

A REVIEW OF LEADERSHIP THEORIES AND THEIR RELEVANCE IN THE 21ST CENTURY

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Abstract

The current literature has a wide range of definitions, ideas, classifications, and explanations regarding leadership. Significant organizational and social study on leadership styles and behaviours has resulted from significant efforts to categorize and elucidate many aspects of active leadership. to determine which leadership theory style is more effective for improving organizational performance. These are the results of an analysis of previous research on leadership theories and organizational effectiveness. The definition and concept of leadership are briefly summarised in terms of theory, practice, and research at the outset. The following step is an examination of leadership concepts, principles, and approaches. A summary of current issues and possible fixes is included at the end of each section. The Great Man theory, trait theory, process leadership theory, style and behavioural theory, transformational, transactional, and fair leadership theory were among of the major concepts that surfaced during the 20th century.

Key Words: Leadership; leadership theories; behavioural theory; leadership styles.

Introduction

In 21st-century organizations, empowerment, assistance, and coaching work well, claim Sayed and Edgar (2019). This suggests that a leader's relationship with their followers must thrive by motivating people to realize their full potential and creating an environment that encourages motivation and positive interpersonal conduct. Command-and-control methods have given way to adaptable, cooperative, and, most importantly, transformative ones in 21st-century leadership. Emotional intelligence, digital fluency, and the capacity to negotiate complex, globalized situations are all necessary for effective modern leadership. Contingency theories for situational adaptation, servant leadership for empowerment, and transformational leadership for inspiration are important, pertinent theories.

Leadership Theories and 21st Century Relevance

Teahen (2019) claim that a number of leadership theories influence organizational work. Each theory has components that are particularly useful for contextualizing and actualizing organizational leadership. Transformational leadership is thought to be extremely important for encouraging creativity, motivating staff, and managing change. Its main goal is to motivate followers to put the organization's larger good ahead of their own interests. Because no single leadership style is effective in every situation, contingency/situational theory is highly applicable. Leaders have to adjust to surroundings that are complicated, varied, and changing quickly. Servant leadership places a strong emphasis on developing collaborative environments, empowering followers, and establishing trust. Transactional leadership, which

is frequently combined with transformational styles to produce a "full range" approach, is nevertheless useful for preserving stability and effectiveness in routine-driven operations.

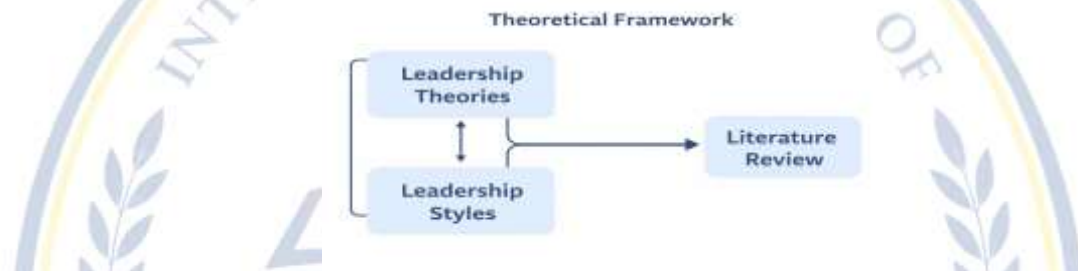
Contextual Demands of 21st Century Leadership

Change from Hierarchy: Rigid, top-down systems must give way to empowering teams, mentoring, and developing.

Adaptability and Complexity: Managing diverse, remote teams, technology shocks, and often worldwide market pressures are all part of the increased volatility that leaders must deal with.

Emotional Intelligence: According to the World Journal of Advanced Research and Reviews and this YouTube video, having high emotional intelligence is essential for establishing relationships, encouraging teamwork, and controlling interpersonal dynamics.

Strategic Vision: Rather of concentrating only on immediate, short-term tactical execution, leaders must embrace a long-term, visionary emphasis.



Limitations of Traditional Theories

Because it ignores environmental influences and presumes that leaders are born rather than created, trait theory is sometimes criticized for being overly simplistic. Behavioural theory may not fully address the complex, situational, and dynamic nature of contemporary, high-growth, or volatile sectors, despite its emphasis on actionable behavior.

Ultimately, a 21st-century leader must be transformational, emotionally intelligent, and flexible. They must be able to manage complexity while supporting their team members' growth. Business growth was hampered by the great men's obsolescence. "As time has gone on, another force has gained the upper hand: the great man, whose intelligence and vision allowed him to lead a developing organization with autocratic powers while delaying democratisation." It was also found that "a person does not become a leader merely by virtue of the possession of some combination of traits" (Samad, 2012). According to Khan et al. (2016) and Amabile, Schatzel, Moneta & Kramer (2004), roles, circumstances, contexts, culture, workplace, new laws and regulations, information overload, organisational complexity, and psycho-socio developments all have a significant impact on the concept of leadership. As a result, it adjusts to the organization's changing dynamics. To put it another way, the literature on leadership demonstrates that all of the ideas have been revised and enhanced over time by academics and experts, and none of them are out of date.

Literature Review

Among other early theories, the Great Man and trait theories focused on the intrinsic qualities of leaders. Later, behavioural and contingency theories emphasised situational factors and leadership styles. Modern leadership ideas including transformational, servant, authentic,

and ethical leadership all emphasise employee empowerment, motivation, and integrity. These modern approaches are very relevant in the twenty-first century, as businesses must deal with fast technology advancement, globalisation, and growing demands for moral and responsible leadership.

S.No	Leadership Theory	Year	Author(s)	Key Concept	Relevance in the 21st Century
1	Great Man Theory	1840s	Thomas Carlyle	Leadership is an innate quality possessed by great individuals.	Provides historical foundation but limited applicability in modern participative organizations.
2	Trait Theory	1930 – 1940	Gordon Allport, Ralph Stogdill	Leaders possess certain personality traits such as intelligence, confidence, and charisma.	Helps identify leadership competencies and personality traits required for modern leaders.
3	Behavioural Theory	1940 – 1950	Kurt Lewin, Ohio State & Michigan Studies	Leadership effectiveness depends on leader behavior rather than traits.	Encourages participative and democratic leadership styles suitable for knowledge-based organizations.
4	Contingency Theory	1967	Fred Fiedler	Leadership effectiveness depends on the situation and leader-member relations.	Relevant for dynamic business environments requiring flexible leadership approaches.
5	Situational Leadership Theory	1969	Paul Hersey & Kenneth Blanchard	Leaders should adapt their leadership style according to employee readiness and task complexity.	Useful for managing diverse and multi-skilled teams in modern organizations.
6	Transactional Leadership	1978	James MacGregor Burns	Leadership based on rewards, punishments, and performance monitoring.	Effective for maintaining structure, productivity, and short-term goals.
7	Transformational Leadership	1978 / 1985	James MacGregor Burns, Bernard Bass	Leaders inspire, motivate, and transform employees to achieve organizational vision.	Highly relevant for innovation, change management, and employee engagement.

8	Servant Leadership	1970	Robert K. Greenleaf	Leaders prioritize serving employees and supporting their development.	Promotes employee well-being, teamwork, and organizational trust.
9	Authentic Leadership	2003	Bruce Avolio & Fred Luthans	Leadership based on self-awareness, transparency, and ethical behavior.	Important for building trust and integrity in modern organizations.
10	Ethical Leadership	2005	Michael Brown, Linda Treviño	Leaders demonstrate ethical conduct and promote ethical behavior among employees.	Critical for corporate governance, sustainability, and responsible leadership.
Source: Compiled by the Researcher					

Poorna Perera, Thanuja Witharana, and Prabath Withanage (2021) a qualitative research strategy was used to start this investigation, which included integrating and interpreting secondary research data from earlier research papers. This essay affirms that the identification and application of suitable leadership philosophy and style are critical to the success of educational organisations. Gaining an understanding of a range of effective leadership strategies offers the chance to enhance the current school leadership by adopting and using their core concepts and methods. This theoretical study concludes that understanding the ideal leadership style or a combination of styles is crucial to achieving common goals, which ultimately results in the success of the business or school as a whole. This conclusion is based on the reliable literature that is currently available. **Zakeer Ahmed Khan, Dr. Allah Nawaz, and Irfanullah Khan (2016)** There are many definitions, theories, classifications, and explanations of leadership in today's literature. Considerable organisational and social study on leadership behaviours and styles has resulted from major efforts to categorise and elucidate various aspects of active leadership. Because concepts have evolved over time, practitioners have grown to embrace the notion that leadership is a dynamic, evolving process, with each new study building upon and seldom entirely discarding earlier findings. The Great Man theory, trait theory, process leadership theory, style and behavioural theory, transformational, transactional, and laissez-faire leadership theory were some of the major theories that developed during the 20th century. **Lutfi Isa Anshori and Diana Sulianti K. Tobing (2018)** discuss the latest theories in the study of transformative leadership in educational control. The management of this education focuses more on one of the human resources the principal's leadership beginning with an understanding of transformational leadership and its significance in educational management, particularly with reference to the principal's leadership in educational management. In order to improve the efficacy of educational activities in accomplishing educational objectives, educational leadership is a function and process that influences, leads, coordinates, and mobilises individuals.

The leadership perspectives of Indian Generation Z professionals were investigated by **Paramaguru, Bhattacharjee, Girotra, and Sairam (2025)**. According to their research,

which combines contemporary leadership theories with the Indian Knowledge System's tenets, young professionals favour leadership philosophies that prioritize empowerment, moral standards, and creativity. The study emphasizes the need for leadership strategies to change in order to satisfy the demands of the next generation of workers. **Lakra and Soni (2025)** carried out a thorough analysis of the most common leadership philosophies in India's business, educational, and non-governmental sectors. According to their research, Indian firms frequently use transformational, transactional, and servant leadership approaches. The authors also stress that in the Indian setting, cultural values, organizational structure, and socioeconomic considerations have a significant impact on leadership techniques. **Wongyanon S, Wijaya A, Mardiyono, Soeaidy M. (2015)** An analysis of how chief executive leadership styles affect local organisations' performance in Thailand (a case study of transformational, transactional, and laissez-faire leadership styles in Pattaya City, Laemchabang city municipality, and Chonburi provincial organization).

Leadership Styles

Transactional Leadership Style

According to research, transactional leadership works best when issues are straightforward and basic. Group members are discouraged by transactional leaders from being imaginative or developing original solutions to issues. If the objective is to finish particular tasks, it may also be useful in emergency situations. By assigning clear responsibilities to specific individuals, leaders may ensure that tasks are accomplished. Aghahowa (2021), Ekpenyong (2020), Ademola (2020), AbdulRahman et al. (2021), and Karacsony (2020) examined the connection between organizational performance and leadership styles in Hungarian small and medium-sized businesses; Singh et al. (2021) examined the role of the private sector in mediating the COVID-19 crisis and the predictive power of transactional and transformational leadership styles.

For transactional leaders, upholding the group's structure is crucial. They are responsible for setting clear expectations for group members, outlining the benefits of completing tasks successfully, outlining the repercussions of failing, and providing feedback intended to keep employees on track.

- 1. Extrinsic Motivation:** A transactional leader motivates their employees with cash, recognition, or praise. These leaders may become overly reliant on outside sources of inspiration even if the incentives don't attract the most creative and effective people.
- 2. Practicality:** This is one of a transactional leadership style's most defining traits. Transactional leaders take a realistic approach, taking into account all limitations and challenges.
- 3. Opposed to Change:** Transactional leaders may be hesitant to change because they depend on order. These executives are fixated on achieving the organization's objectives. As a result, instead of adopting novel concepts or tactics, they can try to preserve the status quo.
- 4. Conventional Decision Making:** Transactional leaders may suppress independent initiative in order to reduce risk. Everyone under their authority who fulfils requirements receives rewards. This entails regulating the mavericks and producing results.
- 5. Performance-Oriented:** The transactional leader monitors employee performance based on pre-established goals and targets. They are fast to identify when employees reach a

predetermined goal and will compensate them appropriately. Similarly, when an employee performs poorly, they are also aware of it and may reprimand or withhold awards.

6. Linear Thinking: Transactional leaders are successful in accomplishing organisational objectives within the limitations and established procedures. They frequently use unconventional thinking to address issues. Even though many people are quite good at doing repetitive tasks, they could find it difficult to come up with adaptable solutions.

7. Just-in-Time Management: Transactions are ephemeral by nature. Instead of actively looking for solutions, reducing risks, or spotting new opportunities, the transactional leader prefers to deal with problems as they come up. Leaders who place too much emphasis on measurements and the bottom line may become so detail-oriented that they lose sight of the wider picture.

8. Directive: The capacity to make decisions with authority is a fundamental component of the charter of transactional leaders. Under this leadership style, productive employees adhere to instructions and commands.

9. Structured: The transactional leader places a high priority on the organization chart, rules, and structure. Organisational hierarchies create a structure by placing leaders at the top and outlining the responsibilities and responsibilities of each job.

10. Individual Effort: Individual performers may find a transactional leader's motivational style most appealing. The leader's strict organisational structure may place less emphasis on teamwork in accomplishing more general organisational objectives, even though employees may be assigned to teams.

Transformational Leadership Style

Additionally, Bass proposed that transformative leadership consists of four distinct elements. The following are the four primary components of transformative leadership:

Intellectual stimulation: In addition to questioning the existing quo, transformational leaders foster their followers' innovation. The leader inspires followers to investigate innovative approaches and new learning opportunities.

Personalised attention: Supporting and motivating each individual follower is another aspect of transformative leadership. By maintaining open channels of communication, transformational leaders cultivate connections that are supportive. This allows followers to openly exchange ideas and helps leaders to promptly identify the distinctive contributions of each follower.

Motivating inspiration: Transformational leaders are able to communicate their own vision to their followers. Similar leaders might inspire others to pursue similar objectives with the same fervour and tenacity.

Idealized influence: Followers are inspired by the transformative leader. Followers imitate and internalise the leader's values because they respect and trust them. This kind of leader

Leadership Theories



typically leads devoted and successful teams. They put in a lot of effort and genuinely care about the team's success. Because transformative leaders can inspire a tremendous lot of dedication in their followers, turnover is usually fairly low.

Discussions

Over time, leadership theories have changed dramatically to accommodate shifts in globalization, workforce diversity, organizational structures, and technology. Digital transformation, remote work, globalization, and the need for innovation are just a few of the complex problems of the twenty-first century that call for adaptable and agile leadership styles. The examination of leadership theories demonstrates how traditional methods have progressively evolved into more modern, human-centered models.

Some people are born with leadership qualities, according to early theories of leadership like Great Man Theory and Trait Theory. According to these views, some qualities like intelligence, self-assurance, charm, and determination are innate in effective leaders. Although these methods aided in the early comprehension of leadership, they have drawbacks in the contemporary setting since they overlook situational elements and the contribution of followers to effective leadership. In the twenty-first century, leadership is viewed as a set of talents that can be acquired via education, training, and experience rather than being restricted to a small number of people with innate talent.

The mid-20th century saw the emergence of the Behavioural Leadership Theories, which changed the emphasis from characteristics to the actions of leaders. Leadership philosophies like democratic, autocratic, and laissez-faire were found by researchers. These views emphasized that how leaders engage with staff members and direct their actions determines how effective their leadership is. Because they foster employee engagement, creativity, and motivation, participative leadership styles are becoming more and more respected in contemporary firms. The knowledge-based workforce of the twenty-first century, where workers expect to be involved in decision-making, is particularly well suited to democratic leadership.

Situational and contingency leadership theories further highlighted the notion that there isn't a single leadership approach that works for everyone. Rather, situational elements including task difficulty, personnel capacity, and organisational environment impact a leader's efficacy. According to models like Hersey and Blanchard's Situational Leadership Theory and Fiedler's Contingency Theory, leaders must modify their approach based on the demands of the circumstance and the degree of employee preparedness. This flexibility is crucial in today's fast-paced business climate, as companies must contend with unstable market conditions and quick technical advancements.

The theories of transformational and transactional leadership have received a lot of attention in the last few decades. Transactional leadership is helpful in preserving organizational stability and effectiveness because it emphasizes prescribed duties, rewards, and performance monitoring. However, because it encourages workers to reach greater levels of enthusiasm, inventiveness, and dedication, transformational leadership has become especially pertinent in the twenty-first century. For businesses functioning in cutthroat and quickly evolving settings, transformational leaders are crucial because they promote creativity, cultivate a common vision, and create a robust organizational culture.

Additionally, principles, integrity, and employee well-being are emphasized by contemporary leadership philosophies including Servant Leadership, Authentic Leadership, and Ethical Leadership. While authentic leadership emphasizes openness, trust, and self-awareness, servant leadership concentrates on helping followers and fostering their growth. In order to solve corporate governance problems and preserve public confidence in firms, ethical leadership emphasizes the significance of moral principles and responsible decision-making.

In the twenty-first century, teamwork, emotional intelligence, diversity management, and technology awareness are all becoming more closely linked to leadership. It is required of leaders to lead firms through digital change, foster innovation, and oversee multicultural teams. Consequently, modern leadership models incorporate ethical responsibility, emotional intelligence, and flexibility as essential elements of successful leadership.

Overall, the examination of leadership ideas shows how leadership has changed from a trait-based viewpoint to one that is more situational, dynamic, and value-driven. While contemporary ideas tackle the complexity of modern organizations, traditional theories established the groundwork for understanding leadership. As a result, effective leadership in the twenty-first century necessitates a blend of several theoretical viewpoints, allowing leaders to modify their approach in response to organizational requirements, technological advancements, and the demands of the contemporary workforce.

Conclusion

Transformational leadership proponents are adamant that the arrangements of the past should not serve as a template for the future. They contend that successful transformative leaders develop compelling future visions. According to Bass, transformational leaders exhibit transactional traits in addition to concentrating their energies on vision, long-term goals, aligning and altering systems, and training and developing others. By embracing and putting into practice the fundamental ideas and leadership philosophies, the quality leadership tradition presents a fantastic chance to further improve management and leadership education policies and practices. Transformational leadership practices have a high average value. This demonstrates that it is appropriate to undertake transformational leadership. In general, this article covered many leadership approaches and styles, how they might be combined, and management techniques for the most effective approach. Therefore, it is important to properly bridge the gaps between leadership theories and practices since managers need to be well-versed in various leadership styles, their attributes, and their advantages. In today's global environment, inspiring, motivating, empowering, and guiding followers/group members through empathy to accomplish organisational goals through vision, big-picture thinking, adaptability, and initiating change are essential components of a leadership style and leadership development. After analysing leadership theories based on both novel and traditional concepts, the current study concluded that transformational leadership is the most effective strategy for a successful company. It is currently thought to be the most significant leadership concept that optimises an organization's productivity. Additionally, the literature research showed that executives should be trained largely in transformational leadership styles in order to enhance organisational performance.

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