformanceMethod: Quantitative	Leadership and organizational culture have a significant impact on performance; Innovation has no effect.
Analysis of Leadership Style and Organizational Culture on the Dimension of Organizational Commitment to Employee Performance of PT. Surya Mitra Kencana	2024, Journal of Economics, Management and Accounting, 2(3), 83–89	Leadership Style, Organizational Culture, Organizational Commitment, PerformanceMethod: Quantitative	Leadership and organizational culture affect commitment and have a positive impact on employee performance.
The Influence of Leadership and Organizational Culture on Employee Performance	2023, Journal on Education, Vol. 5 No. 3, 7020–7027	Leadership, Organizational Culture, PerformanceMethod: Quantitative	Leadership and organizational culture have a significant positive effect on employee performance.
The Role of Leadership Style and Organizational Culture in Improving Employee Performance	2023, Scientific Journal of Applied Management (JIMT)	Leadership Style, Organizational Culture, Job Satisfaction, PerformanceMethod: Quantitative	All relationships between variables (leadership, culture, satisfaction, performance) were significantly positive.
The Influence of Participatory Leadership Style, Organizational Culture, and Work Motivation on Field Employee Performance	2023, Global: BITEP Lantern Journal, Vol. 1 No. 1	Participatory Leadership, Organizational Culture, Motivation, PerformanceMethod: Quantitative	All variables have a positive and significant effect on performance.
The Influence of Leadership Style and Organizational Culture on Employee Performance of PT Mandiri Konstruksi Tangerang Selatan	2020, Journal of Education, Humaniora and Social Sciences (JEHSS)	Leadership Style, Organizational Culture, PerformanceMethod: Quantitative	Leadership and organizational culture have a significant effect on performance ($R^2 = 61.7\%$).
The Influence of Transformational Leadership Style, Work Ethic, and Organizational	2022, EMBA Journal, Vol. 10 No. 2	Transformational Leadership, Work Ethic, Organizational Culture,	Work ethic has a significant impact; Leadership is not significant to performance.

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Research Title	Year, Source, and Author	Variables & Methods	Research Results
Culture on Employee Performance		PerformanceMethod: Quantitative	
The Influence of Motivation, Leadership Style, and Organizational Culture on Performance with Job Satisfaction as an Intervening	2022, Indonesian Nobel Master of Management Journal, Vol. 3 No. 3	Motivation, Leadership, Organizational Culture, Satisfaction, PerformanceMethod: Quantitative	All variables have a significant effect on employee satisfaction and performance.
The Influence of Leadership Style and Organizational Culture on Performance at the Jombang PUPR Office	2022, MAMEN (Journal of Management), Vol. 1 No. 4	Leadership Style, Organizational Culture, PerformanceMethod: Quantitative	Leadership is insignificant; organizational culture is significant to performance.
The Influence of Leadership Style, Organizational Culture, and Communication on CV Employee Performance. From the Valley, Lake	2022, Ganeshwara Journal, Vol. 3 No. 1	Leadership Style, Organizational Culture, Communication, PerformanceMethod: Quantitative	All variables (leadership, culture, communication) have a positive and significant effect both partially and simultaneously.
The Influence of Organizational Culture, Leadership Style, and Job Satisfaction on Performance through Employee Motivation	2022, Scientific Journal of Accounting and Finance, Vol. 4 No. 7	Organizational Culture, Leadership, Job Satisfaction, Motivation, PerformanceMethod: Quantitative	Organizational culture and leadership are not directly significant, but significant through employee motivation.

Based on table 1, it can be seen that based on research conducted by Putra et al. (2022) and Regita (2021) in one of the DIY offices, leadership style has a positive and significant effect on employee performance, while Cahyani et al. (2021) show that leadership style has no effect on employee performance. Then research conducted by Runtuwene et al. (2022), Cahyani et al. (2021) and Regita (2021) in one of the DIY offices shows that organizational culture has a positive and significant effect on employee performance, The following is a more detailed analysis of table 1:

Leadership Style and Organizational Culture on Employee Performance at PT. Pandawa Mandiri CCTV Jogja

According to research conducted by Putra et al. (2022), it is stated that the leadership style carried out at PT. Pandawa Mandiri CCT Jogja uses a transformational leadership style that affects the performance of the wealthy. This is evidenced by the highest results on the questionnaire that answered

strongly agree as many as 45 respondents on question number 5 "My boss respects every employee" this makes employees more enthusiastic and more active in work, meaning this result shows that the greater the transformational leadership style used by the leader, the better the

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employee performance at PT Mandiri CCTV Jogja. In addition, the son's research also stated that the better the company culture, the higher the employee performance.

Leadership Style and Organizational Culture on BPR Employee Performance in Yogyakarta

In a study conducted by Regita (2021), it was stated that leadership style has a positive and significant effect on employee performance. The leadership style used by BPR Yogyakarta is a transformational leadership style. An organization with a transformational leadership style can increase employee self-confidence and also employee enthusiasm to achieve organizational targets or goals. Regita (2021) stated that most BPR Yogyakarta employees feel that leaders who provide motivation and trust to subordinates as well as attention or training to employees greatly affect their performance. Not only leadership style, the results of research conducted by Regita (2021) show that organizational culture has a positive and significant effect on employee performance. Organizational culture is a social glue that helps unite the organization by setting standards for what employees should do. If the organizational culture is such as a work environment with good facilities, it can support the level of employee performance.

Leadership Style and Organizational Culture on Employee Performance at the Office of the D.I Yogyakarta Provincial Manpower and Transmigration Office

There was no significant influence between leadership styles on employee performance. The leadership style carried out at the Yogyakarta Provincial Manpower and Transmigration Office is an authoritarian leadership style where the leadership does not appreciate the potential that exists in each subordinate and does not want to listen to the advice of his subordinates. Even so, employee performance remains good, this is likely due to the organization's compensation and commitment to employee performance that causes any leadership style to have no significant effect on employee performance. Then in the research Cahyani et al. (2021) stated that organizational culture has a positive and significant effect on employee performance, the better the organizational culture, the better the employee performance. The organizational culture at the Manpower and Transmigration Office in Yogyakarta implements a culture of healthy competition between employees and is encouraged to think creatively so that employee performance is good.

CONCLUSION

Based on the systematic literature review, transformational leadership style was found to improve employee performance by creating a comfortable work environment, fulfilling employees' needs, and motivating them, which often led to greater rewards and enhanced performance. Additionally, a significant positive relationship was identified between organizational culture and employee performance, indicating that a stronger, well-developed culture contributes to better employee outcomes. Future research should explore how different combinations of leadership styles and organizational cultures interact across various industries to further optimize employee performance.

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