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Leadership Styles and Human Resource Management: It's Impact on Employee Performance in Business Enterprises

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ABSTRACT

This study examined the influence of leadership styles and human resource management practices on employee performance in business enterprises in Malaybalay City and Valencia City, Bukidnon, Philippines. Recognizing that employees are the principal drivers of organizational productivity yet are continuously shaped by the leadership behaviors and human resource systems they experience, the research determined how workplace factors collectively relate to performance outcomes in local business contexts. Using a descriptive-correlational quantitative approach, data were gathered from 400 employee respondents through two-stage cluster sampling, with business enterprises as first-stage clusters and employees as second-stage sampling units, using a standardized questionnaire that captured the levels of leadership styles, human resource management practices, and employee performance. Findings revealed that all seven leadership styles examined were observed in the workplace, with Democratic Leadership most prominently practiced. Among human resource management practices, Recruitment, Selection and Placement was the most strongly applied, while Attendance was the most dominant dimension of employee performance. Pearson *r* correlation showed that leadership styles and human resource management practices are significantly and positively associated with employee performance, with human resource management practices recording a stronger overall association than leadership styles. These insights underscore the significance of cultivating participative leadership and structured human resource management systems to sustain employee performance and strengthen organizational competitiveness.

INTRODUCTION

Employee performance has become one of the most pressing concerns for businesses worldwide. Gallup (2025) reported that global employee engagement dropped to only 21 percent in 2024, costing the world economy approximately 438 billion U.S. dollars in lost productivity, which is nearly 9 percent of global gross domestic product. Zhenjing *et al.* (2022) found that poor work environments and inconsistent organizational systems weaken employees' productivity and output quality. These figures confirm that low employee performance is a global crisis threatening the competitiveness, profitability, and sustainability of enterprises across industries.

In the Philippine setting, weak employee performance is particularly evident among micro, small, and medium enterprises (MSMEs), which comprise more than 99 percent of all registered businesses and employ nearly two-thirds of the workforce (Department of Trade and Industry, 2024). Despite this dominance, Philippine MSMEs record significantly lower labor productivity, with microenterprises performing at only about ten percent the productivity of large enterprises (World Bank, 2023). Many enterprises also struggle with inconsistent work quality, frequent absenteeism, and weak team

collaboration, conditions that hinder organizational growth and leave local firms vulnerable to inefficiency.

These same challenges persist in Bukidnon, particularly in Malaybalay City and Valencia City. Talaid *et al.* (2025) found that small business owners in Valencia City face persistent obstacles such as capital shortage, market rivalry, and continuous innovation demands, straining workforce stability. Very few studies have explored how leadership and human resource practices jointly relate to employee performance within Bukidnon's business environment, highlighting the need for context-specific research.

Leadership styles emerge as a vital organizational mechanism for strengthening employee performance. The way leaders communicate, motivate, and engage their teams directly shapes how employees respond to workplace demands. Jiatong *et al.* (2022) established that transformational leadership positively influences job performance and organizational commitment by fostering inspiration, vision, and motivation. Hilton *et al.* (2021) likewise found that democratic leadership enhances performance through participation, open communication, and shared decision-making, affirming leadership as a strategic driver of productivity, quality,

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collaboration, and attendance in Bukidnon-based enterprises.

Equally critical are human resource management (HRM) practices, which serve as the structural foundation for attracting, developing, and retaining a productive workforce. Shahzad *et al.* (2024) demonstrated that strategic HRM practices, covering recruitment and selection, training and development, performance management, and rewards, are positively associated with employee performance, as well-designed HR systems cultivate motivation, capability, and engagement. Manzoor *et al.* (2021) further showed that intrinsic rewards and recognition improve employee performance by reinforcing high-performance behaviors, making HRM a crucial lever for closing the productivity gap in Bukidnon MSMEs.

Taken together, leadership styles and human resource management practices stand as two interrelated workplace factors that may significantly relate to employee performance in business enterprises. Their combined application offers a more comprehensive approach to addressing the persistent performance challenges in Malaybalay City and Valencia City. This study was thus undertaken to examine how both factors jointly shape employee performance, and to provide evidence-based insights to guide business owners, human resource practitioners, and organizational leaders in Bukidnon toward stronger and more sustainable workforce outcomes. Specifically, the study sought to determine the level of leadership styles applied in the business enterprises, the level of human resource management practices observed, the level of employee performance across productivity, work quality, team collaboration, and attendance, and the relationship among these variables.

LITERATURE REVIEW

Theoretical Framework

This study is anchored on three complementary theoretical foundations that together explain how leadership behaviors and human resource systems relate to employee performance. Fiedler's Contingency Theory (Fiedler, 1967) proposes that leadership effectiveness depends on matching a leader's fixed style, either task-oriented or relationship-oriented, with situational factors such as leader-member relations, task structure, and position power. Recent studies have applied this framework to match leadership styles with situational favorableness in organizations. Shala *et al.* (2021) analyzed Avrios, a software firm, and found that aligning leaders' natural styles boosted outcomes and employee performance, while Santos *et al.* (2022) demonstrated that leader-member relations, task structure, and position power are critical situational factors that determine the effectiveness of various leadership styles, validating Fiedler's model across democratic, laissez-faire, autocratic, transformational, transactional, bureaucratic, and charismatic leadership styles.

The Resource-Based View (RBV), proposed by Barney

(1991), highlights internal resources such as human resource management practices as key to competitive advantage. Effective systems such as training, appraisals, and rewards boost employee performance, supporting the analysis of leadership and human resource management interactions on productivity, teamwork, and attendance. Mathushan and Shantha (2024) showed that these practices drive firm innovation and sustained performance through strategic human capital management, solidifying RBV as a strong foundation for analyzing the relationship between human resource management practices, leadership styles, and employee performance in business enterprises.

Expectancy Theory (Vroom, 1964) posits that employees' motivation to perform is influenced by their belief that their effort will lead to desired performance outcomes and that these outcomes will be rewarded appropriately. When employees perceive a clear link between effort and performance, and that their efforts are valued, they are more likely to exhibit high levels of productivity, collaboration, and attendance. Manzoor *et al.* (2021) demonstrated that when employees perceive a clear connection between their effort, performance, and the rewards they receive, their intrinsic motivation significantly increases, directly elevating their work engagement and overall job performance in organizational settings, fully supporting the core propositions of Expectancy Theory.

Leadership Styles

Leadership styles serve as a foundational organizational mechanism that shapes employee behavior, motivation, and overall workplace performance. Mphaluwa *et al.* (2025) examined autocratic, democratic, and charismatic leadership in private SMEs and found that all three styles significantly relate to employee performance, with employee engagement serving as a critical mediating mechanism. Jiatong *et al.* (2022) likewise established that transformational leadership has a significant positive relationship with affective organizational commitment and job performance, as inspirational leadership behaviors create the motivational conditions that elevate individual and collective output. Hilton *et al.* (2021) confirmed that democratic leadership exerts a significant positive effect on organizational performance through open discourse and collaborative engagement among employees. Yabrifa *et al.* (2024) further demonstrated that democratic and laissez-faire leadership styles jointly account for a substantial proportion of variation in organizational performance, reinforcing the importance of participative and autonomy-supportive supervisory approaches in driving workforce effectiveness.

Beyond their direct effects, leadership styles also shape the broader organizational climate that determines how human resource management initiatives translate into performance outcomes. Wang *et al.* (2022) affirmed that participative leadership significantly enhances employee self-efficacy, team cohesion, and sustained performance, as employees under participative leaders develop stronger ownership of their roles. Nasir *et al.* (2022)

further demonstrated that when leadership behaviors are aligned with organizational innovation and supportive work systems, employees exhibit higher creativity, productivity, and organizational commitment in small and medium enterprises. Rashwan and Ghaly (2024) examined transformational, transactional, and authentic leadership and found that all three styles meaningfully shape innovation outcomes through distinct mediating mechanisms.

More directive approaches also play a role. Pizzolitto *et al.* (2023) acknowledged that autocratic leadership can deliver targeted performance gains in contexts requiring operational discipline, although prolonged use may dampen creativity. Sawitri and Fanggidae (2024) showed that bureaucratic leadership influences performance most strongly when paired with strong work culture and organizational discipline. Hutama *et al.* (2024) confirmed that transactional leadership positively shapes performance when role clarity and reward predictability are present, while Desgourdes *et al.* (2024) emphasized that laissez-faire leadership, when applied judiciously, can support employee autonomy and well-being. Zhang *et al.* (2025) further established that charismatic leadership stimulates creativity and goal-directed performance by shaping employee values and motivational orientation.

Human Resource Management and Employee Performance

Human resource management operates as a strategic organizational function that systematically attracts, develops, motivates, and retains a capable and committed workforce. Shahzad *et al.* (2024) confirmed that strategic HRM practices, including recruitment, training, performance management, and reward systems, are significantly and positively correlated with employee performance, as well-designed HR systems cultivate motivated, skilled, and performance-oriented workforces. Ployhart *et al.* (2017) emphasized that effective HRM is rooted in the organization's capacity to identify, attract, and deploy human capital in ways that maximize individual and collective performance outcomes. Marhil *et al.* (2023) similarly established that strategic HRM practices, particularly training and development, recruitment and selection, and performance appraisal, significantly influence employee performance, with job satisfaction serving as a key mediating mechanism in the relationship between HRM systems and workforce outcomes.

Recruitment, selection, and placement form the workforce foundation of HRM. Hosen *et al.* (2024) demonstrated that aligning organizational entry processes with broader employee development frameworks enhances commitment, work engagement, and sustained performance. Baranyi (2025) further reviewed digital transformation in personnel selection and reported that data-driven and competency-based approaches improve hiring accuracy, reduce time-to-productivity, and enhance the quality of placement decisions. Training and development reinforce these gains. Sija (2024) reported

that training and development significantly impact employee performance in manufacturing enterprises, with effective programs producing measurable gains in skill application, productivity, and operational efficiency. Mehner *et al.* (2024) and Mustafa and Lleshi (2024) further confirmed that systematic, continuous learning investments significantly elevate productivity and adaptability in modern workplaces.

Performance management provides the framework for evaluating, developing, and sustaining employee contributions. Garengo *et al.* (2022) confirmed through bibliometric review that performance appraisal is the most consistently prominent theme in HRM and performance measurement research. Pepple (2024) demonstrated that performance appraisal significantly affects employee commitment through job satisfaction, while Micacchi *et al.* (2024) showed that perceived appraisal justice strongly influences work engagement. Reward and recognition complete the HRM cycle. Manzoor *et al.* (2021) established that intrinsic rewards significantly enhance employee performance through the mediating role of motivation, while Salas-Vallina *et al.* (2021) demonstrated that integrating engaging leadership with strategic HRM practices significantly enhances employee well-being and performance, confirming that leadership and HRM jointly determine meaningful organizational outcomes.

Employee Performance

Employee performance reflects the measurable work outcomes and behaviors of employees and is commonly assessed across productivity, work quality, team collaboration, and attendance. Zhenjing *et al.* (2022) demonstrated that a positive workplace environment significantly strengthens employee task performance through commitment and achievement-striving ability. Grossman *et al.* (2022) emphasized that team cohesion, sustained through participative leadership and structured HRM systems, is a critical observable indicator of cooperative performance. Bhimanatham and Iyer (2024) further established that attendance behaviors directly affect employee morale and organizational efficiency, while Faeq and Saleh (2025) confirmed that work engagement mediates the relationship between organizational factors and absenteeism in manufacturing settings. Ćulibrk *et al.* (2018) established that job satisfaction, organizational commitment, and job involvement are positively and significantly interconnected, confirming that engaged employees demonstrate stronger role fulfillment, including reliable attendance and consistent work quality.

MATERIALS AND METHODS

This study utilized a quantitative descriptive-correlational research design to examine the relationship of leadership styles and human resource management practices to employee performance in business enterprises in Malaybalay City and Valencia City, Bukidnon, Philippines. A descriptive-correlational design was appropriate because it allowed the researcher to describe the levels of

each variable and to determine the strength and direction of their association without manipulating the workplace conditions of the respondents.

The respondents consisted of 400 employees drawn from micro, small, and medium enterprises (MSMEs) located in District 2 of Malaybalay City and District 4 of Valencia City. A two-stage cluster sampling technique was employed. In the first stage, business enterprises were randomly selected from the official lists secured from the Business Permits and Licensing Offices of the two local government units. In the second stage, employee respondents were randomly drawn from those currently employed in the cooperating enterprises and who voluntarily consented to participate. Two-stage cluster sampling was adopted because a complete and centralized list of individual employees across enterprises was not feasibly obtainable, while cluster-level lists of registered enterprises were accessible. Valencia City contributed 236 respondents (59 percent) and Malaybalay City contributed 164 respondents (41 percent), proportionate to the size of their respective employee populations.

Data were gathered using a standardized questionnaire that underwent content validation by a panel of experts and pilot testing among employees in Malaybalay City to confirm its reliability prior to actual data gathering. The instrument consisted of four parts. The first part captured the demographic profile of the respondents in terms of sex, civil status, age, and tenure in the organization. The second part measured leadership styles across seven sub-variables: democratic, laissez-faire, autocratic, transformational, transactional, bureaucratic, and charismatic. The third part measured human resource management across four sub-variables: recruitment, selection and placement; training and development; performance management; and reward and recognition. The fourth part measured employee performance across four sub-variables: productivity, work quality, team

collaboration, and attendance. Each item was phrased from the employee's perspective and rated using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The leadership styles scale obtained a Cronbach's alpha of 0.941, the human resource management scale obtained 0.955, and the employee performance scale obtained 0.942, all indicating excellent internal consistency.

Data analysis was carried out using descriptive and inferential statistics. Frequency and percentage were used to describe the demographic profile of the respondents. Mean and qualitative interpretation were used to determine the level of leadership styles, human resource management practices, and employee performance. Pearson product-moment correlation coefficient was used to determine the strength and direction of the relationship between leadership styles, human resource management practices, and employee performance. All inferential tests were evaluated at the 0.05 level of significance.

Ethical protocols were strictly observed. Permissions were secured from the local government units and from the management of the participating business enterprises prior to data gathering. Respondents were informed of the purpose of the study and signed an informed consent form before answering the questionnaire. Participation was strictly voluntary, and respondents were assured of anonymity and confidentiality in compliance with the Data Privacy Act of 2012 (Republic Act No. 10173). Data were used exclusively for the academic and research purposes of this study.

RESULTS AND DISCUSSION

This section presents the findings of the study based on the data gathered from the 400 employee respondents of business enterprises in Malaybalay City and Valencia City, Bukidnon, Philippines. The findings are organized

Table 1: Demographic Profile of the Employees

Demographic profile	Frequency (N)	Percentage (%)
Sex		
Female	205	51.2
Male	195	48.8
TOTAL	400	100.0%
Civil Status		
Single	150	37.5
Married	250	62.5
TOTAL	400	100.0%
Age		
18-25 Years Old	26	6.5
26-30 Years Old	86	21.5
31-35 Years Old	101	25.2
36-40 Years Old	77	19.2
41-45 Years Old	62	15.5
46-50 Years Old	35	8.8

Above 50 Years Old	13	3.3
TOTAL	400	100.0%
Tenure in the Organization		
Less than 1 Year	18	4.5
1-3 Years	122	30.5
4-6 Years	123	30.8
More than 6 Years	137	34.2
Total	400	100.0%

according to the specific objectives of the study and are followed by their analysis and interpretation, supported by current literature.

Demographic Profile of the Employees

Table 1 presents the demographic profile of the 400 employee respondents. In terms of sex, 205 (51.2%) were female and 195 (48.8%) were male, indicating a nearly balanced sex distribution. Regarding civil status, 250 (62.5%) were married and 150 (37.5%) were single. As to age, the largest group belonged to the 31-35 years old bracket with 101 (25.2%), followed by the 26-30 years old group with 86 (21.5%), the 36-40 years old group with 77

(19.2%), the 41-45 years old group with 62 (15.5%), the 46-50 years old group with 35 (8.8%), the 18-25 years old group with 26 (6.5%), and the above 50 years old group with only 13 (3.3%). In terms of tenure, the majority had been with their respective organizations for more than 6 years with 137 (34.2%), followed by those with 4-6 years of tenure with 123 (30.8%), those with 1-3 years with 122 (30.5%), and those with less than 1 year with only 18 (4.5%). The profile suggests that the workforce in these business enterprises is predominantly composed of experienced, mid-career, and long-tenured employees.

Leadership Styles Applied in the Business

The data shows the summary of leadership styles applied

Table 2: Summary of Leadership Styles Applied in the Business

Indicators	Mean	Descriptive Rating	Qualitative Interpretation
Democratic Leadership	4.02	Agree	Observed
Laissez-Faire Leadership	3.69	Agree	Observed
Autocratic Leadership	3.58	Agree	Observed
Transformational Leadership	3.69	Agree	Observed
Transactional Leadership	3.66	Agree	Observed
Bureaucratic Leadership	3.69	Agree	Observed
Charismatic Leadership	3.63	Agree	Observed
Overall Mean	3.71	Agree	Observed

in the business enterprises across seven sub-variables. The overall mean of 3.71 with a descriptive rating of Agree and qualitative interpretation of Observed indicates that all seven leadership styles are consistently practiced in the workplace. Democratic Leadership recorded the highest mean of 4.02, followed by Laissez-Faire Leadership, Transformational Leadership, and Bureaucratic Leadership, all with a mean of 3.69, Transactional Leadership with 3.66, Charismatic Leadership with 3.63, and Autocratic Leadership with the lowest mean of 3.58, all interpreted as Observed.

The prominence of Democratic Leadership with the highest mean of 4.02 reflects a predominantly participative supervisory culture in the business enterprises. Hilton

et al. (2021) established that democratic leadership has a significant positive relationship with organizational performance, as participative environments raise team spirit and operational efficiency through inclusive engagement. Mphaluwa *et al.* (2025) similarly found that democratic leadership in private SMEs significantly enhances employee performance by fostering inclusive decision-making and psychological ownership of work outcomes. When supervisors routinely involve employees in decisions, employees develop a deeper sense of investment in organizational goals, which translates into stronger productivity, better team collaboration, and more consistent attendance.

The second-highest grouping, comprising Laissez-

Faire Leadership, Transformational Leadership, and Bureaucratic Leadership all at a mean of 3.69, reflects a complementary blend of autonomy-granting, inspirational, and rule-based supervisory behaviors that collectively support a structured yet empowering work environment. Jiatong *et al.* (2022) confirmed that transformational leadership significantly enhances employee engagement and job performance through inspirational motivation, while Wang *et al.* (2022) demonstrated that participative and autonomy-supportive leadership behaviors strengthen employee self-efficacy and team performance. The concurrent presence of these leadership styles suggests that supervisors in the business enterprises adapt their approach across different operational demands, balancing the developmental orientation of transformational leadership with the structural discipline of bureaucratic leadership and the

empowering autonomy of laissez-faire practices. In contrast, Autocratic Leadership recorded the lowest mean of 3.58, indicating that centralized and directive leadership behaviors are the least prominently applied in the business enterprises. Pizzolitto *et al.* (2023) cautioned that prolonged autocratic leadership generates negative effects on employee motivation, creativity, and long-term organizational commitment, underscoring the wisdom of business enterprises in deprioritizing this style as a dominant leadership approach. The lower prevalence of autocratic leadership, combined with the prominent practice of democratic and participative approaches, reflects an organizational leadership culture that prioritizes employee empowerment, inclusion, and engagement as the foundations for sustained performance in the business enterprises.

Table 3: Summary of Human Resource Management Practices

Indicators	Mean	Descriptive Rating	Qualitative Interpretation
Recruitment, Selection and Placement	3.92	Agree	Practiced
Training and Development	3.86	Agree	Practiced
Performance Management	3.84	Agree	Practiced
Reward and Recognition	3.75	Agree	Practiced
Overall Mean	3.85	Agree	Practiced

Human Resource Management Practices

The data depicts the summary of human resource management practices observed in the business enterprises across four key dimensions. The overall mean of 3.85, rated as Agree and interpreted as Practiced, indicates that all human resource management practices are consistently implemented. Recruitment, Selection and Placement emerged as the highest with a mean score of 3.92, followed by Training and Development with 3.86, Performance Management with 3.84, and Reward and Recognition with the lowest mean of 3.75, all interpreted as Practiced.

The prominence of Recruitment, Selection and Placement as the highest-rated HRM practice with a mean of 3.92 reflects that organizations in the business enterprises recognize talent acquisition and strategic workforce deployment as the cornerstone of their human resource management system. Ployhart *et al.* (2017) demonstrated that effective recruitment, selection, and placement practices are among the most critical drivers of employee performance, as organizations that successfully attract, evaluate, and position qualified employees build a stronger and more capable workforce foundation. Shahzad *et al.* (2024) similarly affirmed that strategic HRM practices rooted in rigorous talent acquisition processes

significantly correlate with higher employee performance, engagement, and organizational commitment. The strong performance of this dimension confirms that investing in well-structured hiring and placement systems directly supports the overall productive performance outcomes observed among employees.

Training and Development with a mean of 3.86 further reflects that organizations invest meaningfully in the ongoing development of their workforce's skills and capabilities. Hosen *et al.* (2024) confirmed that training and development, together with career development opportunities, are significantly associated with work performance, reinforcing the vital role of skill-building programs in sustaining employee productivity and work quality. Performance Management with a mean of 3.84 likewise indicates that systematic evaluation, feedback, and goal-setting are well-integrated into the business enterprises. Pepple (2024) demonstrated that performance appraisal significantly affects employee commitment through job satisfaction, while Micacchi *et al.* (2024) showed that perceived appraisal justice strongly influences work engagement.

In contrast, Reward and Recognition recorded the lowest mean of 3.75, indicating that while recognition practices are consistently observed, the accessibility, timeliness, and

variety of rewards may still require further development. Manzoor *et al.* (2021) emphasized that intrinsic rewards significantly enhance employee performance through the mediating mechanism of motivation, and that organizations that fail to ensure accessible, timely, and varied recognition risk weakening intrinsic motivation.

For the business enterprises in Bukidnon, expanding the range and accessibility of both monetary and non-monetary rewards and ensuring that recognition is delivered promptly and consistently would significantly strengthen the motivational impact of the reward and recognition system on employee performance.

Table 4: Summary of Employee Performance

Indicators	Mean	Descriptive Rating	Qualitative Interpretation
Productivity	4.02	Agree	Productive
Work Quality	3.95	Agree	Productive
Team Collaboration	4.04	Agree	Productive
Attendance	4.14	Agree	Productive
Overall Mean	4.04	Agree	Productive

Employee Performance

The data presents the summary of employee performance in the business enterprises across four dimensions. The overall mean of 4.04 with a descriptive rating of Agree and qualitative interpretation of Productive indicates that employees consistently demonstrate productive performance behaviors. Attendance recorded the highest mean of 4.14, followed by Team Collaboration with 4.04, Productivity with 4.02, and Work Quality with the lowest mean of 3.95, all interpreted as Productive.

The dominance of Attendance as the highest-rated performance dimension with a mean of 4.14 reflects a workforce characterized by strong reliability, punctuality, and disciplined compliance with organizational attendance expectations. Ćulibrk *et al.* (2018) established that job satisfaction, organizational commitment, and job involvement are positively and significantly interconnected, confirming that employees who are committed to their organizations consistently demonstrate stronger role fulfillment including reliable attendance. Jiatong *et al.* (2022) reinforced that engaged employees, inspired by effective leadership and supportive HRM practices, are more consistently motivated to fulfill their attendance responsibilities. The high attendance rating therefore reflects a workforce whose engagement and organizational commitment effectively translate into dependable and punctual work presence, directly supporting operational efficiency and team performance. The second-highest dimension, Team Collaboration with a mean of 4.04, similarly reflects a workforce that values cooperative work, effective communication, and collective effort as foundational to organizational success. Wang *et al.* (2022) confirmed that participative leadership behaviors that promote open communication and knowledge exchange significantly improve both individual and team-level performance outcomes, aligning with the strong collaborative performance observed

among employees in the business enterprises. Jiatong *et al.* (2022) similarly demonstrated that engagement-oriented leadership creates collaborative environments where employees actively support their colleagues and contribute to shared organizational goals. Productivity, with a mean of 4.02, further reflects that employees consistently meet output expectations and demonstrate efficiency in their job responsibilities, suggesting that the participative leadership culture and structured HRM systems jointly cultivate a productive workforce.

The lowest-rated dimension, Work Quality with a mean of 3.95, while still rated Productive, suggests that quality assurance behaviors such as systematic output tracking and equipment maintenance may benefit from further organizational support. Zhenjing *et al.* (2022) highlighted that a positive workplace environment strengthens employee task performance through commitment and achievement-striving ability, but that sustained work quality also depends on robust organizational systems for monitoring output standards and maintaining work resources. Nasir *et al.* (2022) reinforced that HRM practices that build employee technical competence and provide structured quality management tools directly enhance work quality outcomes in small and medium enterprises. For the business enterprises in Bukidnon, investing in more systematic quality assurance mechanisms, structured output tracking tools, and regular equipment maintenance programs would strengthen the foundation for sustained and consistently high-quality employee performance across all dimensions.

As shown in Table 5, leadership styles obtained an overall correlation coefficient of $r = 0.286$, $p < 0.001$, which is statistically significant at the 0.01 level. This indicates a weak yet meaningful positive relationship between the practice of leadership styles and employee performance in the business enterprises. Among the sub-variables, Democratic Leadership recorded the strongest

Table 5: Correlation Analysis of Leadership Styles, Human Resource Management , and Employee Performance

Independent Variables Correlated with Employee Performance	Correlation Coefficient (r)	p-value
Leadership Styles	0.286**	<0.001
Democratic Leadership	0.536**	<0.001
Laissez-Faire Leadership	0.226**	<0.001
Autocratic Leadership	0.089**	0.076
Transformational Leadership	0.194**	<0.001
Transactional Leadership	0.269**	<0.001
Bureaucratic Leadership	0.208**	<0.001
Charismatic Leadership	0.149**	0.003
Human Resource Management	0.633**	<0.001
Recruitment, Selection and Placement	0.681**	<0.001
Training and Development	0.454**	<0.001
Performance Management	0.562**	<0.001
Reward and Recognition	0.435**	<0.001

**Correlation is significant at the 0.01 level (2-tailed).

positive correlation at $r = 0.536$, $p < 0.001$, followed by Transactional Leadership at $r = 0.269$, $p < 0.001$, Laissez-Faire Leadership at $r = 0.226$, $p < 0.001$, Bureaucratic Leadership at $r = 0.208$, $p < 0.001$, Transformational Leadership at $r = 0.194$, $p < 0.001$, and Charismatic Leadership at $r = 0.149$, $p = 0.003$, all significant at the 0.01 level. Autocratic Leadership recorded a low correlation of $r = 0.089$ with a p-value of 0.076, which did not meet the 0.05 threshold of significance.

The strong positive association between Democratic Leadership and employee performance affirms that participative supervisory practices are the most strongly related leadership behavior to productive workforce outcomes. Hilton *et al.* (2021) established that democratic leadership has a significant positive relationship with organizational performance through inclusive engagement and shared decision-making, while Mphaluwa *et al.* (2025) similarly found that democratic leadership in private SMEs significantly enhances employee performance by fostering inclusive decision-making and psychological ownership. The strong correlation observed in this study reinforces that when supervisors consistently engage employees in decisions, openly receive feedback, and encourage collaborative dialogue, employees respond with stronger productivity, work quality, team collaboration, and attendance.

The significant though weaker correlations of Transactional, Laissez-Faire, Bureaucratic, Transformational, and Charismatic Leadership likewise confirm that these leadership behaviors meaningfully relate to employee performance, though with varying intensity. Hutama *et al.* (2024) confirmed that transactional leadership positively influences performance through role clarity and contingent rewards, while Desgourdes *et al.* (2024) demonstrated that judicious laissez-faire leadership

supports employee autonomy and well-being. Sawitri and Fanggidae (2024) showed that bureaucratic leadership enhances performance when paired with strong work culture, and Jiatong *et al.* (2022) established the positive influence of transformational leadership on performance through engagement. Zhang *et al.* (2025) further confirmed that charismatic leadership stimulates creativity and goal-directed performance. The non-significant correlation of Autocratic Leadership is consistent with the finding of Pizzolitto *et al.* (2023) that prolonged centralized and directive leadership tends to weaken motivation and may produce inconsistent performance outcomes, particularly in workforces that respond more strongly to participative and inclusive approaches.

Human Resource Management Practices obtained an overall correlation coefficient of $r = 0.633$, $p < 0.001$, indicating a strong positive relationship with employee performance. Notably, the overall correlation of HRM practices is stronger than the overall correlation of leadership styles, suggesting that structured HRM systems exert a more consistent association with employee performance in the business enterprises. Among the HRM sub-variables, Recruitment, Selection and Placement recorded the strongest positive correlation at $r = 0.681$, $p < 0.001$, followed by Performance Management at $r = 0.562$, $p < 0.001$, Training and Development at $r = 0.454$, $p < 0.001$, and Reward and Recognition at $r = 0.435$, $p < 0.001$, all significant at the 0.01 level. These results affirm that every dimension of HRM is meaningfully associated with employee performance, with talent acquisition emerging as the most strongly related practice.

The strong positive correlation between Recruitment, Selection and Placement and employee performance affirms that the quality of the workforce foundation established through hiring and deployment directly

relates to the performance potential of the organization. Ployhart *et al.* (2017) demonstrated that effective recruitment, selection, and placement practices are among the most critical drivers of sustained employee performance, while Shahzad *et al.* (2024) reinforced that strategic HRM practices rooted in competency-aligned talent acquisition significantly correlate with employee performance, as well-matched employees demonstrate higher engagement and motivation from the outset. The primacy of this correlation underscores that business enterprises that invest in rigorous, transparent, and competency-based hiring frameworks build a stronger foundation for productive employee performance.

The significant correlations of Performance Management, Training and Development, and Reward and Recognition further confirm that these practices function as complementary drivers of workforce performance. Garengo *et al.* (2022) emphasized that performance appraisal remains the most consistently prominent theme in HRM research, while Hosen *et al.* (2024) confirmed that training and development together with career development are significantly associated with work performance. Manzoor *et al.* (2021) similarly established that intrinsic rewards significantly enhance employee performance through the mediating mechanism of motivation, while Salas-Vallina *et al.* (2021) demonstrated that integrating engaging leadership with strategic HRM practices significantly enhances both well-being and performance. Taken together, the correlation results confirm that leadership styles and human resource management practices are significantly and positively related to employee performance, with HRM practices recording a stronger overall association than leadership styles. The null hypothesis stating that there is no significant relationship between leadership styles, human resource management practices, and employee performance is therefore rejected.

CONCLUSION

This study examined how leadership styles and human resource management practices relate to employee performance in business enterprises in Malaybalay City and Valencia City, Bukidnon. All seven leadership styles were observed, with Democratic Leadership most prominently practiced and Autocratic Leadership least applied. Among human resource management practices, Recruitment, Selection and Placement emerged as the most strongly applied, while Reward and Recognition recorded the lowest mean. Employee performance was productive across all dimensions, with Attendance highest and Work Quality lowest.

Correlation analysis revealed that both leadership styles and human resource management practices are significantly and positively associated with employee performance, with human resource management practices recording a stronger overall correlation than leadership styles. Democratic Leadership and Recruitment, Selection and Placement recorded the strongest sub-variable

correlations, while Autocratic Leadership did not reach significance.

Business owners and human resource practitioners are therefore encouraged to sustain participative leadership and strengthen reward systems and quality assurance mechanisms. Future researchers may extend this study to other industries and locations and explore additional factors that may further explain employee performance.

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