RESEARCH ARTICLE

# Selected Leadership Styles and Corporate Governance: Literature Review on Relationship Perspective

Caren AKOMO OUMA[1]

1. Chandaria School of Business, United States International University – Africa

Corresponding Author: couma@usiu.ac.ke

*Submitted 25th February 2024; Accepted 12th March 2024 and; Published 12th March 2024*

## ABSTRACT

This article provides comprehensive literature analyses of the relationship between selected contemporary/modern leadership styles and Corporate Governance (CG). Do leaders apply appropriate CG as they exercise their leadership styles? Therefore, the paper underscores that good leadership style embraces good CG. Selected leadership styles such as; transformational, transactional, servant, and authentic leadership, have impact on CG on aspects such as; stakeholder rights, composition of board of directors, shareholder's behavior, management practices, organizational policies, and regulations. The Postulated theories of CG such as; agency theory, stewardship theory, stakeholder theory, and resource dependency theory are explored. The literature findings signify the efficacy and predominance of effective leadership style in shaping good CG practices and the need for appropriate mechanisms that support and enhance effective leadership.

***Keywords***: *Selected leadership, Style, Corporate Governance, Literature Review, Relationship, Perspective*

## INTRODUCTION

Ethical principles are practices based on moral standards of good or right behaviors. In contrast, Leadership and Corporate Governance have been well research. Several researches have focused on the Leadership styles, but have not focused on the relationship between the two. According to Northouse (2020), leadership refers to the act of persuading someone to do something to achieve a common goal. This involves developing a clear, well-defined vision, effectively sharing it with others, and giving them the knowledge, skills, and tools they need to realize that vision. This process involves several leadership philosophies, like transformational and transactional, servant, and authentic leadership, have been identified as critical factors that shape the governance and performance of organizations (Bass & Riggio, 2006; Greenleaf, 1977; Avolio & Gardner, 2005). Governance, on the other hand, refers to the collection of rules, traditions, and practices utilized to run and govern a firm. It requires balancing the requirements of a company's many stakeholders, including shareholders, management, customers, suppliers, financiers, the government, and the neighbourhoods. (Tricker, 2015). Corporate Governance encompasses the framework as the use by a board of directors of a system of rules and processes to ensure that a company's interactions with its stakeholders are transparent, fair, and accountable to all its stakeholders.

Corporate governance refers to the system of rules, practices, and processes by which a company is directed and controlled. It involves balancing the interests of a company’s many stakeholders, such as shareholders, management, customers, suppliers, financiers, government, and the community. Business ethics refers to the principles that guide a company's conduct and actions. It encompasses moral considerations that impact decision-making and stakeholder interactions. Corporate governance and ethics form the bedrock of a company's values, principles, policies, and practices, guiding its operations and interactions with stakeholders. The interplay between corporate governance and business leadership ethics is symbiotic, with corporate governance providing the structure within which ethical considerations are integrated (Arjoon, 2005).

The relationship between leadership and governance is complex and multifaceted. Leadership styles can significantly influence the governance mechanisms of an organization. For instance, transformational leaders, who encourage and push their supporters to put the demands of the group above their own can foster a culture of transparency and accountability, which are essential elements of good governance (Bass & Riggio, 2006). Similarly, servant leaders, who concentrate on the development and welfare of their disciples and the communities to which they belong, can enhance stakeholder engagement, a key aspect of corporate governance (Greenleaf, 1977). Recent literature has offered insightful information into the interplay between guiding and governance. For example, a report by Forsvik et al. (2023) highlighted the role of management in fostering a circular governance model that integrates understanding about the area's ecology, economy, society, and culture. Another study by Teramae (2022) emphasized the function of TFL in shaping the CG of the Walt Disney Company.

It is important to note that, the relationship between leadership and governance is not always straightforward. Effectiveness of any leadership style in shaping governance mechanisms can be influenced by a number of elements such; as the sector's character, the organizational culture, and the regulatory environment. Chilunjika, Uwizeyimana, and Chilunjika (2023), found that the impact of leadership in terms of output of the National Social Security Authority in Zimbabwe was moderated by the regulatory environment. The study of leadership and governance is a dynamic and evolving field. The nexus between leadership styles and governance mechanisms significantly influences the performance and sustainability of organizations. As such, it is crucial for leaders and governance practitioners to stay abreast of the latest research and developments in this field to enhance their leadership effectiveness and governance practices. This literature analyses intends to comprehensively analyze the relationship between leadership styles and CG.

## METHODOLOGY

The main methodology used is secondary literature review about the selected leadership styles and Corporate Governance (CG) theories delineating relationship perspectives. The study examines the relationship between selected leadership styles and CG-literature perspectives. The literature research underscores the effects of selected leadership styles on the elements of CG principles/codes. It focuses on how the selected leadership styles can shape CG and organization at large. In the latter part of the study, the focus shifts to the reciprocal relationship, examining how CG structures and regulations can influence leadership practices. This comprehensive exploration provides a holistic understanding of the relationship between leadership and CG, making significant contributions to both academic literature and practical applications in the business world. Literature documented are from authentic sources of originality.

### Ethical Considerations

Ethical considerations have been taken into account by citing authorities who contributed to the various information contained in this document. When conducting research, it has been essential to uphold ethical considerations to ensure the protection and well-being of all individuals involved and to maintain the integrity of the study by recognizing the authors who contributed to the information contained in this document. The conclusions and recommendations are based on the synthesis of about the findings of the literature review.

## RESULTS

### Relationship of Leadership Styles and Corporate Governance Theories

Leadership and CG are two fundamental concepts in the realm of business administration and management. Both terms have been extensively studied, and their definitions have evolved over time, reflecting the changing dynamics of the business environment. Different scholars have described the idea of leadership in numerous ways. According to Northouse (2020), a boss is someone who motivates an ensemble of persons to work towards a common objective. This definition emphasizes the processual nature of leadership and the role of influence in achieving collective objectives. Yukl (2012) further elaborates that leadership involves the process of enabling both individual and collective efforts to accomplish shared goals, as well as the process of encouraging individuals to understand and agree on what needs to be done and how to do it. Leadership, therefore, is not merely about being in a position of power, but it also entails the capacity to direct, motivate, and influence others towards the achievement of a shared vision or goal. It is a dynamic and complex process that requires a deep understanding of human behavior, organizational dynamics, and the broader business environment.

CG refers to the collection of regulations, practices, and rules that govern and control a business. As reported by the Organization for Economic Co-operation and Development (OECD, 2015), CG involves a group of connections linking a corporation's management, board, shareholders, and other stakeholders. It provides the foundation for setting the company's goals, as well as strategies for reaching them and evaluating success. The definition by (Chris Mallin, 2016) is also widely accepted, which states that CG is a system for leading and managing enterprises. The boards of directors are in charge of a company's governance. In CG, it is the shareholders' duty to choose the directors and auditors, as well as to make sure that an appropriate governance framework is in place.

There is therefore enough evidence that CG is about making sure that companies are managed in a way that is transparent, accountable, and fair to all stakeholders. It involves balancing the interests of the many parties who have an interest in a firm, such as shareholders, management, customers, suppliers, financiers, the government, and the general-public. Both leadership and CG is essential to a company's operation and success. While leadership is about influencing and guiding people towards a common goal, the policies and procedures that provide overall direction, effectiveness, supervision, and responsibility are known as CG of an organization. Both concepts are interrelated and essential for the sustainable growth and performance of an organization.

**Selected Leadership Styles and Corporate Governance Theories**

Leadership theories and CG are intertwined in the sense that the style of leadership adopted within an organization can significantly influence its governance structure and practices. Several leadership styles have implications for CG.

***Transformational leadership (tfl)***

Burns (1978) first articulated the idea of transformational leadership before Bass (1985) who expanded on it almost a decade later. Burns proposed two leadership approaches for getting work done: transactional or transformational. The transformation label comes from the assessments of a leader's past performance rather than follower attributions (as is the case with charisma). Transformational leaders are known for moving and changing things "in a big way," by communicating to followers a special vision of the future, and like charismatic leaders, tapping into followers' higher ideals and motives. The transformational leader seeks to transform a weak or declining organization by influencing followers to buy into a new vision and new possibilities. Effective transformational leaders know that to move forward, they must first earn the trust, commitment, and respect of followers. When this happens, the transformational leader is more likely to achieve a collective "buy-in" to his vision. Followers willingly expend exceptional effort in achieving organizational goals.

The argument that was advanced in Transformational leadership was that, people should put others' needs ahead of their own in order to gain organization, those who follow leaders are driven and inspired. Transformational leaders challenge the status quo, foster innovation, and pique people's intellectual curiosity. In the context of CG, transformational leaders can foster a culture of transparency, accountability, and ethical conduct. They can also drive the implementation of robust governance practices that enhance organizational performance and stakeholder value. Therefore, transformational leadership style has the element of individualized consideration which is is the extent to which a leader attends to each follower's needs and is a mentor, coach or guide to the follower. This leader listens to the concerns and needs of each follower and provides support and is empathic of each person' situation and background. It has also inspirational motivation which entails the degree to which a leader articulates an appealing vision that inspires and motivates others to perform beyond expectations. Leaders who use inspirational motivation have high standards and expectation for their followers. In addition, transformational leadership style entails individualized influence which means that transformational leaders show idealized Influence are role models for their followers because they engage in high standards of ethical behavior. Followers identify with these leaders, and want to emulate them. Finally, transformational leaders consider intellectual stimulation that is the extent to which transformational leaders challenge assumptions, take risks and solicit followers' ideas. They recognize followers through stimulation, creativity and innovation.

**Figure 1:**
*Transformational Leadership Model (Burns, 1978)*


### *Transactional leadership style*

TSL theory, also developed by Burns (1978), suggests that leaders motivate their followers through a system of rewards and punishments. In terms of CG, transactional leaders can establish clear performance metrics and reward systems that align with the organization's governance objectives. However, an overemphasis on TSL could potentially lead to short-termism and undermine long-term sustainability.

### *Servant leadership style*

SL theory, proposed by Greenleaf (1977), emphasizes that executives should provide their followers, prioritizing their needs and development. Servant leaders foster trust, collaboration, and ethical behavior, which are crucial for effective CG. They can also promote stakeholder engagement and ensure that governance practices are inclusive and considerate of diverse stakeholder interests.

### *Authentic leadership style*

Authentic Leadership (AL) theory, as described by Walumbwa et al. (2008), posits those who lead who are self-aware, transparent, ethical, and focused on building positive relationships with their followers can foster a climate of trust and openness. Authentic leaders can contribute to CG by promoting ethical conduct, transparency, and accountability. Each of these leadership theories offers valuable insights into how leadership can shape and influence CG. The choice of leadership style can substantially affect the efficiency of governance procedures, in addition to the organization's overall success and sustainability.

### *Trait theories of leadership*

Trait theories of leadership posit believe certain innate qualities like intelligence, self-assurance, willpower, and sociability make people better leaders (Judge, Bono, Ilies, & Gerhardt, 2002). In the context of CG, leaders with these traits can effectively guide the organization, make strategic decisions, and manage relationships with stakeholders. They can also foster a culture of accountability and ethical conduct, which are key aspects of good CG.

### *Behavioral theories of leadership*

Behavioral theories of leadership suggest that effective leadership is not just about who the leaders are, but also about what they do. Leaders' behaviors, such as their decision-making processes, their communication styles, and their ways of motivating and influencing followers, can significantly impact CG (Yukl, 2012). Effective leaders can drive the implementation of robust governance practices, foster a culture of transparency and accountability, and enhance organizational performance and stakeholder value.

### *Contingency theories of leadership*

According to contingency theories of leadership, the effectiveness of a leader depends on their style and the context call for it to be used. (Fiedler, 1967). In terms of CG, these theories suggest that the degree to which governance procedures are effective alignment between the leadership style and the organization's context, including its size, its industry, its culture, and its external environment.

### *Power and influence theories of leadership*

The focus of influence and authority theories of management is on how leaders use their influence and authority to achieve organizational goals (French & Raven, 1959). In the context of CG, leaders can use their power and influence to shape the organization's strategic direction, to drive the implementation of governance practices, and to manage relationships with stakeholders. However, the misuse of power can lead to governance failures and ethical breaches.

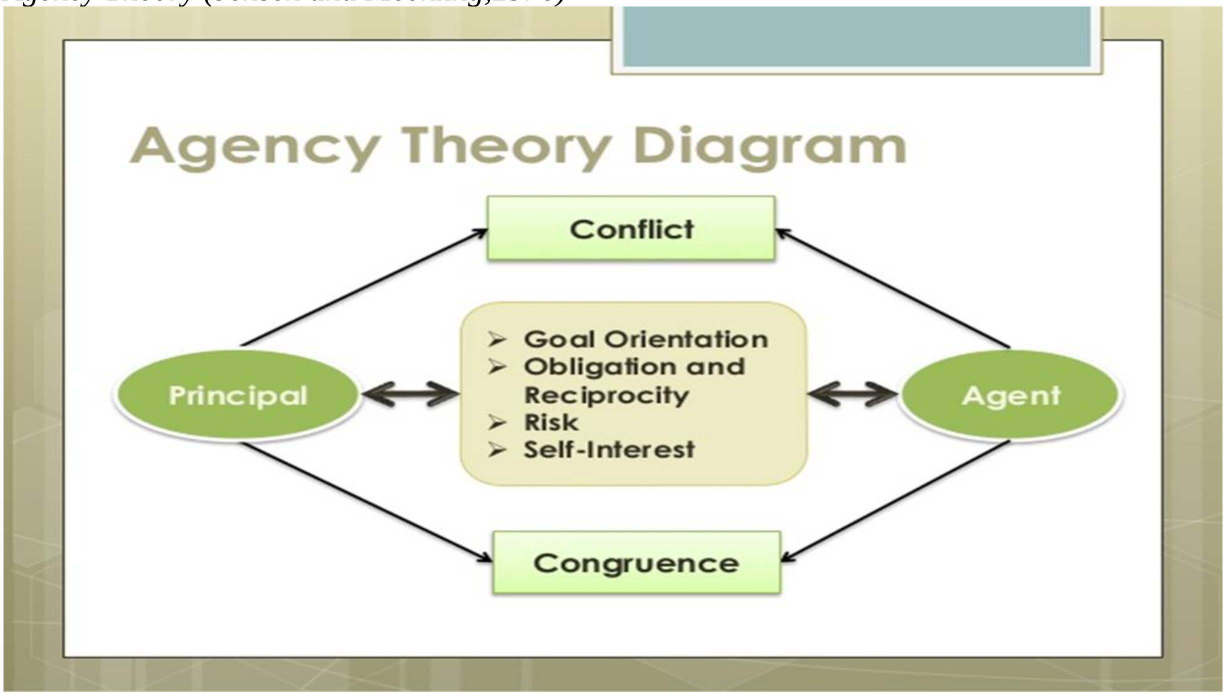
## Theories Related to Corporate Governance

CG theories provide a framework for understanding the mechanisms through which organizations are directed and controlled. These theories highlight the relationships among various stakeholders and the roles they play in the governance process.

### *Agency theory*

Agency Theory (AT), as suggested by Jensen and Meckling (1976), is one of the most influential theories in CG. It asserts that there can be a conflict of interest between the owners (principals) and the managers (agents) of a company. The owners delegate power to the managers (agents) to run the business in their favor, but the agents may not always behave in the principals' best interests. AT suggests that strong governance systems are required to oversee the agents' performance and match their interests with those of the principals' actions. The model for agency theory is as below.

**Figure 2:**
*Agency Theory (Jensen and Meckling,1976)*



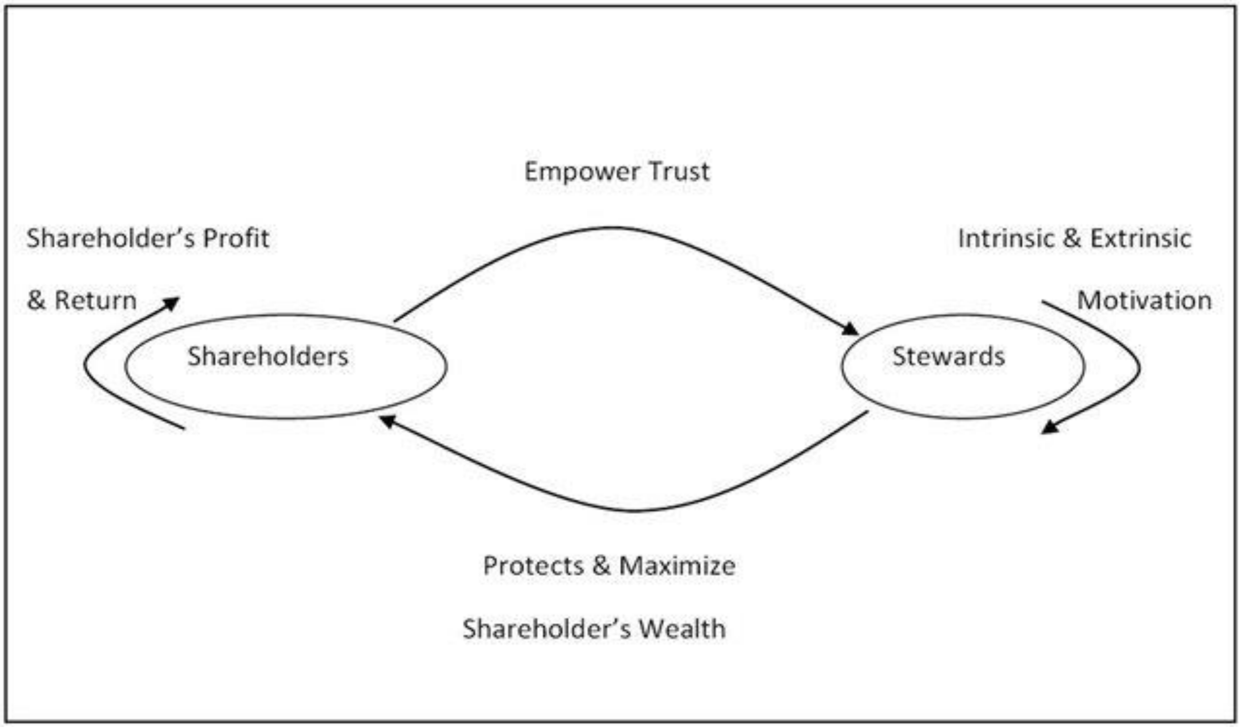

It is the main theory of CG. Main theory in corporate governance. The premise is surrounding relationships between owners/principals of orgs & managers/directors/agents of the organization. It places shareholder as most important stakeholder. This theory is relevant to the fundamentals found in writings of Adam Smith (1976) – "You cannot expect those who manage other people's money to be as careful & caring as it would belong to them. Waste & negligence are present, always, more or less, in the management of every business".

***Stewardship theory***

Stewardship Theory, as described by Donaldson and Davis (1991), offers a contrasting perspective to AT. It suggests that managers, or stewards, are inherently driven to take the best possible action for the company and its owners. Stewardship theory emphasizes the role of trust and the alignment of the objectives of the agents and the principals. It suggests that governance mechanisms should empower managers and facilitate their stewardship role, rather than merely monitoring and controlling their actions.

In comparison with agency theory, is where managers are tempted to take decisions for their own advantage, not for owners, stewardship theory assumes managers act not on their own interests, but in a given conflict of interest situation they put company's interests in front of personal ones. Similar to McGregor's theory Y – assumes managers are rational beings, hence, no need to excessively monitor their behavior as agency theory assumes (Borea & Monica-Violeta, 2013).

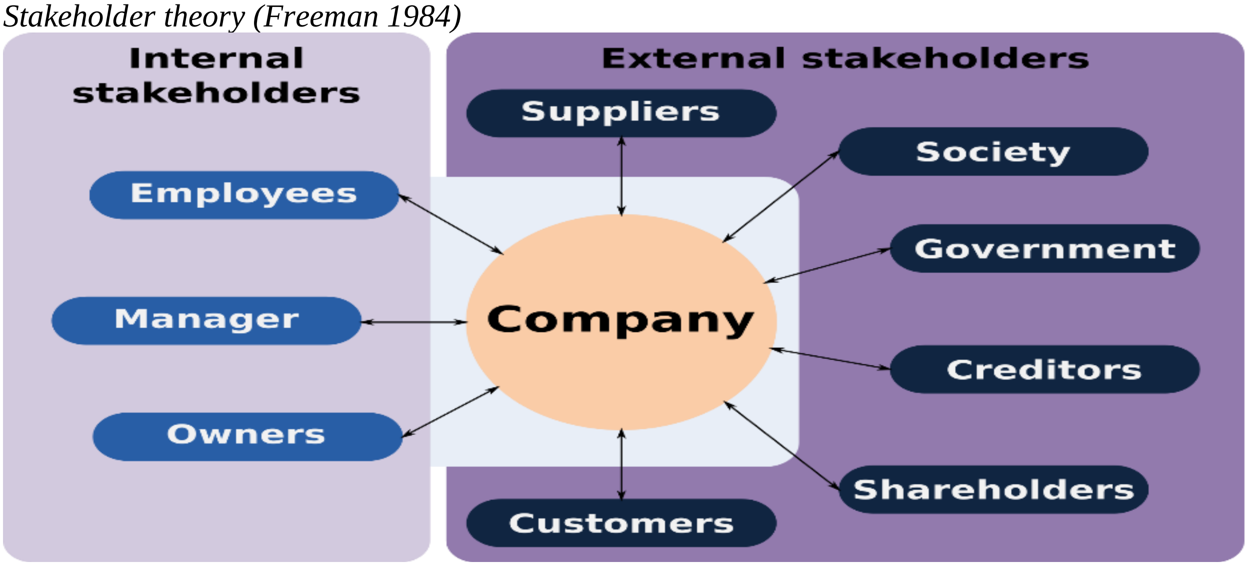
**Figure 3:**
*Stewardship theory (Donaldson and Davis, 1991)*




***Stakeholder theory***

Stakeholder theory, as suggested by Freeman (1984), argues that companies have responsibilities not just their investors, but also to other stakeholders, including staff, clients, suppliers, and the community. It suggests that effective CG should consider and balance the interests of all stakeholders. Stakeholder theory emphasizes the importance of transparency, accountability, and stakeholder engagement in CG.

**Figure 4:**
*Stakeholder theory (Freeman 1984)*



Borea & Monica-Violeta (2013), asserted that, stakeholders include any individual person, group, or company affected by org's decisions or activities. This involves internal and external stakeholders, Unlike Friedman (shareholder wealth maximization), Freeman argued that corporations should be concerned about interest of other stakeholders when taking strategic decisions. Performing company in today's world of globalization is an enterprise that creates benefit for its shareholders, customers' demand taking into account views of employees and protecting environment. The theory has proved to be most efficient not only because of conducting economic success of company but also because it works to achieve a competitive advantage due to gain people's trust & good will on market.

According to (Fraedrich, Ferrell & Ferrell, 2013), implementing a Stakeholder Perspective involves assessing corporate culture – social responsibility program must align with corporate culture of organization. Identification of stakeholder groups should be done where managers can identify relevant stakeholders that maybe affected by or may influence development of organizational policy. The managers can then identify stakeholder issues by understanding main issues of concern to stakeholders. This results to assessing organizational commitment to social responsibility that matches organization of interest. The organization should then identify resources and determine urgency to consider level of financial and organizational investments required by different actions, and level of urgency when prioritizing social responsibility challenges. Finally, stakeholder feedback should be gained feedback through; satisfaction/reputation surveys, stakeholder generated media such as blogs, websites, podcasts & newsletters, and formal research using focus groups, observation & surveys.

***Resource dependency theory***

RDT, as described by Pfeffer and Salancik (1978), posits that organizations utilize resources controlled by external entities, and this dependency influences their behavior and governance. It implies that in order to get the resources they need; organizations must manage their relationships with key stakeholders. This theory highlights the board of directors' function in managing external dependencies and ensuring the organization's survival and success. Each of these theories offers valuable insights into the complexities of CG. They highlight the importance of aligning interests, managing relationships, balancing power, and ensuring accountability and transparency in the governance process.

## Relationship Between Leadership Styles and Corporate Governance

### *Transformational Leadership Style*

Transformational leadership, also known as TFL, is a leadership style that urges to encourage followers to choose the demands of the organization over their own in order to achieve greater success (Bass & Riggio, 2006). This leadership style has significant implications for CG, influencing it in several ways as explained in the subsequent sections:

*Fostering a Culture of Transparency and Accountability*

Transformative leaders promote a culture of transparency and accountability within the organization. They lead by example, demonstrating honesty, integrity, and openness in their actions and decisions (Bass & Riggio, 2006). This culture of transparency and accountability is a cornerstone of good CG. It ensures that all stakeholders have access to accurate and timely information about the organization's performance and operations. It also guarantees that managers and directors are responsible for their actions, and decisions, thereby reducing the risk of mismanagement or misconduct.

*Enhancing Stakeholder Engagement*

Transformative leaders recognize the importance of engaging with all parties involved, including the community, customers, suppliers, employees, and shareholders. They seek to understand and balance rather than on concentrating only on the interests of one or two parties, consider shareholder value (Bass & Riggio, 2006). This approach aligns with the stakeholder theory of CG, which argues that organizations have responsibilities to all their stakeholders and that effective governance involves balancing these diverse interests (Freeman, 1984).

*Driving Strategic Direction and Performance*

TFL is essential to deciding the organization's success. strategic direction and driving its performance. They inspire and motivate their followers to strive for higher performance and to achieve the organization's strategic objectives (Bass & Riggio, 2006). This role is central to CG, is an essential responsibility members of the board of directors is to oversee the strategic direction of the business and to monitor its performance.

*Promoting Ethical Conduct and Corporate Social Responsibility*

Transformative leaders promote ethical conduct and corporate social responsibility (CSR). They encourage their followers to act ethically and should take into account their social and environmental actions (Bass & Riggio, 2006). This emphasis on ethical conduct and CSR aligns with the principles of good CG, which include ensuring that the organization operates in a socially and environmentally responsible manner. In conclusion, transformative leadership can significantly influence CG. By fostering a culture of transparency and accountability, enhancing stakeholder engagement, driving strategic direction and performance, and promoting ethical conduct and CSR, transformative leaders can contribute to effective and responsible CG.

### *Transactional Leadership Style*

TSL is a style of leadership where leaders use a system of incentives and punishments to encourage obedience among their followers. (Bass, 1990). This leadership style has significant implications for CG, influencing it in several ways as follows:

*Emphasizing Performance Metrics*

Transactional leaders place a strong emphasis on performance metrics. They set clear goals for their followers and reward them for achieving these goals (Bass, 1990). This focus on performance indicators within the context of CG can aid in balancing the objectives of management and shareholders. It can also provide a clear framework for evaluating the performance of the organization and its managers, which is a key aspect of CG.

*Promoting Compliance and Risk Management*

Transactional leaders promote compliance among their followers by rewarding them for following rules and procedures and punishing them for non-compliance (Bass, 1990). This approach can contribute to effective risk management, which is a crucial aspect of CG. By promoting compliance, transactional leaders can help to ensure that the organization adheres to relevant laws, regulations, and standards, thereby reducing the risk of legal and regulatory penalties (Chilunjika, Uwizeyimana, & Chilunjika, 2023).

*Fostering Short-Term Orientation*

However, TSL can also foster a short-term orientation. Because transactional leaders reward their followers for achieving specific goals, they may promote a short-term outcome only mindset at the cost of long-term goals sustainability (Bass, 1990). This short-term orientation can be a challenge for CG, as it may lead to decisions that maximize short-term profits but undermine the long-term sustainability of the organization.

*Limiting Innovation and Change*

Furthermore, because transactional leaders reward their followers for following established rules and procedures, they may discourage innovation and change (Bass, 1990). This can be a limitation for CG, as it may hinder the organization's being able to adjust to a variety of settings and to carry out new and improved governance practices (Chilunjika, Uwizeyimana, & Chilunjika, 2023). In conclusion, while TSL can contribute to effective CG by emphasizing performance metrics and promoting compliance, it can also foster a short-term orientation and limit innovation and change. Therefore, it is important for organizations to balance the benefits and limitations of TSL in their governance practices.

### *Servant Leadership Style*

SL is a leadership style that puts needs first of the team and the broader organization over the self-interests of the leader. The servant leader is primarily a servant to others, highlighting its significance of empathy, listening, stewardship, and commitment to the growth of people (Greenleaf, 1977). This leadership style has significant implications for CG, influencing it in several ways that include:

*Promoting a Stakeholder-Oriented Approach*

Servant leaders prioritize the requirements and interests of all parties involved, including those of the community, shareholders, clients, and employees (Greenleaf, 1977). This approach aligns with the stakeholder theory of CG, which argues that organizations have responsibilities to all their stakeholders and that effective governance involves balancing these diverse interests (Freeman, 1984).

*Fostering Ethical Conduct and Corporate Social Responsibility*

Servant leaders are committed to ethical conduct and corporate social responsibility (CSR). They encourage their followers to act ethically and should take into account their social and environmental actions (Greenleaf, 1977). This emphasis on ethical conduct and CSR aligns with the principles of good CG, which include ensuring that the organization operates in a socially and environmentally responsible manner.

*Enhancing Organizational Performance and Sustainability*

Servant leaders are committed to the development and expansion of their followers and the sustainability of their organizations. They foster a culture of learning and innovation, which can enhance organizational performance and sustainability (Greenleaf, 1977). This focus on performance and sustainability is a crucial element of CG, as one of the key responsibilities the members of directors is to monitor the organization's performance and to make sure its long-term sustainability.

*Building Trust and Collaboration*

Servant leaders build trust and foster collaboration among their followers. They create an environment where people feel valued, heard, and empowered to contribute to the organization's success (Greenleaf, 1977). This trust and collaboration can enhance the effectiveness of CG by promoting open communication, mutual respect, and collective decision-making (Zhou, 2022).

In conclusion, SL can significantly influence CG. By promoting a stakeholder-oriented approach, fostering ethical conduct and CSR, enhancing organizational performance and sustainability, and building trust and collaboration, servant leaders can contribute to effective and responsible CG.

### *Authentic Leadership Style*

AL is a leadership style defined by relational openness and self-awareness, balanced information processing, as well as a moral compass stance make up this quality. (Walumbwa et al., 2008). This management approach has significant implications for CG, influencing it in several ways as below:

*Promoting Ethical Conduct and Transparency*

Authentic leaders act consistent with their deeply held values and beliefs, and they are open and honest in their interactions with others. This commitment to ethical conduct and transparency can enhance the ethical climate of the organization and promote good CG. It can help to prevent unethical behavior and misconduct, and it can enhance the trust and confidence of stakeholders in the organization (Mushtaq et al., 2022).

*Enhancing Decision-Making Processes*

Authentic leaders engage in processing of information in balance. Before making conclusions, they thoroughly examine all pertinent information, and they are open to feedback and different perspectives. This balanced processing can enhance the decision-making processes of the organization, which is a key aspect of CG. It can help to ensure that decisions are based on a thorough and objective analysis of all relevant information, thereby enhancing the quality of decisions and reducing the risk of poor decisions (Mushtaq et al., 2022).

*Fostering a Stakeholder-Oriented Approach*

Authentic leaders are deeply committed to the welfare of all parties involved, including those who are shareholders, consumers, employees, and community. They strive to understand and fulfil these stakeholders' needs, and they consider the impacts of their decisions on these stakeholders. This stakeholder-oriented approach aligns with the stakeholder theory of CG, which argues that organizations have responsibilities to all their stakeholders and that effective governance involves balancing these diverse interests (Mushtaq et al., 2022).

*Building Trust and Enhancing Organizational Performance*

Authentic leaders build trust with their followers through their authenticity and consistency. This trust can enhance the commitment and the work of the staff, which can in turn enhance the efficiency of the business. This aligns with the performance a feature of corporation law, which involves overseeing the performance of the organization and ensuring that it meets its strategic objectives (Mushtaq et al., 2022). In conclusion, authentic leadership can significantly influence CG. By promoting ethical conduct and transparency, enhancing decision-making processes, fostering a stakeholder-oriented approach, and building trust and enhancing organizational performance, authentic leaders can contribute to effective and responsible CG.

## Efficacy of CG Related Theories to Leadership

### *Efficacy of Agency Theory to leadership*

AT, as proposed by Jensen and Meckling (1976), has been a cornerstone offering a theoretical foundation for comprehending the connection between CG and the connection between owners, or principals, and managers, or agents. According to this view, any connection where one party is expected to behave in the person's best interest another has a built-in possibility for conflict of interest. When referring to a corporation, the principal’s delegation of power to the agents to manage the company on their behalf, however the agents might not always behave in the principals' best interests. This divergence of interests between the two parties is what agency theory seeks to address, indicating the need for strong governance structures to guarantee that the agents' interests are protected and the principals are aligned and to keep track of the agents' actions (Jensen & Meckling, 1976).

The application of agency theory has significant implications for leadership within a corporate setting. For instance, Kivistö (2008) applied agency theory to the context of higher education governance, suggesting that the theory provides a useful framework for examining goal conflicts or information asymmetry in governance structures. This perspective can be extended to corporate leadership, where leaders, as agents, may have access to more or better information than the shareholders, or principals, leading to potential conflicts of interest (Kivistö, 2008). Furthermore, a study conducted in Indonesia applied agency theory to analyze the financial success of Kenya's publicly traded manufacturing companies. According to the study, exists a considerable board size and financial results are correlated., which are often associated with better monitoring and control mechanisms, can result in better financial results. (Waithigi, Kenyaya, & Oluoch, 2022). This finding underscores the role of leadership in ensuring effective governance mechanisms that align with the principles of agency theory.

In another study conducted in Nigeria, the principal-agent theory was applied to the connection between elected officials (agents) and citizens (principals). The author suggested that the theory is hinged on the understanding that there may be an interest conflict between the principals and the agents. This perspective can be extended to corporate leadership, where leaders, as agents, are anticipated to operate in the shareholders' best interests, or principals. However, without effective governance mechanisms, leaders may opportunistically act against the interests of the shareholders (Musa, 2022). In conclusion, agency theory provides a valuable framework for understanding the potential conflicts of interest that can arise in a corporate setting and the role of leadership in mitigating these conflicts. By coordinating the agents' interests (leaders) compared to the principals' (shareholders) and implementing effective governance mechanisms, corporations can enhance their performance and ensure the organization's long-term viability.

### *Efficacy of Stewardship Theory*

SDT, as described by Donaldson and Davis (1991), offers a contrasting perspective to AT. It implies that stewards, or managers, are naturally driven to behave in the interests of the company and its owners. This theory emphasizes the role of trust and the alignment of the objectives of the agents and the principals. It suggests that governance mechanisms should empower managers and facilitate their stewardship role, rather than merely monitoring and controlling their actions. SDT has significant implications for leadership within a corporate setting. For example, Donaldson and Davis (1991) argue that leaders should act as the stewards of the organization, doing everything for the benefit of the main. This perspective is echoed by Davis (1997), who defines stewardship theory as the process used by stewards to safeguard shareholder capital and increase it through greater business performance. Making the optimal choice, which is typically in the interests of the, is what drives stewards in this situation. organization (Davis, 1997).

A study conducted in Nigeria emphasized the role of stewardship theory in improving sustainable development practices. The study recommended that regulators and policymakers should encourage companies to adhere to sustainable business practices, thereby emphasizing the steward's role in serving the company over self-interest (Diriyai, & Korolo, 2023). In another study conducted in Indonesia, the stewardship theory was applied to analyze the Covid-19 epidemic and the responsibility of regional financial management. The study discovered that the regional government's internal control mechanism had an impact on how accountable it was for its regional financial management. This finding underscores the role of leadership in ensuring effective governance mechanisms that align with the principles of stewardship theory (Putri & Sari, 2021). SDT provides a valuable a framework for comprehending possible conflict of interests in a corporate setting and the role of leadership in mitigating these conflicts. By coordinating the objectives of the principles and the agents (leaders), (shareholders) and implementing effective governance mechanisms, corporations can enhance their performance and ensure the organization's long-term viability.

### *Efficacy of Stakeholder Theory*

Stakeholder theory, as proposed by Freeman (1984), posits that companies have responsibilities not just to their shareholders but also to other stakeholders, including as their staff, clients, and suppliers, and the community. It suggests that effective CG should consider and balance the goals of all parties involved. This theory emphasizes the importance of transparency, accountability, and stakeholder engagement in CG (Freeman, 1984).

In the context of leadership, stakeholder theory implies that leaders should not just concentrate on maximizing shareholder value but also consider the interests and needs of other stakeholders. Leaders play a crucial role in managing relationships with various stakeholders and ensuring that their interests are considered while making decisions processes. This approach to leadership can enhance the legitimacy and social responsibility of the company, thereby improving its overall performance and sustainability (Alhumaymidi, 2021).

For instance, a study by Alhumaymidi, (2021) discussed the concept of stakeholding theory in relation to leadership. The study suggested that companies can be viewed from two perspectives, namely shareholding theory and stakeholder theory. The stakeholder theory includes employees, clients, creditors, suppliers, and the neighborhood in which the business works. This theory implies that leaders should consider the interests of these stakeholders in their decision-making processes. In another study, Krause, Gladwin, and Kennelly (2009) discussed the implications of stakeholder theory for management scholarship. They suggested that the theory provides a framework for understanding how businesses can promote sustainability by taking into account the desires of all parties involved. This perspective implies that leaders should adopt a strategic approach to CSR, viewing it as a kind of strategic planning that can only be accomplished through collaborations amongst interested parties. Moreover, a study by Marcus, Kurucz, and Colbert (2011) explored the implications of stakeholder theory for management. They suggested that past CSR behavior(s) is related performance consequences which have a profound effect on how leaders view the importance of social and environmental challenges in generating value.

Stakeholder theory has significant implications for leadership in the context of CG. It suggests that leaders should adopt a broader perspective that considers the goals of all parties involved, not just stockholders. This approach can enhance the company's legitimacy, social responsibility, and overall performance.

***Efficacy of Resource Dependency Theory***

RDT, as described by Pfeffer and Salancik (1978), posits that organizations utilize resources controlled by external entities, and this dependency influences their behavior and governance. It implies that in order to get sufficient resources, organizations must manage their relationships with important stakeholders. This theory highlights the role of the board of directors in managing external dependencies and ensuring the organization's survival and success.

In the context of leadership, resource dependency theory implies think the role of leaders is important managing the organization's dependencies on external resources. Leaders need to build and maintain relationships with important stakeholders, such as suppliers, customers, and regulatory authorities, to get the required resources for the organization's operations and growth (Hillman & Dalziel, 2003).

For instance, a study by Freeman (2021) discussed the concept of resource dependency theory in relation to leadership. The study suggested that companies can be viewed from two perspectives, namely RDT and SKT. The RDT includes employees, customers, creditors, suppliers, and the surrounding community where the company operates. This theory implies that leaders should consider the interests of these stakeholders in their decision-making processes
.
In another study, Krause, Gladwin, and Kennelly (2009) discussed the implications of RDT for management scholarship. They suggested that the theory provides a framework for understanding how companies can achieve sustainable development by taking into account the desires of all parties involved. This perspective implies that leaders should adopt a strategic approach to CSR, viewing it as a method for strategic planning that can only be accomplished via collaborations amongst interested parties.

Moreover, a study by Marcus, Kurucz, and Colbert (2011) explored the implications of resource dependency theory for management. They suggested that past CSR behavior(s) its related performance consequences have a profound effect on how leaders view the importance of social and environmental challenges in generating value.

RDT has significant implications for leadership in the context of CG. It suggests that leaders should adopt a broader perspective that considers the goals of all parties involved, not just shareholders. This approach can enhance the company's legitimacy, social responsibility, and overall performance.

## DISCUSSION

### Predominance of Leadership on Board of Directors

The part played by leadership in determining how successful members of directors is a critical aspect of CG. Leadership styles can significantly to affect the board's strategic decision-making, oversight functions, and the overall governance of the organization (Pandey et.al., 2023). The member directors are a crucial component of CG, responsible for strategic direction, oversight of management, and safeguarding shareholders' interests. The leadership style of the CEO and senior executives can significantly influence the board's functioning. For instance, transformational leaders, known for their visionary approach and ability to inspire, can foster a proactive and forward-thinking board culture. They can stimulate the board to engage in strategic discussions, challenge conventional wisdom, and drive organizational change (Reddy et.al, 2023). Transactional leaders, on the other hand, may foster a more compliance-oriented board culture. These leaders focus on clear roles, responsibilities, and reward structures, which can lead to a board that is more focused on oversight and risk management than on strategic direction (Pandey et.al., 2023). The leadership style can also influence the board's composition and dynamics. For example, leaders who value diversity and inclusion may advocate for a diverse board in terms of gender, ethnicity, and professional background. This diversity can enhance the board's decision-making by bringing a larger variety of viewpoints and experiences to the table (Ika, 2023). Moreover, the leadership approach can impact the relationship between the board and management. Leaders who promote transparency, open communication, and collaboration can foster a positive board-management relationship. This relationship is crucial for effective governance, as it enables the board to provide valuable input and oversight without interfering with management's day-to-day operations. In conclusion, leadership has a significant impact on how the board of directors operates. The leadership style can influence the board's culture, composition, dynamics, and relationship with management, thereby impacting the overall governance of the organization.

### Predominance of Leadership Style on Shareholders

A connection between leadership and shareholders in the context of CG is a multifaceted one. Leadership, particularly at the executive level, plays a crucial role in deciding the firm's strategic path, operational efficiency, and overall performance, all of which are of significant interest to shareholders. Leadership, in its various forms, can significantly impact shareholder value. For instance, transformational leaders, known for their ability to inspire and motivate, can drive innovation and strategic initiatives that enhance long-term shareholder value (Pandey et.al., 2023). On the other hand, transactional leaders, who focus on operational efficiency and short-term performance metrics, can deliver consistent financial returns that appeal to certain shareholders (Reddy et.al, 2023). The leadership's approach to CG can also shape the relationship with shareholders. Leaders who advocate for strong CG mechanisms, such as robust internal controls, transparent reporting practices, and effective board oversight, can build shareholder trust and confidence. This trust is crucial in attracting and retaining investors, particularly in today's business environment marked by increased scrutiny on CG practices (Li, 2023). Moreover, leadership plays a key role in managing the company's relationship with its shareholders. Effective leaders understand the importance of open and transparent communication with shareholders. They make certain that shareholders are updated on the performance of the business, strategic direction, and significant business developments. This communication is often facilitated through various channels, including annual reports, shareholder meetings, and investor relations activities (Al-Tamimi, 2023). In conclusion, leadership crucial role in determining the company's relationship with its shareholders. The leadership style, approach to CG, and communication practices can significantly influence shareholder value and the company's relationship with its shareholders. As such, effective leadership is a crucial component of good CG.

**Predominance of Selected Leadership Styles on Management**

In the realm of CG, leadership and management are two intertwined concepts that significantly influence the trajectory of an organization. The connection between leadership and styles and management, particularly in relation to CG, is pivotal in determining the organization's success, stakeholder satisfaction, and overall sustainability.

*Transformational Leadership Style and Management:* Transformational leaders are characterized by their capacity to uplift and encourage employees to exceed their own limitations and achieve exceptional outcomes (Pandey et.al., 2023). In the context of CG, such leaders often foster a culture of innovation, adaptability, and continuous improvement. Their visionary approach aligns management practices with the organization's long-term goals, ensuring that managerial decisions are not just reactive but proactive, anticipating future challenges and (Patrick & Simona, 2023).

*Transactional Leadership Style and Management:* Transactional leaders, in contrast, emphasize structure, routine, and efficiency. Their leadership is often associated with clear roles, responsibilities, and reward structures. Within CG, this leadership style ensures that management practices are consistent, reliable, and aligned with established protocols and standards. Such leaders often prioritize risk management, compliance, and operational efficiency, ensuring that the organization meets its immediate objectives and stakeholder (Singh & Sharma, 2023).

*Servant Leadership Style and Management:* This style of leadership is grounded in the ethos of serving others, prioritizing the needs of employees, stakeholders, and the larger community. In the CG framework, servant leaders often champion ethical practices, stakeholder engagement, and corporate social responsibility. Their leadership ensures that management decisions are not solely profit-driven but consider the broader impact on stakeholders and society. Such leaders often advocate for transparent reporting, stakeholder engagement, and sustainable business practices, ensuring that the organization's governance is both ethical and effective (Cek & Ercantan, 2023).

*Authentic Leadership Style and Management:* Authentic leaders are characterized through becoming self-aware, transparency, and integrity. They lead with authenticity, ensuring that their actions align with their values and beliefs. In the realm of CG, authentic leadership fosters a culture of trust, openness, and ethical decision-making. Management practices under such leadership are transparent, consistent, and aligned with the organization's core values. Authentic leaders prioritize stakeholder trust, ensuring that managerial decisions are transparent, ethical, and the best interests of all stakeholders (Baliya et.al., 2023). In conclusion, leadership styles play a crucial part in shaping management practices within the framework CG. Whether it's the visionary approach of transformational leaders, the structured approach of transactional leaders, the service-oriented approach of servant leaders, or the value-driven approach of authentic leaders, leadership significantly influences how organizations are managed and governed. Effective leadership ensures that management practices are aligned with the organization's goals, stakeholder expectations, and ethical standards, ensuring sustainable success in an ever-evolving business landscape.

**Predominance of Selected Leadership Styles on Corporate Policies and Regulation**

The impact of leadership on corporate policies and regulation is a topic of paramount importance in the realm of CG. Leadership, in its various forms, plays a crucial part in determining the course, ethos, and operational paradigms of an organization.

*Transformational Leadership Style*: Transformational leaders, known for their visionary and inspirational qualities, often drive organizations towards innovation and change (Pandey et.al., 2023). Their leadership style encourages a culture of continuous improvement and adaptability. As a result, corporate policies under TFL tend to be forward-looking, emphasizing innovation, stakeholder engagement, and long-term sustainability. Such leaders often advocate for policies that foster creativity, employee empowerment, and stakeholder collaboration, ensuring the organization remains agile in a rapidly changing business environment (Patrick & Simona, 2023).

*Transactional Leadership Style:* Transactional leaders, on the other hand, emphasize structure, routine, and efficiency. Their leadership is often associated with clear roles, responsibilities, and reward structures. In the context of corporate policies and regulations, transactional leaders prioritize compliance, risk management, and operational efficiency. Corporate policies under such leadership are typically well-defined, with clear protocols and procedures to ensure consistency and adherence to regulatory standards (Singh & Sharma, 2023).

*Servant Leadership Style:* Servant leaders order the demands and well-being of their employees and other stakeholders. Their leadership style is grounded in the ethos of service, empathy, and ethical conduct. Consequently, corporate policies under SL often emphasize ethical business practices, stakeholder engagement, and corporate social responsibility. Such leaders advocate for policies that prioritize the broader societal impact of business decisions, ensuring that the organization's operations align with ethical and sustainable principles (Cek & Ercantan, 2023).

*Authentic Leadership Style:* Authentic leaders lead with transparency, integrity, and self-awareness. Their leadership fosters a culture of trust, openness, and ethical decision-making. Corporate policies under authentic leadership are transparent, consistent, and aligned with the organization's core values. Such leaders prioritize stakeholder trust, ensuring that corporate policies and practices are transparent, ethical, and the best interests of of all stakeholders (Baliya et.al., 2023). In conclusion, leadership plays a critical role in shaping corporate policies and regulations. The leadership style adopted by an organization's top executives can significantly influence the direction, ethos, and operational paradigms of the organization. Whether it's the visionary approach of transformational leaders, the structured approach of transactional leaders, the service-oriented approach of servant leaders, or the value-driven approach of authentic leaders, leadership significantly influences how organizations formulate and implement corporate policies and adhere to regulations.

## Predominance of Selected Leadership Styles on Stakeholder Rights

In the subject of CG, the effect of leadership on stakeholder rights is a subject of great significance. Stakeholders include everyone from the general public to customers, suppliers, and staff, have vested interests in the operations and outcomes of an organization. Leadership styles play a pivotal role in determining how these rights are recognized, upheld, and advanced.

*Transformational Leadership Style and Stakeholder Rights:* Transformational leaders encourage and encourage their followers to prioritize the requirements of the organization over their own in order to attain greater success. and its stakeholders. Such leaders foster an environment of trust and cooperation, which is conducive to respecting stakeholder rights. For instance, TFL has been found to influence employees' work performance both directly and indirectly, implying that such leaders prioritize employee well-being and rights (Mikkelsen & Olsen, 2019).

*Transactional Leadership Style and Stakeholder Rights:* Transactional leaders focus on the exchange process with followers to achieve organizational objectives. They establish clear roles and responsibilities and use rewards and punishments to influence behavior. While this style may seem rigid, it can uphold stakeholder rights by ensuring responsibility and adherence to set rules and regulations.

*Servant Leadership Style and Stakeholder Rights:* Servant leaders prioritize the needs of their followers and other stakeholders over their own. They strive to enhance the personal growth, autonomy, and well-being of those they lead. This leadership style is inherently aligned with the protection of stakeholder rights, emphasizing service, empathy, and ethical conduct.

*Authentic Leadership Style and Stakeholder Rights:* Authentic leaders lead with transparency, moral integrity, and alignment between their values and actions. They foster trust and promote open communication, ensuring that stakeholders' voices are heard, and their rights are respected.
In conclusion, leadership has a significant impact on how an organisation is approach to stakeholder rights. The leadership style adopted can significantly influence how these rights are recognized and advanced. Effective leadership ensures that stakeholder rights are not just acknowledged but actively promoted and protected within the organizational framework.

## Predominance of Corporate Governance on Leadership Styles

### *Influence of board structure, organizational hierarchy, and ownership structure on leadership styles*

The influence of board structure, organizational hierarchy, and ownership structure on leadership styles is a multifaceted topic that requires an awareness of how these factors interact with the dynamics of leadership within an organization. Board structure plays a crucial part in forming leadership styles. The composition and diversity of a board can influence the leadership approach within an organization. For instance, Nielsen and Huse (2010) discovered that corporate boards are more inclined to engage in activities that reflect a TFL style, emphasizing collaboration, empowerment, and shared vision as stated by Gipson et. al, (2017).

Organizational hierarchy also impacts leadership styles. The level of bureaucracy, centralization, and formalization in an organization can either foster or hinder certain leadership styles. For instance, Miller, Xu, and Mehrotra, (2012) state that a highly bureaucratic and centralized structure may favor a TSL style, characterized by clear lines of authority, strict rules, and procedures. In contrast, a more decentralized and less formalized structure may foster TFL, where leaders inspire and motivate employees towards a shared vision (Miller, Xu, & Mehrotra, 2012). Ownership structure is another critical factor influencing leadership styles. The type of ownership can shape the leadership approach and the relationship between leaders and employees. For instance, in family-owned businesses, leadership styles may be more paternalistic, characterized by a family-like relationship between the leader and the employees. In contrast, in publicly owned companies, leadership styles may be more formal and transactional, focusing on performance metrics and shareholder value (Maak, Pless, & Voegtlin, 2016). The interplay between board structure, organizational hierarchy, and ownership structure significantly influences leadership styles within an organization. Understanding these dynamics is crucial for effective leadership and organizational success.

### *Influence of regulatory environment and corporate governance codes on leadership practices*

The regulatory environment and CG codes have a profound impact on leadership practices within organizations. These external and internal guidelines shape the way leaders operate, make decisions, and interact with various stakeholders. The regulatory environment sets the legal and ethical boundaries within which organizations operate. It includes laws and regulations related to CG, such as the Sarbanes-Oxley Act in the United States or the UK CG Code in the United Kingdom. These regulations often require transparency, accountability, and ethical conduct from leaders, shaping their decision-making processes and leadership styles. For instance, the UK CG Code focuses on the significance of efficient board leadership and promotes a culture of openness and debate among board members (Financial Reporting Council, 2016). CG codes, whether mandated by law or voluntarily adopted, also influence leadership practices. These codes outline the roles and obligations of leaders, the structure of the board, and the rights of shareholders, among other things. They encourage leaders to adopt practices that promote transparency, accountability, and stakeholder engagement. For instance, a study by Heracleous (2001) found that organizations with robust CG practices tend to have leaders who are more focused on long-term strategic planning and stakeholder engagement. However, the effect of the regulatory environment and CG codes on leadership practices is not uniform across all organizations. The specific context of an organization, including its size, industry, and culture, can moderate this impact. For instance, in family-owned businesses, the influence of family values and traditions may overshadow the impact of external regulations and CG codes on leadership practices. In conclusion, the regulatory environment and CG codes play a crucial role in shaping leadership practices. They set the standards for ethical conduct, promote transparency and accountability, and encourage leaders to consider the interests of various stakeholders in their decision-making processes.

### Significance of Shareholders in Shaping Leadership Behavior

Shareholder activism plays a pivotal role in shaping leadership behavior within organizations. This form of when shareholders engage in activism, they use their ownership stake in the company to apply pressure on the management to effect changes they believe will increase shareholder value. The influence of shareholder activism on leadership behavior is multifaceted and can be seen in various aspects of CG and strategic decision-making. Shareholder activism can lead to changes in leadership behavior by promoting transparency and accountability. Shareholders, particularly institutional investors, often demand greater disclosure of information and hold leaders accountable for their actions. This demand for transparency can influence leaders to adopt more ethical and responsible behaviors. For instance, Black (1998) found that shareholder activism in the United States has led to significant improvements in CG, including increased transparency and accountability. Shareholder activism can also shape leadership behavior by influencing strategic decisions. According to a study by Hambrick and Finkelstein (2005), job demands, which can be influenced by shareholder activism, play an important role in shaping executive decision-making and leadership behaviors. Shareholders can exert pressure on leaders to make strategic decisions that align with their interests, such as increasing shareholder returns or adopting more sustainable business practices. Furthermore, shareholder activism can influence leadership behavior by promoting socially responsible investments and corporate social responsibility (CSR). Doh, Guay, and Sinclair (2004) argue that shareholder activism, particularly by non-governmental organizations (NGOs), has led to significant alterations to company governance, strategy, and management. This form of activism encourages leaders to a wider spectrum of stakeholders' interests which should be considered, not just shareholders, in their decision-making processes. However, the impact of shareholder activism on leadership behavior can also depend on the organization's unique situation, the nature of the activism. For instance, Maak, Pless, and Voegtlin (2016) suggest that the influence of shareholder activism depends on whether a person is in a leadership position, their activism is based on perceived moral obligations towards shareholders or stakeholders. In conclusion, shareholder activism plays a significant role in shaping leadership behavior by promoting transparency, influencing strategic decisions, and encouraging socially responsible behavior. However, the specific impact of shareholder activism can depend on the situation of the organization and the nature of the activism.

## Conclusion (s)

The paper provides a thorough comprehension of the connection between leadership and CG. The findings imply that leadership significantly influences CG, and conversely, the governance structure within an organization can shape its leadership practices. The research indicates that effective leadership can enhance CG in several ways. Leaders who foster a culture of transparency and accountability, for instance, can significantly improve governance mechanisms. By setting high ethical standards and norms, leaders can influence the behavior of all members of the organization, thereby promoting good governance. Moreover, the research underscores the value of stakeholders' engagement in CG, a process that can be significantly enhanced by effective leadership. Leaders who adopt a stakeholder-oriented approach can ensure a balance in decision-making processes, weighing the interests of all parties involved.

Leadership styles such as transformational, servant, and authentic leadership can have a significant impact on CG. Transformational leaders, who encourage and encouraging their followers to prioritize the organization's goals ahead of their own can develop an environment that is innovative and adaptable, which is essential for efficient governance in a quickly changing business environment. Servant leaders, who prioritize their followers' development and welfare, and the communities to which they belong, can enhance foster stakeholder involvement and a socially responsible culture, which are key aspects of good governance. Authentic leaders, who are self-aware, transparent, and ethical, can foster an environment of trust and integrity, which are crucial for effective governance.

There are several aspects of leadership that augment CG. These include the capacity of a leader to encourage and motivate subordinates, their commitment to ethical behavior, their ability to build trust and foster collaboration, and their capacity to adapt to changing circumstances and respond to challenges. The research also highlights the members of directors' function in CG. Effective leadership at the board level can enhance the board's oversight function and ensure that all stakeholders' interests are considered when making decisions. decisions. Furthermore, regulatory environment and CG codes can influence leadership practices. Leaders who can navigate the regulatory environment and adhere to governance codes can enhance the organization's reputation and stakeholder trust, which are crucial for effective governance.

The research provides a comprehensive and nuanced analysis of the connection between leadership and CG. It underscores the importance of effective leadership in shaping good governance practices and the need for governance mechanisms that support and enhance effective leadership. The study of the connection between leadership and CG in this paper has provided significant insights into the complex interplay between these two critical organizational elements. The paper has underscored the importance of effective leadership in fostering good governance practices and the role of governance mechanisms in shaping leadership styles and practices.

The research has demonstrated that types of leadership, including transformational, transactional, servant, and authentic, can significantly influence various aspects of CG, including the board of directors, shareholders, management, corporate policies and regulations, and stakeholder rights. Conversely, the paper has also shown that elements of CG, such as board structure, organizational hierarchy, ownership structure, regulatory environment, and CG codes, can influence leadership practices. The paper's exploration of various CG theories, including AT, SDT, SKT, and RDT, has provided a nuanced understanding of the relationship between the principals (owners) and agents (managers) of a company and the role of governance mechanisms in managing this relationship.

**Recommendation (s)**

The conclusions of this study have a number of consequences for decision-makers, practitioners of governance, and scholars. For leaders, the paper underscores the link and importance of the relationship between leadership style and corporate governance.

For governance practitioners, the paper highlights the need for governance mechanisms that support effective leadership and balance the interests of various stakeholders. The paper also underscores the importance of understanding the regulatory environment and adhering to CG codes. There should policy formulation about observing corporate governance codes in all corporate organizations.

For researchers, the paper highlights the need for further research to examine the intricate connection between leadership and CG in different contexts and settings. Future research could also explore the practical potential effects of the CG theories addressed in the paper and examine how different governance structures can shape leadership styles. In a rapidly changing business environment, understanding the interplay between leadership and CG is crucial for the effectiveness and longevity of organizations. This paper contributes to this understanding and provides a foundation for further research in this field.

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