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Examining multiple leadership styles and their influences on employee outcomes in the Auckland workplace: A mediation study

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ABSTRACT

BACKGROUND: In recent years, cultural diversity has been significantly increasing in the New Zealand workplace, particularly in the Auckland region. It is a concern that cultural diversity may lead to a decrease in beneficial outcomes such as job satisfaction, and an increase in detrimental outcomes such as turnover intentions. This research explores the role of multiple leadership styles to best determine which leadership style or styles are most influential on enhancing employee outcomes.

OBJECTIVE: This study tests the influences of five leadership styles (collaborative, authentic, participative, supportive, and instrumental) on employee outcomes (job satisfaction, organisational commitment, turnover intentions, emotional exhaustion, cynicism, and cultural wellbeing) through the mediating role of perceived organisational support (POS).

METHOD: A quantitative research method was adopted. An online and physical survey was used to collect data across Auckland. The sample consisted of 212 employees in culturally diverse organisations in Auckland. Hierarchical regression analysis was conducted using the Statistical Package for Social Sciences (SPSS) version 17.0 to test the direct effects of leadership styles and the potential mediating effects of POS.

RESULTS: Significant associations were found between all leadership styles and the six employee outcomes. The five leadership styles account for 39% of
the total variance for job satisfaction (p< .001), 22% for organisational commitment (p< .001), 19% for turnover intentions (p< .001), 23% of the total variance for emotional exhaustion (p< .001), 39% of the total variance for cynicism (p< .001), and 28% of the total variance for cultural wellbeing (p< .001). However, regression analysis showed that authentic leadership was the dominant predictor, with collaborative leadership also important to a much lesser extent. Overall, these findings show that leadership styles do play an important and sizeable role in understanding the outcomes explored in this study.

In addition, POS was also found to significantly mediate the relationship between leadership styles and employee outcomes. POS mediates the influence of collaborative and authentic leadership on job satisfaction; the influence of authentic leadership on organisational commitment; the influence of authentic leadership on turnover intentions; the influence of authentic leadership on emotional exhaustion; the influence of collaborative and authentic leadership styles on cynicism, and the influence of collaborative leadership on cultural wellbeing. Overall, POS was found to be a consistent mediator of the influence of leadership styles on the employee outcomes tested here.

CONCLUSIONS: Leadership styles, in particular authentic leadership and collaborative leadership, have positive influences on beneficial employee outcomes (job satisfaction, organisational commitment and cultural wellbeing), and significant and negative influences on detrimental employee outcomes (turnover intentions, emotional exhaustion and cynicism) in ethnically diverse
organisations. In addition, POS was found to be an important mediating variable for leadership styles and employee outcomes. Overall, despite being significantly correlated, there was no statistically significant influence from supportive, participative, or instrumental leadership towards any of the employee outcomes tested here. In addition, it is interesting to find that authentic leadership is more influential on employee outcomes than collaborative leadership. However, collaborative leadership is the only leadership style that has a positive influence on cultural wellbeing. Limitations and suggestions for research are discussed.
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