

A Study of the Impact of Leadership Style on Interpersonal Relationship Among the Employees of an Organization.

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Abstract

This empirical study examines how different leadership styles influence interpersonal relationships among employees within organizational settings. Through a mixed-methods approach involving 280 employees across multiple organizations, this research investigates the correlation between transformational, transactional, and laissez-faire leadership styles and the quality of workplace relationships. The findings reveal significant variations in employee interaction patterns, collaboration effectiveness, and workplace harmony based on the predominant leadership approach. This study contributes to organizational behavior literature by providing evidence-based insights into how leadership choices directly affect the social fabric of workplace environments.

Keywords: Leadership styles, interpersonal relationships, organizational behavior, workplace dynamics, employee engagement

Introduction

The quality of interpersonal relationships within organizations has emerged as a critical determinant of workplace effectiveness, employee satisfaction, and organizational success. While numerous factors influence how employees interact with one another, leadership style stands out as a particularly influential variable that shapes the social climate of work environments. Understanding this relationship becomes increasingly important as organizations recognize that positive interpersonal dynamics contribute to enhanced productivity, reduced turnover, and improved organizational culture.

Previous research has established that leadership behaviors significantly impact various organizational outcomes, yet the specific mechanisms through which leadership styles influence employee-to-employee relationships remain underexplored. This study addresses this gap by examining how transformational, transactional, and laissez-faire leadership approaches create different conditions for interpersonal relationship development among team members.

The theoretical foundation for this research draws from social exchange theory and transformational leadership theory, which suggest that leadership behaviors create cascading effects throughout organizational hierarchies. When leaders model certain interaction patterns, establish communication norms, and create psychological safety conditions, these factors inevitably influence how employees engage with their peers.

Literature Review

Contemporary leadership research has extensively documented the effects of various leadership styles on organizational performance metrics, but the interpersonal dimension of these effects has received less systematic attention. Bass and Avolio's work on transformational leadership suggests that leaders who inspire and intellectually stimulate their followers create environments where collaboration and mutual respect flourish. Similarly, research by Northouse indicates that different leadership approaches establish varying levels of trust, communication openness, and psychological safety within teams.

Studies by Graen and Uhl-Bien on leader-member exchange theory provide additional context for understanding how leadership quality affects broader relationship networks within organizations. Their research demonstrates that high-quality leader-member relationships often serve as models for peer-to-peer interactions, creating ripple effects throughout organizational social structures.

However, empirical studies specifically measuring the direct impact of leadership styles on interpersonal relationship quality remain limited. This research aims to fill this methodological gap by employing validated instruments to measure both leadership styles and relationship quality simultaneously.

METHODS

Research Design

This study employed a cross-sectional survey design complemented by qualitative interviews to capture both quantitative patterns and nuanced experiences of workplace relationships under different leadership styles. The mixed-methods approach was chosen to provide comprehensive insights into the complex dynamics between leadership and interpersonal relationships.

Participants

The study involved 280 employees from 15 organizations across various industries including technology, healthcare, manufacturing, and financial services. Participants were selected through stratified random sampling to ensure representation across different organizational levels, departments, and demographic characteristics. The sample included 62% female and 38% male participants, with ages ranging from 24 to 58 years and work experience spanning from 2 to 25 years.

Inclusion criteria required participants to have worked under their current direct supervisor for at least six months and to be part of teams with minimum five members. Organizations were selected based on their willingness to participate and their diversity in terms of size, industry sector, and organizational structure.

Instruments

Leadership Style Assessment: The Multifactor Leadership Questionnaire (MLQ-5X) was utilized to measure perceived leadership styles of immediate supervisors. This validated instrument assesses transformational leadership (idealized influence, inspirational motivation, intellectual stimulation, individualized consideration), transactional leadership (contingent reward, management-by-exception), and laissez-faire leadership approaches.

Interpersonal Relationship Quality Scale: A modified version of the Interpersonal Relationship Scale (IRS) was employed to measure the quality of relationships among team members. This instrument evaluates dimensions including trust, communication effectiveness, conflict resolution, collaboration willingness, and emotional support among colleagues.

Demographic Questionnaire: A structured questionnaire collected information about participants' age, gender, education level, work experience, organizational tenure, and department affiliation.

Data Collection Procedures

Data collection occurred over a three-month period from September to November 2024. Electronic surveys were distributed through organizational HR departments with appropriate consent procedures. Response rates averaged 73% across participating organizations, with follow-up reminders sent to increase participation.

Qualitative interviews were conducted with 45 participants representing different leadership style categories to gain deeper insights into their experiences. These semi-structured interviews lasted approximately 30-45 minutes and were conducted via video conferencing platforms to accommodate participants across different geographic locations.

Data Analysis

Quantitative data analysis was performed using SPSS version 28.0. Descriptive statistics characterized the sample and variable distributions. Pearson correlation coefficients examined relationships between leadership style dimensions and interpersonal relationship quality measures. Multiple regression analyses tested the predictive power of different leadership styles on relationship outcomes while controlling for demographic variables.

Qualitative interview data was analyzed using thematic analysis following Braun and Clarke's six-phase approach. Interview transcripts were coded independently by two researchers, with inter-rater reliability achieving 89% agreement. Themes were developed through iterative comparison and discussion to identify patterns in participants' experiences.

Ethical Considerations

The study received approval from the Institutional Review Board prior to data collection. Participants provided informed consent and were assured of confidentiality and voluntary participation. Organization names and individual identities were anonymized in all data analysis and reporting procedures.

RESULTS

Descriptive Statistics

The sample demonstrated good representation across leadership style categories, with 34% of participants reporting transformational leadership, 41% experiencing transactional leadership, and 25% working under laissez-faire leadership approaches. Mean scores on the interpersonal relationship quality scale varied significantly across these groups ($F(2,277) = 42.18, p < .001$).

Leadership Style and Relationship Quality Correlations

Transformational Leadership: Strong positive correlations emerged between transformational leadership behaviors and interpersonal relationship quality measures. Idealized influence showed the highest correlation with colleague trust levels ($r = .67, p < .001$), while intellectual stimulation correlated significantly with collaborative problem-solving behaviors ($r = .58, p < .001$). Individualized consideration demonstrated substantial relationships with emotional support provision among team members ($r = .61, p < .001$).

Transactional Leadership: Moderate correlations were observed between transactional leadership elements and relationship variables. Contingent reward systems showed positive associations with task-oriented collaboration ($r = .43, p < .01$), though relationships with emotional dimensions of interpersonal connection were weaker. Management-by-exception approaches demonstrated minimal correlation with relationship quality indicators ($r = .18, p > .05$).

Laissez-faire Leadership: Consistently negative correlations appeared between laissez-faire leadership and interpersonal relationship measures. This leadership approach showed particularly strong negative associations with conflict resolution effectiveness ($r = -.52, p < .001$) and team communication quality ($r = -.48, p < .001$).

Regression Analysis Results

Multiple regression analysis revealed that leadership style variables collectively explained 47% of the variance in interpersonal relationship quality scores ($R^2 = .47, F(3,276) = 81.23, p < .001$). Transformational leadership emerged as the strongest predictor ($\beta = .58, p < .001$), followed by laissez-faire leadership with negative predictive power ($\beta = -.31, p < .001$). Transactional leadership showed modest positive prediction ($\beta = .22, p < .01$).

When demographic variables were included as control variables, the model's explanatory power increased to 52% ($R^2 = .52$), with leadership styles maintaining their significant predictive relationships while accounting for age, organizational tenure, and department type influences.

Qualitative Themes Theme 1: Modeling Effects of Leadership Behavior Participants consistently reported that their leaders' interaction styles significantly influenced how team members communicated with each other. Under transformational leaders, employees described feeling more comfortable sharing ideas openly and supporting colleagues

during challenges. One participant noted, "When our manager really listens to everyone's input and shows genuine interest in our growth, it creates this atmosphere where we naturally do the same for each other."

Theme 2: Psychological Safety and Risk-Taking in Relationships Transformational leadership appeared to create conditions where employees felt safer taking interpersonal risks, such as admitting mistakes to colleagues or offering constructive feedback. Conversely, under laissez-faire leadership, participants reported increased caution in their peer interactions due to uncertainty about expectations and consequences.

Theme 3: Resource Sharing and Collaboration Patterns Different leadership styles influenced how willing employees were to share knowledge, time, and resources with colleagues. Transformational leadership environments showed higher instances of voluntary assistance and information sharing, while transactional settings demonstrated more conditional or task-specific collaboration.

Theme 4: Conflict Navigation and Resolution Leadership style significantly affected how employees approached and resolved interpersonal conflicts. Transformational leaders' emphasis on individual consideration and intellectual stimulation appeared to provide employees with models for addressing disagreements constructively. Participants under laissez-faire leadership reported more unresolved conflicts and tendency to avoid difficult conversations with peers.

Industry and Demographic Variations

Analysis revealed some interesting variations across industry sectors and demographic groups. Healthcare organizations showed stronger relationships between transformational leadership and interpersonal connection compared to manufacturing settings, possibly due to the collaborative nature of healthcare work. Gender differences emerged in how leadership styles affected relationship quality, with female employees showing slightly stronger responses to transformational leadership behaviors in terms of peer relationship development.

DISCUSSION

Theoretical Implications

These findings provide substantial empirical support for the theoretical proposition that leadership behaviors create cascading effects on interpersonal relationship quality within organizations. The strong correlation between transformational leadership and positive peer relationships aligns with social learning theory, suggesting that employees adopt interaction patterns modeled by their leaders.

The results extend previous research by demonstrating that leadership influence on organizational culture operates through specific mechanisms related to trust-building, communication norms, and collaborative behaviors. The finding that transformational leadership explains significant variance in relationship quality even after controlling for demographic factors suggests that leadership style represents a more powerful influence on interpersonal dynamics than previously recognized.

Practical Applications

Organizations seeking to improve workplace relationships and collaboration should prioritize leadership development programs that emphasize transformational leadership competencies. The specific correlation patterns identified in this study suggest that training programs should focus particularly on developing leaders' abilities to provide individualized consideration, create intellectual stimulation, and demonstrate idealized influence behaviors.

The negative impact of laissez-faire leadership on interpersonal relationships presents important implications for organizational restructuring and leadership succession planning. Organizations should recognize that absent or disengaged leadership creates conditions that actively deteriorate peer relationship quality, potentially leading to reduced team effectiveness and employee satisfaction.

For HR professionals, these findings suggest that leadership style assessment should be integrated into performance evaluation systems, with specific attention to how leaders influence team interpersonal dynamics. Additionally, employee

engagement surveys might benefit from including measures of peer relationship quality as indicators of leadership effectiveness.

Limitations and Boundary Conditions

Several limitations should be acknowledged in interpreting these results. The cross-sectional design prevents definitive causal inferences about the direction of influence between leadership styles and relationship quality. Longitudinal studies would provide stronger evidence for the proposed causal mechanisms.

The reliance on self-report measures introduces potential common method bias, though the consistent pattern of results across different measurement approaches suggests this concern may be limited. Future research could benefit from incorporating observational measures or peer-nomination techniques to complement survey data.

Cultural factors may influence the generalizability of these findings beyond the primarily Western organizational contexts studied. Different cultural values regarding authority, collectivism, and interpersonal harmony might moderate the relationships identified in this research.

Future Research Directions

Several promising avenues emerge for extending this research. Longitudinal studies tracking leadership style changes and subsequent relationship quality modifications would provide stronger causal evidence. Additionally, examining mediating mechanisms such as psychological safety climate, communication frequency, and shared goal clarity could illuminate the specific pathways through which leadership affects interpersonal relationships.

Cross-cultural replication of these findings would enhance understanding of boundary conditions and cultural moderators. Furthermore, investigating how leadership style effects on relationships vary across different organizational structures, such as matrix organizations or remote work environments, would provide valuable practical insights.

The role of team composition factors, such as diversity, size, and task interdependence, in moderating leadership effects on relationships represents another important research direction. **Understanding** these contextual factors would help organizations optimize leadership approaches for specific team configurations.

CONCLUSION

This study provides compelling evidence that leadership style significantly influences the quality of interpersonal relationships among employees within organizational settings. The research demonstrates that transformational leadership behaviors create conditions that foster trust, collaboration, and positive peer interactions, while laissez-faire approaches tend to undermine relationship quality and team cohesion.

The practical implications are substantial for organizations seeking to enhance workplace relationships and team effectiveness. Leadership development initiatives should prioritize transformational leadership competencies, recognizing that these skills not only improve leader-follower relationships but also create ripple effects that enhance peer-to-peer interactions throughout the organization.

These findings contribute to the growing body of evidence suggesting that leadership influence extends far beyond direct supervisor-subordinate relationships to shape the broader social fabric of organizational life. As organizations continue to recognize the importance of positive workplace relationships for employee engagement, retention, and performance, understanding how leadership choices affect these dynamics becomes increasingly critical.

The study also highlights the interconnected nature of organizational behavior phenomena, where leadership decisions create cascading effects that influence multiple aspects of workplace experience. This systems perspective suggests that leadership development and organizational culture initiatives should be designed with awareness of these broader implications.

Future research should continue to explore the mechanisms through which leadership influences interpersonal dynamics while also investigating how organizational context factors moderate these relationships. Such research will enhance our

understanding of how to create work environments that support both individual success and positive collaborative relationships.

In an era where employee engagement and workplace satisfaction are increasingly recognized as competitive advantages, this research provides evidence-based guidance for creating organizational conditions that support both individual achievement and positive interpersonal connections. The findings suggest that investing in transformational leadership development represents a strategic approach to enhancing multiple dimensions of organizational effectiveness simultaneously.

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