

IMPACT OF LEADERSHIP STYLE ON SME'S PERFORMANCE IN MALAYSIA

Md. Ibrahim Khalil *

MBA Student, FBFAH,

MAHSA University, Malaysia

Email: mbaf19066254@mahsastudent.edu.my

&

Dr. Rasheedul Haque

Supervisor, Associated Professor

MAHSA University, Malaysia

Email: rasheedul@mahsa.edu.my

ABSTRACT

This study has investigated the effects of leadership styles on organizational performance in small-scale enterprises in Malaysia. The major objective was to determine the effect of leadership styles on performance in small-scale enterprises. Charismatic leadership, Transformational leadership, Visionary leadership, and Culture-based leadership styles were considered in this study. On the other hand, SME performance was measured by financial performance, business performance and organizational effectiveness. This study has provided deep insights into the leadership styles; the transformational, charismatic, visionary and culture-based leaderships have a positive impact on the organizational effectiveness, and financial and business performance, however, the culture-based leaderships, charismatic and transactional leaderships do not impact the business performance, as it does not provide opportunities and freedom to employees. Culturally based leadership, transformation leadership and transactional leadership do not have any significant influence on organizational effectiveness and financial performance. Both primary and secondary research has been used in this investigation. Using a survey instrument, a survey questionnaire, and the quantitative technique, the main study was conducted. By reviewing previously published study materials, the secondary research was able to meet its goals. Those who conducted the research found a link between poor organizational performance and charismatic, transactional leadership styles. The efficiency of an organization was positively correlated with culturally-based approaches, on the other hand. An organization's leadership style should focus on enhancing the competencies and capacities of its employees. Analysis of diverse leadership styles and organizational performance has been developed using such human resource management strategies as development, motivation, enforcement, and transfer. To begin comparative research, this information might be useful. A new strategy for human resource management may be developed based on the results of this research on different leadership styles. A business's employees may be encouraged to exhibit their commitment to the organization via different leadership styles, which in turn will contribute to the overall success of the company.

Keywords: *Competencies, Effectiveness, Enterprises, Leadership, Significance, Visionary*

1. Introduction

Multiple problems confront an organization in a fiercely competitive climate. This means that a company's operational success has become the key focus for creating competitive advantages in strategy development (Abdul Manaf and Abdul Latif, 2014). In the past, businesses placed a high value on their bottom line. As a result, it should include non-financial metrics like quality and customer happiness, which may be used to assess an organization's operational success and build on its competitive advantages (Madanchian and Taherdoost, 2019). Research on leadership and performance revealed that most studies focused on the impact of leadership style, but few looked at how that style correlated with the organization's ability to deliver on its promise and its ability to meet its goals (Washington, 2017). An interesting point is that with the birth and dominance of firm resource-based perspectives, human resources have been seen as an additional significant aspect for an organization to acquire competitive advantages and achieve organizational goals; (Akmal Mundiri IAI, 2016; Hashim *et al.*, 2018). As a result, human resource management strategy has emerged as a major growing concern since 1980 (Singh *et al.*, 2019). On top of that, the HR strategy still adheres to the notion that "decision-making about a strategy must be done before the strategy of execution."

1.1. Research Problem

As a small business, profitability and maturation/liquidity status are two of the most critical objectives. Businesses must choose between competing demands for limited resources in order to meet these objectives. A healthy economy and a well-functioning society rely on the efforts of those who work in these fields every day. According to Unamaka (1995), the success of this process in most Nigerian small-scale settings is highly reliant on the availability and access to people, money and equipment and the capacity to make their products and services accessible to their local neighborhood and the country at large (Uchenwamgbe and PrincePh, 2013). Additionally, managers must understand and adopt an appropriate leadership style so that their staff can help the firm succeed as a whole. That's why leadership style has a big influence on the company's ability to efficiently mobilize, allocate, use, or develop its resources (Soomro, Shah and Mangi, 2019).

SMEs in Malaysia are critical to the country's economic well-being and are frequently referred to as growth engines for the country's economy (Son, 2018); (Bojadjev, Hristova and Mileva, 2019). There were 90% of small and medium-sized enterprises (SMBs), accounting for 32% of the country's GDP and 19% of its exports (Madanchian and Taherdoost, 2019; Personal and Archive, 2020). The contributions of one's coworkers are taken into consideration when a transactional leadership style is used by a leader (Astein, 2016; Charles, Jonas and Patience, 2021). Transformational leadership requires a leader's ability to perceive the need for change, define goals, and offer direction in the direction of that change (Akmal Mundiri IAI, 2016). Transformational leaders aggressively attempt to promote personal, collective, and organizational development beyond expectations while inspiring a sense of purpose in their followers (Abdul

Manaf and Abdul Latif, 2014; Hashim et al., 2018). Passive-avoidant leadership, as defined (Charles, Jonas and Patience, 2021), is similar to "do-nothing leadership" (Bojadjiev, Hristova and Mileva, 2019).

2. Literature Review

2.1. SME performance

In the context of business performance, a collection of performance management and analytic tools are used to fulfill one or more pre-selected objectives for a company. A business process management technique may be used to manage corporate performance. Data can help businesses improve their techniques of reaching their objectives by monitoring the methods they now employ and then utilizing that data to uncover new and better approaches. Ever since businesses started, the concept of closely monitoring their internal workings in order to devise more efficient ways of achieving their objectives has been around (Alamgir and Banerjee, 2019). Even the greatest warriors of ancient China were aware of the need of keeping an eye on things and making adjustments depending on what they learned. With business performance management (BPM), the process of monitoring and accomplishing company objectives were made more efficient (Hayduk and Littvay, 2012; Islam *et al.*, 2020).

All of these measures come under the umbrella of management policies, which outline how the company's top brass distributes money to specific projects. Thus, rather than reflecting market response, these indicators are a reflection of internal management performance and decision-making ability. If you're interested in learning more about the research on this topic,

In the early 1900s, (Debenedetti, 1997) used financial ratios and budget management approaches to establish performance assessment, which has been in use for 80 years. Businesses in the 1980s were also judged on the basis of non-financial factors (Shrotryia and Dhanda, 2020).

"The process of supporting individual and communal efforts to understand and convince others to grasp what is to be done and how, as well as the common objectives," says (Tannenbaum and Yukl, 1992). Leadership entails influencing people in order to achieve a common objective (Personal and Archive, 2020). A person must possess a broad variety of personal and interpersonal characteristics in order to be a great leader. How much time and effort are they willing to invest into their company's success may be used as a measure of their leadership effectiveness. For workers, the actions of corporate leaders who display a willingness to compromise, as shown by their own conduct, have importance for them. Leaders' activities directly affect the well-being and health of society. Scholars were intrigued by the organization's leader's decision to forgo work and the possible consequences of this (Hamric, 2012).

2.2. The dimensions of the organizational performance

Successful businesses are those that can successfully pursue strategies that help them realize their organizational goals. This means that a company's success is dependent on its capacity to effectively pursue these strategies. Due to this, research focusing on organizational performance has been an essential topic for management scholars since the capacity of organizations to evolve and expand is reliant on their performance (Farrukh, Lee and Shahzad, 2019; Mahmood *et al.*, 2019). When it comes to an organization's overall effectiveness, its aptitude and expertise in executing initiatives is what matters most. Leadership readiness and organizational culture are critical to an organization's performance (Kumar and Sharma, 2018; Ul-Hameed *et al.*, 2019; Oksa *et al.*, 2021). A company's success will be shaped by the beliefs and values of its executives. To account for the diversity of perspectives on the subject, there are several definitions of "organizational performance." It is essential to an organization's long-term viability that all processes and activities be measured in terms of organizational performance.

These measurements are linked to management policies: the approach used by the management to allocate funds to all initiatives. Because of this, the metrics are a reflection of internal management performance and decision-making abilities rather than an external market reaction (Kumar and Sharma, 2018; Abasilim, Gberevbie and Osibanjo, 2019). When it comes to the ultimate determiner of value, nonfinancial performance indicators, Chavan (2009) criticizes SMEs for relying too much on financial success. Overly dependent on financial performance, small- and medium-sized business owners (SMEs) tend to concentrate on the consequences of previous activities rather than on the causes that led to success.

2.3. Culture-based leadership

As the basis for all other leadership styles, cultural leadership is possibly its most important role (Iansiti and Clark, 1994; Gong, Zhou and Chang, 2013). It's still possible that "even when a phrase 'cultural leadership' is employed (Iansiti and Clark, 1994; Gong, Zhou and Chang, 2013) it typically refers to a set of behaviors that respond exclusively to the organizational culture of the school" (Ensley, Hmieleski and Pearce, 2006).

However, in the 1990s, very few researchers investigated leadership practice and preparation using culturally-based notions of language. Many practitioners in multicultural schools have been studied, for example (Chiang, Lemański and Birtch, 2017), and students in training programs have been studied, (Grimaldi *et al.*, 2011), but nothing else has been studied. Few in educational leadership had campaigned for the inclusion of a cultural viewpoint in educational leadership training by the middle of the next decade (Abdul Manaf and Abdul Latif, 2014; Hashim *et al.*, 2018; Personal and Archive, 2020).

- *H1- There is a significant relation of Culture-based leadership on SME Performance.*

2.4. Charismatic leadership

Leadership that is characterized by the capacity to energize and uplift others around them is known as charismatic leadership. Motivated employees are more likely to come up with innovative ideas if they have a compelling supervisor. As a result, the followers are fully dependent on the leader, and they have no direction after the leader leaves. Charismatic leaders exacerbate this problem by failing to train their people for the future. Leaders that use this kind of leadership style are likely to have "happy followers, but few future leaders." The company's long-term success may be negatively impacted as a consequence (Sawaeen and Ali, 2020). Their investigation indicated similar effects (Akonkwa *et al.*, 2022). To acquire quantitative information, researchers in Nigeria polled the employees of twenty different banks. Researchers found a link between charismatic leadership and poor organizational performance in their research. A lack of motivation for the employees does not inspire or motivate them sufficiently to provide the desired outcomes (Sawaeen and Ali, 2020).

- *H2- There is a significant relation between charismatic leadership on SME Performance.*

2.5. Transformational leadership

Individualism is not a trait of transformative leaders. Some leaders may be charismatic, which helps them inspire their staff, while others can address their employees' emotional needs or excite their minds, all of which make them excellent transformational leaders (Jinde *et al.*, 2021). There is a positive correlation between the quality of a leader's transformational influence and the quality of their followers' individual follower performance (Singh *et al.*, 2019). According to research, transformational leadership and the success of teams at the organizational level are favorably linked. Performance is the result of a person's talents, knowledge as well as motivation (Hashim *et al.*, 2018). Transformative leadership has been shown to improve the overall growth of its followers, according to the research undertaken by the writers cited above. Followers of transformational leadership have an intimate and rewarding connection with a person or organization. Followers are inspired to connect with a transformative leader by the leader's idealized and behavioral charisma (Tan *et al.*, 2020). Transformational leaders create an atmosphere in which their workers like coming to work, and as a result, their total performance improves. There is a favorable correlation between the effectiveness of a company and the quality of its leadership (Tan *et al.*, 2020). Transformational leadership has a major influence on the organization's success (Rehman, Mohamed and Ayoup, 2019).

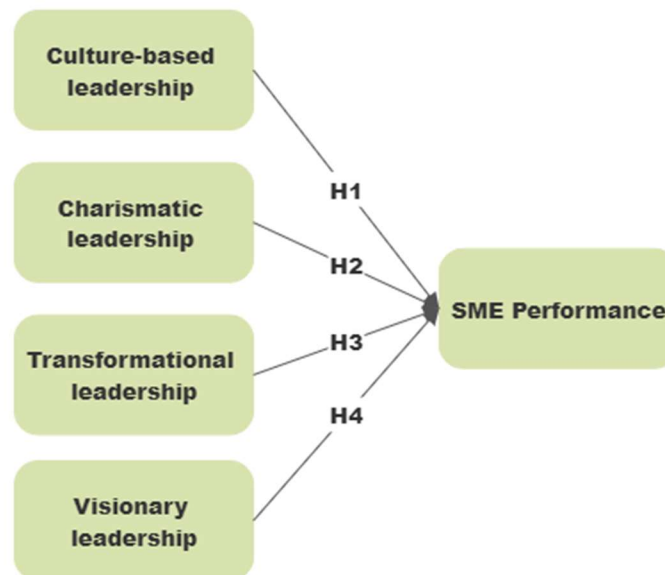
- *H3- There is a significant relation between Transformational leadership on SME Performance.*

2.6. Visionary leadership

Visionary leadership is necessary to guide the company on the proper path and help it reach its targeted goals and objectives if it is to fulfill its purpose and realize its vision (Alamgir and Banerjee, 2019). "Visionary leadership produces a positive vision of the future that stimulates organizational members and provides direction for future planning and goal attainment," Visionary leaders (Ekmekcioglu, Aydintan and Celebi, 2018), speak to the workers' souls and enable them to be a part of something larger than themselves (F-J Wang, S Chich-Jen, 2010). Unlike other leaders who see obstacles or failures, visionary leaders see only possibilities and optimism. One of the most important aspects of visionary leadership is the influence it has on subordinates' performance (Raziq *et al.*, 2018). This in turn raises the amount of confidence the subordinates have in their leaders and their devotion to the leader, as well as the overall level of teamwork. Because of this, every leader must be able to create a vision for the company and effectively convey it to all of its personnel (Akhter, Rutherford and Chu, 2019).

- *H4-There is a significant relation of Visionary leadership on SME Performance.*

2.7. Research Framework



3. Methodology

This study is a causal investigation since it focuses on the relationship between the independent and dependent variables. Malaysian SME leadership and performance will be examined as part of this study project. Analyzing the plan is a fundamental technique for connecting requests for speculative research with critical experience research (Thapayom, 2019). A new feature has been introduced to the site to ensure that social activities do not go awry. A quantitative approach is

appropriate for this study since it makes use of statistical data collected from employees to examine how leadership style influences performance. A structured questionnaire with preset response options and the usage of statistical and mathematical approaches are used in this study's quantitative inquiry method.

As a result of the data being gathered for a specific problem or topic being investigated, primary data were utilized in this study to elicit individual viewpoints and hence were more current than secondary data (Svensson *et al.*, 2021). There are 209 participants in this research, and they are surveyed in real-time using a standardized questionnaire. The researcher studies numerous forms of questions and examines a number of relevant factors, then meticulously answers the questions to create the questionnaire design in question (Rahman, 2016). Two types of questionnaires exist; those that are organized and those that aren't. Pre-defined and standard or identical questions are used in a structured questionnaire (Taghvaei and Hejazi, 2018). A structured question sets a restriction on the number of possible responses. No pre-determined questions are asked, and replies are basically open in the unstructured questionnaire. As part of this study, we used a structured survey to gather data using an inquiry approach. Structurally defined refers to the regularity of data collection procedures (Cadena Iñiguez *et al.*, 2017). In order to perform the survey, it was done on its own. A self-administered survey is one in which the respondent completes his or her own survey form (Cadena Iñiguez *et al.*, 2017). A sample is a subsample of the population that should represent the whole group. Researchers may use sampling to estimate unknown population variables (Amoah and Jibril, 2020a). There are two options for sampling.

Researchers often employ convenience samples to gather large numbers of completed inquiries quickly and inexpensively, or because it is impossible to acquire a sample in a different manner (Amoah and Jibril, 2020b). It's also up to the interviewer to choose from the list of handy components, which includes 97 separate attempts (Thapayom, 2019). A sample framework is a catalog of all examples of qualifying units (Majhail *et al.*, 2015). This study was not authorized because the sample framework does not apply to the unanticipated sampling techniques used in this project.

The sample size refers to the total number of items that will be examined for this particular research (Cadena Iñiguez *et al.*, 2017). This study will be more reliable and consistent if it uses samples from a specific target population (Asiamah, Mensah and Oteng-Abayie, 2017). It is recommended that at least 200 people participate in a PLS-SEM study (Gronholm *et al.*, 2017). A sample size of between 30 and 500 is recommended by Roscoe (1975) for an analytical survey in order to catch basic errors early. A total of 209 surveys were used to gather information.

Predictive models may use PLS-SEM to evaluate several factors at once (Majhail *et al.*, 2015). As a second multigeneration data analysis approach, structural equation modeling (SEM) is used in marketing research because it allows the examination of logically supported linear and additive causal models (Gronholm *et al.*, 2017; Cumbras-Sánchez *et al.*, 2019). It is possible to utilize SEM (route analysis) to identify a variety of link effects, including mediation (bootstrapping) and moderating (product indicator approach). A better way to test and refine this hypothesis would be

to use PLS or SEM. It is also supported by academic research and professional practice. It is also necessary to properly test hypotheses.

As a consequence of the PLS diSEM's solidity, Ringle, Wende and Will (2005) were able to test numerous connections, resulting in more accurate and dependable results than the method of covariance analysis. Lower sample size may be utilized for PLS instead of SEM in non-normal data (Chin, 1998). Smart PLS (Partial Least Squares, version 3.2.8) is used to analyze the data in this research. SPSS is used to gather data for PLS software (Statistical Social Science Package, version 25). After transforming the data using CVS, we next conducted our Smart PLS analysis.

4. Data Analysis

4.1. Demographics of the study

The majority of the participants in this research are female, with 61 women and 146 men making up the total of 209 participants. According to these statistics, the vast majority of Malaysian small and medium-sized business owners are men, which contrasts sharply with the country's 2019 national census results. Grouping the respondent's age categories for simplifications I have used 5 continuous scales, these are 16-25, 26-35, 36-45, 46-55, and 56+. Most of the respondents are between 26-35 age group in number 97, the second-largest category is 36-45 years in number 68, other is 16-25 or 39 people and 5 from 46-55 age group thought this respondent's group doesn't have anyone above 56+ years old. In tabulation 4.1, University graduate or Degree holds respondents are 60 and Diploma holding respondents are 21% plus 42 respondents are a high school, 69 are master's and 17 respondents have doctorated or out of a total of 209 respondents. According to 4.1 respondents are mostly associated with SMEs that are doing business in education number 90 out of 218, respondents from multimedia associated SMEs are 47, Hardware SMEs are 25, 19 and 24 are from Software and Network and Cyber security SMEs association ranked by the number of respondents in this study. Respondents indicated that 94 of the SMEs they are associated with are 3 to 5 years old, 70 indicated that their SME organizations are 3 to 5 years, less than 3 years old are 30, and only 3 are more than 20 years old organizations.

4.2. Construct Reliability

4.2.1. Cronbach's Alpha

Cronbach's Alpha	
SP	0.631
CBL	0.765

CL	0.723
TFL	0.801
VL	0.756

CL= Charismatic leadership, **TL**= Transactional leadership, **TFL**= Transformational leadership, **VL**= Visionary leadership, **CBL**= Culture-based leadership, **SP**= SME Performance

The alpha for Crunch, according to Nunnally's guidelines, ought to be at least 0.70. (1978). While some research showed that 0.600 was acceptable, other investigations indicated that multiple 0.600 (Gerrard, Cunningham, & Devlin, 2006). Because it's over 0.60, the Cronbach alpha is regarded as acceptable by Hair et al. (2014), Sureshchandar; Rajendran, and Anantharam. (2002). A plausible assumption is that this study's measurements are both accurate and dependable.

4.2.2. Assessment of the Construct Reliability

Route models comprise indicators and their corresponding constructions as part of the measurement model. PLS-SEM uses the term "outer models" to refer to measurement models (Hair et al., 2016). The validity of a measurement model should be examined by looking at the AVE and composite reliability ratings. The reusability of the indicator was evaluated utilizing outer and cross-loadings.

Construct	Outer Loading	rho_A	Composite Reliability	Average Variance Extracted
	SP	0.682		
SP	SP1	0.750	0.760	0.797
	SP2	0.329		
	SP3	0.612		
CBL	CBL1	0.874	0.816	0.893
	CBL4	0.923		
CL	CL1	0.587	0.740	0.816
	CL2	0.605		
	CL3	0.536		
	CL4	0.587		
	CL5	0.605		

	TFL1	0.681			
	TFL2	0.778			
TFL	TFL5	0.785	0.812	0.862	0.556
	TFL6	0.763			
	TFL7	0.718			
	VL1	0.771			
VL	VL2	0.710	0.795	0.792	0.537
	VL3	-0.467			
CL= Charismatic leadership, TFL= Transformational leadership, VL= Visionary leadership, CBL= Culture-based leadership, SP= SME Performance					

In order to get an accurate reading, many people use the outside loading measurement (Thapayom, 2019). With SmartPLS software 3.0, the classic PLS technique was used to determine component dependability and the average variation in time (AVE).

4.3. Assessment of the significant construct model

The literature review section of this research identified eight hypotheses to test. when all three of these variables are in the "normal" ranges, statistical significance is almost typically viewed as statistically significant t-values that are significantly different from zero (Thapayom, 2019). Statistical T-values for the data were obtained using PLS bootstrapping resampling with 1000 bootstrap samples.

The strength of the association between the independent and dependent variables, while the p value shows the significance of the relationship. In this way, the paths CBL -> SP, CL -> SP, TFL -> SP, VL -> SP have all been shown to be important.

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
CBL -> SP	0.162	0.159	0.049	3.274	0.001
CL -> SP	0.321	0.327	0.067	4.781	0.000
TFL -> SP	-0.213	-0.221	0.058	3.647	0.000
VL -> SP	-0.203	-0.207	0.064	3.169	0.002

CL= Charismatic leadership, TFL= Transformational leadership, VL= Visionary leadership, CBL= Culture-based leadership, SP= SME Performance

4.3.1. R square

This latent variable is influenced by both external and internal sources of latent information. There are a number of exogenous factors at play here, and their cumulative influence on variance explained is shown by this coefficient (Rigdon, 2012; Sarstedt, Ringle, Henseler, & Hair, 2014). A (R2) value of 1.5 percent is regarded accurate. PLS was used to determine the main effect model in this study's evaluation of the measurement model.

	R Square	R Square Adjusted
SP	0.360	0.347
SP= SME Performance		

4.3.2. Q square

In PLS modeling, the Stone-Geisser predictive relevance test is often used as an extra GOF measurement (Rahman, 2016). Predictive importance is shown by using Q2 as a measure of significance. This value is derived by blindfolding oneself and examining the estimates of parameters and the way values are created around a model, as stated by Hair et al (2016). A variable score was utilized to extract the cross-validated redundancy from the blindfolded output of PLS, which yielded the results. This cross-validation illustrates the model's capacity to predict endogenous variables and gives an explanation for the model's quality. Additionally, the model's endogenous reflective latent variables are blinded and their predictive importance is assessed by their Q2 value being greater than 0. The authors (Hair *et al.*, 2016).

	RMSE	MAE	Q²_predict
SP	0.927	0.728	0.160
SP= SME Performance			

Using a blindfolding procedure and a cross-validated redundancy technique, the Q2 value was obtained, as shown in the picture (Hair et al., 2016). The Q2 value is larger than zero, which indicates considerable predictive relevance (Hair et al., 2016).

4.3.3. Findings and Implication

Hypothesis	Path	SUPPORT
There is a significant relation between Culture-based leadership on SME Performance.	CBL -> SP	YES
There is a significant relation between charismatic leadership on SME Performance.	CL -> SP	YES
There is a significant relation between Transformational leadership on SME Performance.	TFL -> SP	YES
There is a significant relation between Visionary leadership on SME Performance.	VL -> SP	YES

CL= Charismatic leadership, TFL= Transformational leadership, VL= Visionary leadership,
CBL= Culture-based leadership, SP= SME Performance

5. Discussion

With $t= 3.274$ and $p= 0.000$, culture-based leadership has been shown to have a meaningful impact on SME performance. The results line up with those of (Homann *et al.*, 2022). As an example, the authors (Korkmaz, Özceylan and Özceylan, 2019) suggested that preparatory programs be reformed to emphasize a community-anchored culture, a concept that reflects an organizational culture defined by learning communities. However, (Asgari, Mezginejad and Taherpour, 2020) criticizes small and medium-sized enterprises (SMEs) for relying too much on financial success without taking into consideration other, more important factors.

There was a correlation between charismatic leadership and business success in this research, which had a $t= 4.781$ and $p=0.00$. Controversy arises from the results, which contradict (Kirkman *et al.*, 2009), the study's results might have a long-term detrimental impact on the functioning of a company (Al-Malki and Juan, 2018). Similar findings were found in their study as well.

The $t= 3.647$ & $p= 0.000$ indicates that this research was able to demonstrate a link between Transformational leadership and SME success. The findings support the hypothesis that followers are more likely to identify with a leader who exhibits the idealized and behavioral charisma of transformative leaders (Chen and Huang, 2010). As Transformative leadership affects an organization's overall performance.

There is a substantial structural relationship between visionary leadership and SME success, as shown by the survey's $t=3.169$ and $p=0.00$ results. The results are in line with those of the organization, which suggests that in order for the company to fulfill its goals and objectives, visionary leadership is essential (Ensley, Hmieleski and Pearce, 2006). Results are in accordance with the recommendation that the success of the leader is judged by multiple techniques in the context of objective financial criteria, such as sales and profit rates, return on investment, market share, or stakeholder feedback.

5.1. Implication of the Study

According to the conclusions of the study, the corporate management climate has worsened in recent years, and new methods of organizational development are frequently necessary. Since the external world is always changing, firms are searching for leaders that can adapt their organization's strategy and culture in response, making it more flexible. You can be sure that a company expects dynamic and imaginative CEOs to have the confidence and ability to convey their ideas. Employees who are motivated by their bosses' leadership styles are more likely to put in more effort themselves. Organizational performance may be improved by altering the leadership style of the company. To a large number of experts, overspecialization and division of labor may result in an unenjoyable working environment. It's critical for leaders to build a charismatic leadership style that deviates from standard patterns and inspires employees to go above and beyond their job descriptions, as well as an incentive system that motivates them to work hard and think beyond the box. Disgruntled workers may act in ways that differ from accepted norms and standards, or even fall well short of them numerically. The transference technique of job relocation, disciplinary management, or tutorial interviewing may be used to apply it via human resources management (HRM). Employees are a company's most important asset. In today's highly competitive market, it is critical to have the correct set of skills to succeed. Incentive and career advancement systems may be used by a corporation dealing with a large number of workers who have high working capacities in order to meet the company's objectives. For this study's results, the literature review and data analysis procedure is not only accurate but can also be implemented in practice, as shown. It is thus important for businesses to follow the results of this study when planning their human resources strategy. An exhaustive literature analysis, conceptual framework, assumptions and inferences, as well as a questionnaire survey, were all used to validate the conclusions of this study. Analysis of diverse leadership styles and organizational performance has been developed using such human resource management strategies as development, motivation, enforcement, and transfer. To begin comparative research, this information might be useful. A new strategy for human resource management may be developed based on the results of this research on different leadership styles. A business's employees may be encouraged to exhibit their commitment to the organization via different leadership styles, which in turn will contribute to the overall success of the company. 'Thus, it serves as a theoretical and practical foundation for future study.

6. Conclusion

Some limitations of this research were noted in this study that gave an intriguing occurrence for firms based on the sort of culture they use.

- This study was unable to capture the emergence of the local coffee shop business due to a small number of respondents.
- There was no evidence of Market culture's predominance among SMEs in this study.

- Only the organizations' founders provided the information used in the study.
- When translating the questionnaire into Malay, the English version might be used.

According to the findings, an organization's success may be influenced by how effectively its leaders lead, as well as whether these two elements work together. Transformational, charismatic, culturally-based, and visionary leadership styles were among the most popular. According to this study, the success of an organization may be favorably or adversely influenced by its leadership style. For a leadership style to be successful, employees must be given chances and a sense of belonging, as well as the ability to take part in decision-making. Transformational and democratic leadership styles may be used to boost organizational performance in this scenario. Researchers have shown that leadership styles have a significant impact on the performance of a firm.

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