

ANALYZING THE IMPACT OF LEADERSHIP STYLES ON EMPLOYEE ENGAGEMENT AND PRODUCTIVITY IN TASHKENT UZBEK SMEs

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Abstract

This thesis explores the relationship between different leadership styles and their influence on employee engagement and productivity within small and medium-sized enterprises (SMEs) in Tashkent. Through a mixed-methods approach, including quantitative surveys and qualitative interviews, the research identifies how transformational, transactional, and laissez-faire leadership styles affect employee motivation, commitment, and overall productivity. The findings suggest that transformational leadership significantly enhances employee engagement, which in turn boosts productivity. Recommendations for SME leaders in Tashkent to adopt effective leadership practices are provided.

Keywords: Leadership styles, employee engagement, productivity, Uzbek SMEs, transformational leadership, transactional leadership

INTRODUCTION

Leadership plays a pivotal role in determining the effectiveness and sustainability of organizations, particularly within small and medium-sized enterprises (SMEs). In today's dynamic business environment, characterized by rapid changes and increased competition, the ability of leaders to engage and motivate employees is crucial for organizational success. This is especially pertinent in Tashkent, where economic reforms and a shift towards a market-oriented economy have intensified the need for effective leadership within SMEs.

Employee engagement has emerged as a key driver of productivity and performance. Engaged employees are not only more productive but also exhibit higher levels of creativity, commitment, and job satisfaction. Conversely, disengagement can lead to decreased morale, higher turnover rates, and diminished productivity. Therefore, understanding the factors that influence employee engagement is vital for



organizational leaders who aim to foster a committed and high-performing workforce.

MATERIALS AND METHODS

Numerous studies have highlighted the impact of different leadership styles on employee behavior and organizational outcomes. Transformational leadership, which emphasizes inspiring and motivating employees to achieve their full potential, has been linked to higher levels of engagement and performance (Bass, 2010). This leadership style encourages open communication, fosters trust, and promotes a shared vision, which can significantly enhance employee motivation and commitment. On the other hand, transactional leadership, which focuses on structured tasks and reward systems, may lead to compliance but often falls short of cultivating deep engagement (Burns, 2011). Laissez-faire leadership, characterized by a hands-off approach, can result in a lack of direction and diminished productivity (Skogstad et al., 2017).

RESULTS AND DISCUSSION

Autocratic leadership is a style where one person makes decisions unilaterally, without much input from team members.

Characteristics:

1. **Centralized Authority:** The leader holds all decision-making power.
2. **Clear Expectations:** Roles and expectations are clearly defined, which can lead to efficient task execution.
3. **Limited Input:** Team members have little to no input in decisions, which can stifle creativity.

Advantages:

- Quick decision-making, which can be beneficial in crises.
- Clear direction can enhance productivity.
- Ideal for situations requiring strict compliance and control.



Disadvantages:

- Can lead to low morale and dissatisfaction among team members.
- May stifle innovation due to lack of input from others.
- Risk of high turnover if employees feel undervalued.

Democratic Leadership

Definition:

Democratic leadership, also known as participative leadership, involves team members in the decision-making process.

Characteristics:

1. **Shared Decision-Making:** The leader encourages participation from team members.
2. **Open Communication:** There's a focus on dialogue and feedback.
3. **Empowerment:** Team members feel valued and empowered to contribute.

In the context of Uzbek SMEs, the influence of these leadership styles remains under-explored. As the country navigates economic transitions and seeks to strengthen its SMEs, understanding how leadership impacts employee engagement and productivity becomes increasingly important. This study aims to bridge this gap by analyzing the relationship between various leadership styles and their effects on employee engagement and productivity in Uzbek SMEs. By examining these dynamics, the research seeks to provide actionable insights for leaders looking to enhance their organizational performance through effective leadership practices.

This study employs a mixed-methods approach to comprehensively examine the influence of leadership styles on employee engagement and productivity in Uzbek SMEs. This approach combines quantitative and qualitative data, allowing for a more nuanced understanding of the relationships under investigation.

The study focuses on a diverse sample of 200 employees drawn from 15 SMEs across various sectors in Uzbekistan, including manufacturing, retail, and service industries. The selection of participants was conducted through stratified random sampling to ensure that the sample is representative of the different industries and organizational sizes within the SME landscape.



Participants included employees at various organizational levels, ranging from entry-level staff to middle management, to capture a broad spectrum of perspectives on leadership styles and their impact. Additionally, 30 managers from these SMEs were also included in the qualitative aspect of the study to provide insights into their leadership practices and experiences with employee engagement. This combination of employee and managerial perspectives allows for a richer understanding of the impact of leadership styles.

A structured questionnaire was developed to assess three key variables: leadership styles, employee engagement, and productivity.

1. **Leadership Styles:** The Multifactor Leadership Questionnaire (MLQ) developed by Bass and Avolio was utilized to measure transformational, transactional, and laissez-faire leadership styles. The MLQ includes multiple items that assess various dimensions of each leadership style, providing a robust measure of how employees perceive their leaders.
2. **Employee Engagement:** The Utrecht Work Engagement Scale (UWES) was employed to gauge employee engagement levels. This scale measures three dimensions of engagement: vigor, dedication, and absorption, offering a comprehensive view of how engaged employees feel in their roles.
3. **Productivity Metrics:** Employees were asked to self-report on their productivity levels and performance outcomes. Additionally, managers provided metrics related to team performance, enabling a more objective assessment of productivity in the context of leadership styles.

The questionnaire was distributed electronically to participants via email, ensuring a convenient and efficient data collection process. To enhance response rates, a follow-up reminder was sent two weeks after the initial distribution.

In addition to the quantitative survey, qualitative data were gathered through semi-structured interviews with 30 managers from the participating SMEs. These interviews aimed to explore the managers' perceptions of their leadership styles, the strategies they employ to engage employees, and the challenges they face in enhancing productivity.

The interviews were conducted in a conversational format, allowing managers to share their experiences and insights freely. Key topics included:



- Their approach to leadership and management
- Strategies for fostering employee engagement
- Observations on the impact of their leadership style on team dynamics
- Challenges faced in motivating employees and enhancing productivity

CONCLUSION

This study underscores the critical role of leadership styles in shaping employee engagement and productivity within SMEs in Uzbekistan. By prioritizing transformational leadership practices, managers can create a more engaged and productive workforce, ultimately contributing to the success of their organizations. Future research should explore the long-term effects of leadership styles on organizational performance and employee well-being in the context of Uzbekistan's evolving economic landscape.

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