



**UNIVERSITY
OF TURKU**

Turku School of
Economics

Non-intervention as a Strategy

How laissez-faire leadership shapes dynamic capabilities

International Business
Department of Marketing and International Business
Master's thesis

Author(s):
Anna Bragina

Supervisor(s):
D.Sc. Birgitta Sandberg
D.Sc. Majid Aleem

30.04.2026
Turku

Student's statement regarding the use of Artificial Intelligence (AI) for preparing and/or writing this thesis:

I have not used any AI-based tools.

I have used AI-based tools. Their use is documented in the Appendix. The AI tools were used in a way that complies with academic integrity guidelines.

The originality of this thesis has been checked in accordance with the University of Turku quality assurance system using the Turnitin Originality Check service.

Master's thesis

Subject: International Business

Author: Anna Bragina

Title: Non-intervention as a Strategy

Supervisor(s): D.Sc. Birgitta Sandberg, D.Sc. Majid Aleem

Number of pages: 119 pages (+ appendices 8 pages)

Date: 30.04.2026

Abstract

Laissez-faire leadership has long been treated as the least effective form within the Full-Range Leadership Theory framework, synonymous with absence and dysfunction. Yet a smaller body of research finds that deliberate leader restraint can support autonomy and self-directed learning when enabling conditions are in place. This thesis reconceptualises laissez-faire leadership as strategic non-intervention and examines how and under what conditions such restraint can enable the development of dynamic capabilities. A systematic literature review following PRISMA standards was conducted on 70 peer-reviewed studies (2004–2026), coded in NVivo 15 through a hybrid deductive–inductive strategy.

The thesis advances four interconnected theoretical contributions. Laissez-faire leadership aggregates at least three psychologically distinct forms of non-intervention: *dysfunctional withdrawal*, *relationally induced disengagement*, and *strategic non-intervention*. Follower attribution operates as the pivot mechanism routing the same restraint into enabling, suppressing, or null pathways. A structurally asymmetric dual-pathway architecture emerges, with the enabling pathway operating through multiple distinct channels and the suppressing pathway through a single cascading chain. Boundary conditions at the follower, dyadic, and organisational–environmental levels operate multiplicatively, activating the enabling pathway only when favourable conditions are present simultaneously across all three levels. Together, these findings reposition laissez-faire leadership from the bottom of the leadership range to a context-sensitive instrument within the leader's adaptive repertoire.

Keywords: laissez-faire leadership, strategic non-intervention, dynamic capabilities, microfoundations, Full-Range Leadership Theory, systematic literature review, sensing, seizing, transforming, boundary conditions

TABLE OF CONTENTS

1	Introduction	7
1.1	Laissez-faire leadership as an overlooked microfoundation of dynamic capabilities	7
1.2	Research purpose	9
2	Situating laissez-faire leadership within the microfoundations of dynamic capabilities	11
2.1	Theoretical development of dynamic capabilities	11
2.1.1	The microfoundations of dynamic capabilities	12
2.1.2	Leadership as a microfoundation	13
2.2	The Full-Range Leadership Theory framework of leadership styles	16
2.2.1	An overview of the Full-Range Leadership Theory framework	16
2.2.2	Transformational leadership	17
2.2.3	Transactional leadership	19
2.3	Laissez-faire leadership and its potential effects on the foundations of dynamic capabilities	21
2.4	Laissez-faire leadership as strategic non-intervention and enabler of dynamic capabilities	25
3	Methodology	29
3.1	Research design	29
3.2	Data collection	32
3.3	Data analysis	36
3.4	Evaluation of study	39
4	Forms, pathways, and boundary conditions of non-intervention	42
4.1	Overview of systematic literature review	42
4.2	Laissez-faire as strategic non-intervention	48
4.2.1	The dominant negative view	48
4.2.2	Empirical anomalies within the dominant paradigm	50
4.2.3	The measurement problem	53
4.2.4	Laissez-faire as a dynamic and situationally induced behaviour	55
4.2.5	Three forms of non-intervention	57
4.2.6	The attribution bridge: from behaviour to outcome	61
4.2.7	Summary	62
4.3	The dual-pathway architecture of non-intervention	63
4.3.1	The enabling pathway through autonomy, flow and self-directed capability building	64
4.3.2	The suppressing pathway through disengagement, role ambiguity and capability erosion	70
4.3.3	The null pathway and the conditions under which non-intervention is inert	76
4.3.4	Summary of the pathway model	77
4.4	Boundary conditions determining pathway dominance	79
4.4.1	Follower-level conditions	79
4.4.2	Dyadic and team-level conditions	84
4.4.3	Organisational and environmental conditions	87
4.4.4	Cross-level interaction and the multiplicative logic	91
4.4.5	Summary	92
4.5	Synthesis and updated conceptual framework	93
5	Conclusions	98
5.1	Theoretical contributions	98

5.2 Managerial implications	103
5.3 Limitations of the study and future research suggestions	105
6 Summary	109
References	111
Appendices	120
APPENDIX 1 CODING TREE	120
APPENDIX 2 CODE BOOK	122
APPENDIX 3 CLASSIFICATION MASTER SHEET	123
APPENDIX 4 USE OF GENERATIVE ARTIFICIAL INTELLIGENCE	126

FIGURES

Figure 1. Meta-level role of leadership within the dynamic capability's framework	15
Figure 2 Preliminary conceptual model	27
Figure 3 Process of systematic literature review	31
Figure 4 PRISMA flow diagram	35
Figure 5 Temporal distribution of reviewed studies by evaluative stance toward laissez-faire leadership	42
Figure 6 Regional distribution of reviewed studies by evaluative stance toward laissez-faire leadership	43
Figure 7 Methodological composition of the reviewed corpus	44
Figure 8 Direction of findings by type of laissez-faire leadership operationalisation	45
Figure 9 Distribution of reviewed studies by level of analysis	47
Figure 10 Updated conceptual framework	95

TABLES

Table 1 Examples illustrating how strategic non-intervention enables dynamic capabilities	26
Table 2 Development of search keywords by conceptual domain	33
Table 3 Exclusion criteria applied during screening	34
Table 4 Examples of coding	38

1 Introduction

1.1 Laissez-faire leadership as an overlooked microfoundation of dynamic capabilities

In today's volatile business environments, characterized by rapid technological change, global disruptions, and shifting consumer demands, firms must do more than perform efficiently; they must continuously anticipate and reconfigure their strategies and structures (Schoemaker et al. 2018, 16–18; Verhoef et al. 2021, 889–890; Elmehdi et al. 2025, 1–2). The theoretical vocabulary for this continuous reconfiguration is the concept of dynamic capabilities, which has emerged as a central lens for understanding how firms develop and sustain competitive advantage under conditions of change. Defined as "the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments" (Teece et al. 1997, 516), dynamic capabilities differ fundamentally from ordinary capabilities that focus on stability and operational excellence.

Over time, the dynamic capabilities framework has evolved from a broad conceptualisation toward more clearly articulated processes through which organisational change occurs. Early work emphasized coordination, learning, and reconfiguration as central mechanisms enabling firms to adapt in dynamic environments (Teece et al. 1997, 518; Eisenhardt & Martin 2000; Zollo & Winter 2002). Subsequent scholarship sought to clarify and systematize these mechanisms, responding to critiques concerning tautology and operational ambiguity (Winter 2003).

This evolution culminated in Teece's (2007) refinement of the framework into three core elements: sensing, seizing, and transforming. Sensing involves identifying opportunities and threats in the external environment; seizing refers to mobilizing resources and making timely strategic decisions to capture value from those opportunities; and transforming entails the continuous renewal of organisational structures, routines, and culture to sustain long-term adaptability (Teece 2007, 1319–1336).

Importantly, dynamic capabilities are not abstract qualities, they are enacted through a set of microfoundations: individual, group, and structural mechanisms that underlie sensing, seizing, and transforming. These include leadership behaviours, decision rules, knowledge processes, and organisational structures (Teece 2007, 1319; Felin & Foss 2015, 590). Scholars have increasingly argued that understanding these microfoundations is essential, as macro-level concepts like "routines" or "capabilities" risk becoming tautological or untestable if not grounded in individual-level mechanisms (Felin & Foss 2005, 444; Winter 2003, 991–994).

Among these microfoundations, leadership has emerged as a particularly potent and complex force. Leadership behaviours influence how firms interpret signals, frame decisions, coordinate action, and create shared understanding (Teece 2007, 1335; Helfat & Peteraf 2015, 845). Dynamic capabilities require more than routine adaptation, they demand purposeful, strategic leadership, especially in environments of ambiguity and risk (Schoemaker et al. 2018, 16–19). Accordingly, leadership is increasingly conceptualized not as an isolated microfoundation, but as a meta-level managerial mechanism through which multiple microfoundational elements are orchestrated and mobilized, thereby enabling the development and effective deployment of dynamic capabilities (Adner & Helfat 2003, 1012; Teece 2014, 14–15; Foss & Pedersen 2016, 2–4). Research has extensively examined the impact of transformational and transactional leadership on dynamic capabilities, showing how they enable strategic vision, learning, and alignment (López-Cabrales et al. 2017, 268–271). However, one style remains conspicuously absent from this discourse: *laissez-faire* leadership. Often described as the “absence” of leadership, *laissez-faire* is associated with avoidance of responsibility, decision paralysis, and role ambiguity (Bass & Avolio 1994; Skogstad et al. 2007, 214–215). It has been widely dismissed as a destructive or dysfunctional style, especially in performance-critical environments.

Yet recent literature challenges this view (Yang 2015; Zhang et al. 2023; Kuijpers et al. 2024). A growing number of scholars suggest that *laissez-faire* leadership can, under specific enabling conditions, function as a strategic posture rather than mere neglect. Emerging evidence indicates that in contexts characterized by autonomy, trust, and psychological safety, non-intervention can empower teams, foster innovation, and encourage self-leadership (Yang, 2015, 1248; Zhang et al., 2023, 1; Kuijpers et al., 2024, 100). This interpretation aligns with organisational concepts such as loose coupling (Weick, 1976) and self-determination theory, which emphasize the role of autonomy in fostering motivation, learning, and adaptive performance (Gagné & Deci 2005, 346).

Despite these insights, there is still no systematic attempt to examine how, through which mechanisms, and under what conditions *laissez-faire* leadership may contribute to the development of dynamic capabilities. Existing studies remain fragmented across leadership, psychology, and organisational behaviour, offering limited integration with the dynamic capabilities framework and its core processes of sensing, seizing, and transforming.

Theoretically, this gap leaves unexamined how non-interventionist leadership behaviours may operate as microfoundations that enable or constrain adaptive capability development. Practically, it risks oversimplifying leadership development and performance management by treating non-

intervention either as dysfunction or neglect, without accounting for contextual factors such as autonomy, team competence, and psychological safety. In contemporary organisational settings characterized by flat structures, distributed leadership, and emergent decision-making, misinterpreting strategic restraint as incompetence, or vice versa, may lead to misguided managerial interventions.

1.2 Research purpose

To address this gap, this thesis reconceptualises laissez-faire leadership as strategic non-intervention, defined as a deliberate leadership behaviour enacted under specific conditions to enable autonomy, initiative, and adaptive learning. This reconceptualisation is pursued through a systematic literature review (SLR) synthesizing empirical and conceptual evidence from leadership, psychology, and strategic management. Specifically, the thesis examines under what conditions strategic non-intervention functions as a productive enabler of dynamic capabilities, with particular attention to the mechanisms of sensing, seizing, and transforming. This inquiry is guided by the following main research question:

How and under what conditions can laissez-faire leadership, viewed as a deliberate and adaptive leadership stance, enable the development of dynamic capabilities?

To address this overarching question, the following sub-questions structure the analysis:

SQ1: How do existing studies distinguish between ineffective laissez-faire leadership and enabling non-intervention?

SQ2: How are non-interventionist leadership behaviours linked to dynamic capabilities?

SQ3: What contextual elements shape the effectiveness of strategic non-intervention in dynamic capability development?

The first sub-question helps to establish conceptual clarity. The literature often describes laissez-faire as negative type of leadership, however recent studies argue with that, suggesting that it could have positive aspects in it (Yang 2015; Zhang et al. 2023; Kuijpers et al. 2024). Before it is possible to analyse its potential effects, it is necessary to understand how scholars differentiate between destructive passivity and purposeful restraint. By identifying the features that separate ineffective laissez-faire behaviour from strategic non-intervention, this question creates a foundation for the following analysis.

Once the concept is clearly defined, the next step is to explore how strategic non-intervention can influence organisational processes. The second sub-question focuses on exploring possible ways through which non-intervention may support the core elements of dynamic capabilities. Particularly it would explore whether hand-off approach can enable autonomy, psychological safety or other processes that allow employees to learn effectively. Addressing this question provides an explanation of how laissez-faire leadership, when applied strategically, might contribute to the development of dynamic capabilities.

Even when the potential mechanisms are identified, they are unlikely to work in every situation. The third sub-question therefore considers the contextual factors that determine when non-intervention becomes productive and when it becomes harmful. The factors may be various and include competence, level of trust, employee motivation etc. This question highlights that the effectiveness of strategic non-intervention depends on conditions that either enable or constraint its positive effects.

In addressing these research questions, the study helps to bridge leadership theory and the dynamic capabilities framework, while offering new insights into how leaders can lead by “letting go”, without losing control.

The remainder of the thesis is structured as follows. Chapter 2 first presents the theoretical background, outlining the core concepts of the dynamic capabilities framework, its microfoundations, and relevant leadership theories. Emphasis is placed on the often-overlooked style of laissez-faire leadership. This is followed by a synthesis of the reviewed literature, which integrates these perspectives and reconceptualizes laissez-faire leadership as strategic non-intervention. The chapter concludes with the development of a preliminary conceptual model that informs the subsequent analysis. Chapter 3 outlines the research design, detailing the methodology of the systematic literature review conducted to assess both empirical and conceptual studies on the outcomes and boundary conditions of laissez-faire leadership.

2 Situating laissez-faire leadership within the microfoundations of dynamic capabilities

This section establishes the theoretical foundations for this study's investigation into the relationship between leadership behaviour and dynamic capabilities. It begins by outlining the dynamic capabilities framework and its microfoundational underpinnings, followed by a review of the Full-Range Leadership Theory, with particular attention to the often-overlooked style of laissez-faire leadership.

2.1 Theoretical development of dynamic capabilities

Exploring how firms can secure and maintain a competitive advantage in rapidly changing environments has been a prominent subject of academic investigation for many years. To address this challenge, Teece et al. (1997) introduced the notion of dynamic capabilities. Drawing from a resource-based perspective, they define dynamic capabilities as 'the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments' (Teece et al. 1997, 516). This concept was subsequently refined to avoid tautological interpretations, proposing that dynamic capabilities are identifiable and specific organisational routines that can be replicated across firms (Eisenhardt & Martin 2000, 1106–1107). Consequently, dynamic capabilities are viewed as observable processes, such as swift decision-making, alliance formation, and knowledge sharing. Winter (2003, 991) further distinguished dynamic capabilities from ordinary capabilities by defining the former as higher-order routines that modify the latter, enabling innovation and transformation, rather than routine operational efficiency.

To further examine the structure of the dynamic capabilities, a tree metaphor can be employed. The roots represent the microfoundations, a diverse set of organisational processes, skills, decision rules, and structures that underlie and enable enterprise-level sensing, seizing, and transformation (Teece, 2007, 1319). These foundational elements are inherently partial, evolving, and difficult to observe and codify (Teece 2014, 23). Their complexity contributes to the opacity and firm-specific nature of dynamic capabilities, which makes them difficult to replicate. As Teece (2007, 1321) argues, this opacity is a necessary condition; otherwise, dynamic capabilities would become commoditised and lose value as a source of sustained competitive advantage.

Rising from these roots, the trunk represents the central structure of the dynamic capabilities. In earlier conceptualisations, this core was expressed through three primary processes: coordination, learning, and reconfiguration (Teece et al. 1997, 518). Coordination involves a firm's capacity to effectively align and utilise both internal and external resources; learning refers to the enhancement

and renewal of organisational knowledge through the accumulation of experience, knowledge articulation, and codification; and reconfiguration involves the transformation and realignment of asset structures and routines in response to environmental change. In later developments of the framework, these elements were reconceptualised as microfoundational subsets embedded within the broader dynamic capabilities of sensing, seizing, and transforming. (Teece, 2007, 1319.)

At the trunk branch level, sensing reflects the firm's ability to identify and interpret opportunities and threats through market scanning, R&D, and customer engagement. Seizing entails committing resources and designing appropriate business models to capture the value from these opportunities. Transforming involves continuous renewal of organisational structures and capabilities to ensure strategic flexibility in dynamic environments. (Teece et al. 2007, 1322–1339.) Recent empirical work confirms that these three dimensions operate with differential effects on organisational outcomes, supporting the value of treating them as distinct mechanisms (Zhou et al. 2019, 735–743; Zabel & O'Brien 2024, 317). Finally, branches and leaves represent the specific routines, behaviours, and tools that manifest dynamic capabilities in practice, context-sensitive enactments that vary across firms and industries. This layered model reflects Teece's (2007, 1319) view that dynamic capabilities are rooted in complex and difficult-to-develop microfoundations that shape how firms adapt, evolve, and sustain their competitive advantage over time.

2.1.1 The microfoundations of dynamic capabilities

Before the foundational contributions of Teece (2007) and Felin et al. (2015), the dynamic capabilities framework faced recurring criticism for its reliance on macro-level constructs, which lacked clear explanations of how capabilities arise, evolve, or differ across firms. For instance, Felin and Foss (2005, 444–445) argued that the capabilities approach has long struggled with issues of testability and operationalisation, largely due to the absence of precise and agreed-upon definitions of routines and capabilities. Winter (2003, 991, 993–994) similarly critiques the “black box” treatment of dynamic capabilities, noting that their development often entails costly investments and sustained learning, processes that are frequently under-specified. These critiques underscore a core limitation: macro-level constructs, such as routines and capabilities, tend to rely on collective-level explanations while neglecting the individual-level mechanisms that underpin them (Felin & Foss 2005, 449). As Felin et al. (2015, 590) point out, this results in theories that are vague, empirically untestable, and lacking explanatory clarity and predictive power.

A microfoundation movement in strategic management has emerged to address this gap. Rather than treating firms as monolithic entities, this approach disaggregates organisational phenomena

into their underlying individual, group, and structural components (Felin et al. 2015, 605–606). Rooted in methodological individualism, microfoundations emphasise that social phenomena must ultimately be explained through the actions and interactions of individuals (Felin & Foss 2005, 579, 588). This includes attention to cognitive, emotional, and behavioural processes inside firms. Felin et al. (2015, 576, 598, 608) also connected this perspective to behavioural theory, highlighting the relevance of bounded rationality, interpretation, and intra-organisational learning.

At the individual level, dynamic capabilities depend on the knowledge, experience, and leadership skills of managers. These traits influence how signals are sensed, how opportunities and threats are framed, and how responses are implemented. (Teece 2007, 1333, 1346.) Individuals do not enact routines passively; rather, their cognitive frameworks, motivations, and prior experiences shape how routines are interpreted and adapted (Felin et al. 2015, 595–596).

Beyond individuals, dynamic capabilities are often enacted collectively. Interaction effects among people, processes, and structures shape how information is processed and how firms adapt (Felin et al. 2012, 1353). Group-level factors such as communication quality, shared understanding, and conflict resolution play an important role in organisational flexibility and responsiveness (Chen et al. 2023, 1733–1734). For example, effective cross-functional collaboration and decentralised decision-making processes are essential for seizing opportunities (Teece 2007, 1336).

Finally, dynamic capabilities are supported by formal and informal organisational structures that guide behaviour. These include decision rules, coordination routines, and institutionalised practices that enable firms to reconfigure resources and maintain performance in dynamic environments (Teece 2007, 1319, 1336). As Winter (2003, 993) observes, these capabilities are embedded in systems that require sustained investment to develop. Therefore, macro-level constructs such as routines should be conceptualised as emergent patterns resulting from recurring, interdependent behaviours embedded within structured environments (Felin et al. 2015, 605). Given the centrality of individuals in enacting and shaping organisational routines and capabilities, leadership is increasingly recognised as a vital microfoundation of dynamic capabilities (Teece 2007, 1335; Helfat & Peteraf 2015, 845; Teece 2023, 119-120). Managerial leadership plays a critical role in orchestrating individual knowledge, cognition, and interaction toward strategic outcomes.

2.1.2 Leadership as a microfoundation

Dynamic capabilities require more than routinised adaptation; they demand purposeful sensing, seizing, and transforming actions, especially in volatile environments characterised by rapid, unpredictable change, where traditional planning and decision-making often prove insufficient

(Schoemaker et al. 2018, 16–19). In such contexts, organisations face heightened risks that call for new approaches to strategy and responsiveness, with leaders serving as both initiators and enablers of dynamic processes (Schoemaker et al. 2018, 16; cf. Chen et al. 2023, 1730). Entrepreneurial leadership, defined as leadership behaviour oriented toward opportunity recognition, proactive action, and the mobilization of resources under conditions of uncertainty (Gupta et al. 2004, 247), functions as an important overlay of dynamic capabilities. Without such leadership, firms struggle to renew and reconfigure organisational resources (Schoemaker et al. 2018, 16).

At the micro level, leaders influence how firms interpret and respond to change through both cognitive and emotional faculties. Helfat and Peteraf (2015, 845), for instance, conceptualise “managerial cognitive capabilities” as a subset of microfoundations underpinning dynamic managerial capabilities. These include attention, perception, problem solving, and mental models, which directly affect a firm’s ability to sense, seize, and transform. Complementing this cognitive dimension, Huy and Zott (2019) examined how emotion regulation behaviours enacted by leaders can facilitate resource mobilisation and enable strategic change, thus contributing to the affective microfoundations of dynamic capabilities.

In addition, leadership behaviour influences the learning mechanisms, interpretive frameworks, and heuristic-based processes through which dynamic capabilities are developed and enacted (Zollo & Winter 2002; Gavetti 2005; Bingham et al. 2007). The effectiveness of these behaviours varies depending on the leadership style, experience, and psychological disposition

Importantly, leadership is not fixed or uniform. It is increasingly being recognised as a dynamic and context-sensitive phenomenon (Oc 2018, 230; Glaas et al. 2025, 11). With experience leaders recognize the value of different leader’s behaviours to match a certain situation (London & Sherman 2021, 325), that is in response to organisational demands, environmental pressures, or team dynamics, individuals may shift between leadership styles. This fluidity challenges the assumption that a leader consistently adheres to a singular style and opens the possibility that even less commonly valorised approaches may be employed strategically in specific contexts. This view also aligns with recent dynamic capabilities scholarship arguing that adaptive adjustment need not be confined to directive managerial intervention but can emerge through mindful, attentive action at multiple organisational levels (Schriber & Löwstedt 2020, 383–384; cf. Seabra et al. 2026, 3–4).

Building on these perspectives, this thesis argues that leadership occupies a distinctive place in the microfoundational architecture, functioning as a meta-capability that orchestrates the individual, group, and structural mechanisms underlying dynamic capabilities. This framing shifts the

analytical question from whether leadership matters for dynamic capabilities to which leadership behaviours activate which microfoundational mechanisms, a question the following section addresses through the Full-Range Leadership Theory, with particular attention to laissez-faire leadership, a style that remains largely underexplored in the capability literature but may offer value in contexts emphasising autonomy, decentralisation, and emergent learning.

To further clarify the meta-level role of leadership within the dynamic capabilities framework, Figure 1 presents a simplified conceptual model that positions leadership behaviours at a higher-order level. These behaviours shape and support the underlying microfoundational mechanisms through which sensing, seizing, and transforming are enacted.

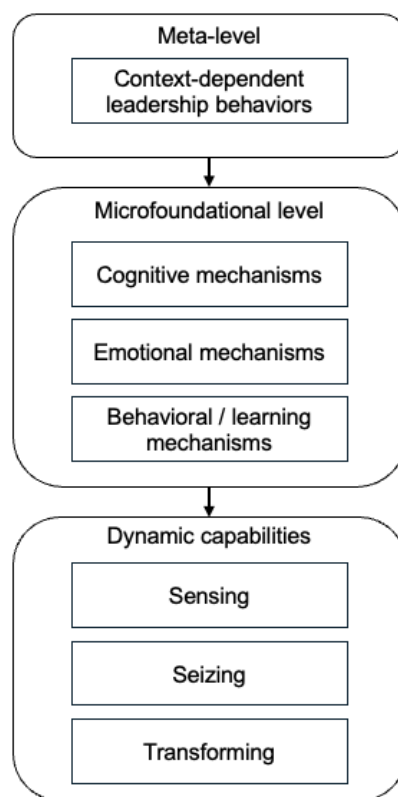


Figure 1 Meta-level role of leadership within the dynamic capabilities framework

Figure 1 illustrates how leadership functions across multiple layers within the dynamic capability framework. At the meta-level, leaders adopt context-dependent behaviours that influence how underlying microfoundations are activated and coordinated. The microfoundational layer includes cognitive, emotional, and behavioural or learning mechanisms, such as attention, sensemaking, emotion regulation, and experiential learning through which individuals interpret their environment and respond to emerging challenges. Together, these mechanisms support the development of dynamic capabilities, expressed through sensing, seizing, and transforming. By outlining these

relationships in a layered structure, the figure highlights that leadership is not merely another microfoundation; rather, it operates as a higher-order influence that shapes and aligns microfoundational processes, at length contributing to a firm's ability to adapt and renew itself.

2.2 The Full-Range Leadership Theory framework of leadership styles

2.2.1 An overview of the Full-Range Leadership Theory framework

The Full-Range Leadership Theory, developed by Bass and Avolio (1994), classifies leadership behaviours into three core styles: transformational, transactional, and laissez-faire. Transformational leadership emphasizes inspiration, vision, and intellectual stimulation, fostering innovation and follower commitment beyond immediate self-interest (Bass 1990, 21; Bass & Avolio 1994, 541). Transactional leadership, in contrast, relies on well-defined exchanges, clarifying expectations and rewarding performance (Bass 1990, 22). Laissez-faire leadership, which was introduced primarily to capture the “absence” of leadership behaviour, is characterized by avoidance of decision-making and disengagement from leadership responsibilities. Bass and Avolio (1994, 553) even referred to organisations dominated by such leadership as resembling “garbage can” cultures.

Among these styles, transformational and transactional leadership have received the most scholarly attention in relation to dynamic capabilities (e.g., López-Cabrales et al. 2017; Wamalwa 2023). Transformational leadership has been closely linked to the microfoundations of sensing, seizing, and transforming due to its emphasis on strategic vision, adaptability, and the development of human capital (López-Cabrales et al. 2017, 268). Transactional leadership, while often regarded as more conservative, supports dynamic capabilities by reinforcing operational discipline and providing structure for repeatable performance (López-Cabrales et al. 2017, 271). In contrast, laissez-faire leadership is typically perceived as a passive and ineffective style and has thus been largely overlooked in the dynamic capabilities discourse.

One reason for the relative neglect of laissez-faire leadership in this context may lie in how leadership is typically assessed. The Multifactor Leadership Questionnaire remains the dominant instrument for measuring leadership behaviour (Antonakis et al. 2003, 262; Bao et al. 2025, 156, 166–167). It captures nine dimensions across the leadership spectrum: five transformational, three transactional, and one passive (laissez-faire) component (Antonakis et al. 2003, 262). While widely regarded as the empirical gold standard, the questionnaire has been critiqued for framing leadership in stable, trait-like terms. This conceptualization sits uneasily with the foundations of dynamic capabilities, which emphasize responsiveness, adaptation, and continuous learning in the face of environmental uncertainty (Schoemaker et al., 2018, 14). As Antonakis et al. (2003, 284) and

Kuijpers et al. (2024, 103) argue, leadership should be understood as a situationally contingent and evolving phenomenon.

Within the conceptual tension of leadership and strategic renewal lies a notable oversight: the limited examination of laissez-faire leadership through the lens of dynamic capabilities. Often dismissed as a passive or ineffective style, laissez-faire leadership has received little theoretical attention, particularly in frameworks that emphasize proactive, directive, and interventionist approaches (Yang 2015, 1254; cf. Rassa & Emeagwali 2020, 1458). However, emerging studies suggest that in specific organisational contexts, especially those characterized by autonomy, decentralization, and creative problem-solving, laissez-faire leadership may enable emergent learning, adaptive behaviour, and distributed innovation (Yang 2015, 1248; Zhang et al. 2023, 1, Kuijpers et al. 2024).

To explore this possibility, this section examines transformational, transactional, and laissez-faire leadership styles, with the aim of conceptualizing their respective influences on the development of dynamic capabilities. Each leadership style is examined using Teece's (2007) sensing, seizing, and transforming framework, focusing on the microfoundational processes through which leadership influences the development of dynamic capabilities.

2.2.2 Transformational leadership

Transformational leadership describes a style where leaders motivate and intellectually challenge followers to move beyond personal interest in pursuit of shared collective objectives (Bass 1990, 21). This approach is often associated with charisma, inspirational motivation, and a strong vision for the future (Bass & Avolio 1994, 542–543; Antonakis et al. 2003, 264–265). In the context of dynamic capabilities, transformational leadership supports all three phases, sensing, seizing, and transforming, by enabling strategic change, learning, and alignment.

In the sensing phase, transformational leaders promote opportunity recognition through shared vision, open inquiry, and a tolerance for ambiguity (Vera & Crossan 2004, 230). By articulating compelling visions of future possibilities, they direct attention toward exploratory activity and the search for new knowledge that underpins strategic foresight (Yoon et al. 2023, 7). Empirical evidence confirms this relationship, showing that transformational leadership cultivates follower self-confidence and self-efficacy, which enables followers to perceive their environment as opportunity-rich and thereby supports the development of sensing capabilities (López-Cabrales et al. 2017, 268; Wamalwa 2023, 462; Bedoya et al. 2024, 176). In seizing, such leaders mobilise commitment and align diverse teams toward collective strategic initiatives, often by reshaping

organisational priorities and goals through the human resource systems they shape, which serve as mechanisms for translating strategic vision into coordinated action across organisational levels (Teece 2007, 1334–1336; López-Cabrales et al. 2017, 268). In the transforming phase, transformational leadership plays a critical role in altering organisational culture, promoting renewal, and embedding new routines that support innovation (Hughes et al. 2018, 552). By encouraging changes in organisational members' mentalities and behaviour, transformational leaders help overcome resistance to change and facilitate the adoption of new institutionalised routines and processes (Peng et al. 2021, 375; Wamalwa 2023, 461). Thus, the convergence of these findings between transformational leadership and capability development is broadly supported

However, transformational leadership is not universally effective. It may fall short in highly decentralised or emergent environments where distributed decision-making and autonomy are essential. Schuh et al. (2013, 629) describe transformational leadership as a "mixed blessing," particularly when paired with authoritarian tendencies, which can suppress employee agency. While empowerment and team effectiveness have been associated with transformational leadership in structured settings (Jung & Sosik 2002, 327), these effects may not translate directly to flatter hierarchies or innovation-driven teams. Research on digital transformation projects extends this concern, finding that while transformational leadership positively influences innovative and absorptive project capabilities, its effect on adaptive capability is notably weaker, as the strong identity and vision-driven nature of this style may cause teams to become overly reliant on the leader's vision and overlook practical details (Huang et al. 2023, 435). At the team level, a similar pattern appears. Vertical transformational leadership positively affects exploitation, the refinement of existing knowledge and routines, yet fails to significantly predict exploration, the search for new knowledge and experimentation that supports sensing (Yoon et al. 2023, 4). These findings reveal a structural limitation. The same charismatic influence that mobilises collective commitment during seizing can suppress the distributed responsiveness and exploratory behaviour that sensing and adaptive reconfiguration demand.

In knowledge-intensive contexts, the success of transformational leadership depends on its ability to support collective sensemaking and knowledge integration. Wilson (2020, 741) advocates for blending democratic leadership elements into transformational approaches, especially where participatory culture is strong. Similarly, Jiang and Chen (2018, 1839) stress the value of collaborative mechanisms and distributed cognition, emphasising that transformational leadership must enable emergent processes without overriding them. The implication is that transformational

leadership's contribution to dynamic capabilities is conditional on the degree to which its directive elements are balanced by participatory space.

In summary, transformational leadership enhances dynamic capabilities by stimulating strategic vision, cultural adaptation, and learning. Recent empirical work broadly confirms these positive relationships across diverse organisational contexts (López-Cabrales et al. 2017; Wamalwa 2023; Huang et al. 2023; Bedoya et al. 2024), yet the evidence also reveals that effectiveness diminishes in environments requiring continuous, incremental adaptation and distributed decision-making (Huang et al. 2023, 435; Yoon et al. 2023, 4). This contextual limitation is relevant for the present thesis: if transformational leadership depends on directive influence to activate capability-building, then understanding what happens when directive influence is deliberately withdrawn becomes a necessary complement to the existing literature.

2.2.3 Transactional leadership

Transactional leadership is characterised by contingent reward structures and management-by-exception, emphasising formal exchanges between leaders and subordinates to ensure goal attainment (Bass 1990, 22). In contrast to transformational leadership's vision-driven approach, transactional leadership focuses on compliance, consistency, and performance regulation, making it well-suited to contexts requiring stability and clear accountability.

Transactional leadership can support dynamic capabilities by providing the structural backbone for routinised learning and change, though its effects are not uniform across the three capability dimensions. In the domains of sensing and seizing, contingent reward behaviours enhance employees' ability to identify and act on opportunities by aligning task performance with clearly defined incentives and activating a promotion focus that encourages proactive opportunity identification (Xu & Wang 2019, 2297–2300). However, this mechanism has limits. Transactional leadership positively influences seizing and configuration capabilities, yet it does not significantly affect sensing, as the inflexibility inherent in transactional approaches constrains the open-ended scanning and interpretation that this dimension requires (Wamalwa 2023, 460–461). This pattern suggests that transactional leadership is better suited to capability dimensions where clear performance standards can be defined in advance than to those requiring exploratory, ill-structured search.

The relationship between transactional leadership and the transforming dimension warrants particular attention. Management-by-exception facilitates reconfiguration capabilities by maintaining organisational fitness through structured monitoring and corrective action (Xu & Wang

2019, 2288). Success breeds routine, and routine is necessary for operational efficiency, yet changing routines is costly and should not be embraced uncritically (Teece 2007, 1335). Transactional leaders support the efficiency side of transforming by standardising new routines once they are adopted and ensuring that reconfiguration proceeds within manageable parameters. In the domain of technological eco-innovation, transactional leadership strengthens the link between reconfiguring capability and the production of both incremental and radical innovations, since clearly specified goals and articulated outcomes of change help to ease the anxiety that accompanies organisational reconfiguration (Pichlak 2021, 11). Transactional leadership therefore contributes most to transforming not by initiating reconfiguration itself, but rather by providing the structured implementation that makes reconfiguration operationally sustainable. The overall contribution of transactional leadership to dynamic capabilities may in fact be more substantial than traditionally assumed. In a study of United Kingdom technology firms, transactional leadership exhibited the strongest positive relationship with dynamic capabilities among all three styles tested, including transformational and adaptive leadership (Kang 2025, 783). This suggests that in contexts where execution discipline and scalable processes are critical, transactional leadership provides the operational coherence that other styles assume is already in place.

However, the same control-oriented nature that enables short-term efficiency can limit the exploration and adaptability essential for capability development. Contingent reward fosters high-quality leader-member exchange relationships that enhance performance yet simultaneously dampens psychological empowerment and intrinsic motivation through its controlling nature (Young et al. 2021, 1271–1272; Berraies & Abidine 2019, 849). In decentralised or high-velocity environments, such rigidity can impede innovation and reduce responsiveness to change. The positive effects tend to outweigh the negative in aggregate, yet the trade-off between relational quality and follower autonomy remains a persistent structural constraint that the transactional framework alone cannot resolve.

Therefore, transactional leadership is best understood as a complementary style. It strengthens the implementation and reinforcement of dynamic capabilities, particularly during seizing and transforming, yet it lacks the generative qualities necessary for emergent innovation. The high correlation between transformational leadership and contingent reward reported in Judge and Piccolo's (2004, 765) meta-analysis, and subsequently supported by Bao et al. (2025, 168), suggests that the two styles function less as opposing poles and more as complementary dimensions that effective leaders combine in practice. This complementarity points to a broader question. If both transformational and transactional leadership operate through forms of active intervention, whether

inspirational or structural, then the conditions under which the deliberate withdrawal of intervention may itself support capability development remain unexplored. It is this question that the following section addresses.

2.3 Laissez-faire leadership and its potential effects on the foundations of dynamic capabilities

Laissez-faire leadership, commonly associated with passive management and the abdication of responsibility, has long been considered the least effective form of leadership within the full-range leadership model proposed by Bass and Avolio (1994). The term itself, adopted from the French phrase meaning “let do” or “let it be,” reflects a leadership style marked by minimal intervention, reluctance to take initiative, and the avoidance of decision-making responsibilities. According to early conceptualisations, such leaders provide little to no guidance or support to their subordinates, leading to role ambiguity, stress, and a lack of direction in teams. (Bass & Avolio 1994; Einarsen et al. 2007, 214–215.) Classical study by Lewin et al. (1939, 281) found that laissez-faire leadership led to higher levels of aggression compared to democratic and most autocratic leadership styles. This early finding is widely credited with shaping the predominantly negative framing that has characterised subsequent research (Kuijpers et al. 2024, 97–98), with empirical work repeatedly linking laissez-faire leadership to negative outcomes such as employee dissatisfaction (Robert & Vandenberghe 2021, 1), decreased motivation (Alharthi 2026, 8), and organisational dysfunction (Judge & Piccolo 2004, 760; Pham et al. 2025, 1711), as well as bullying behaviours (Skogstad et al. 2007, 88).

Role ambiguity is one of the most consistently documented downsides of laissez-faire leadership (Diebig et al. 2016, 686; Wang et al. 2021, 1–2; Luo 2025, 4; Tung & Shih 2025, 639–640). When leaders fail to clarify expectations, responsibilities, or evaluation criteria, team members may experience confusion and uncertainty, which can impede coordination and accountability (Diebig & Bormann 2020, 326). This ambiguity may lead to frustration, task duplication, or inaction, undermining both individual and team-level performance.

Individual characteristics also shape how laissez-faire leadership is experienced. Zhang et al. (2023) demonstrate that employees’ goal orientations, specifically, their tendency to pursue growth versus avoid failure, play a critical role in how they interpret non-intervention. Performance-prove individuals may view the absence of oversight as a challenge and respond with increased effort, while others, particularly those with lower self-efficacy or less experience, may perceive it as

abandonment. In such cases, laissez-faire leadership can contribute to disengagement, learned helplessness, or erosion of trust.

Moreover, laissez-faire leadership may inadvertently reinforce avoidance behaviours, allowing critical issues to remain unaddressed. In high-stakes or tightly regulated environments, such inaction can have serious operational or ethical repercussions. The absence of feedback and accountability mechanisms, a hallmark of laissez-faire leadership, can impair decision-making coherence, compromise quality control, and diminish organisational alignment (Einarsen et al. 2007, 208).

However, an increasing number of studies are beginning to question the simplistic view of laissez-faire leadership as purely harmful. Rather than automatically interpreting non-involvement as neglect, emerging research suggest that this leadership approach can, under certain conditions, function as a deliberate, strategic choice that empowers employees rather than abandons them. (Yang 2015, 1248; Zhang et al. 2023, 8; Kuijpers et al. 2024, 100; Hussain & Franken 2025, 14.) As organisations face increasingly complex and rapidly evolving environments, the ability of leaders to step back, relinquish control, and foster decentralized decision-making becomes more relevant.

In this scenario, laissez-faire leadership should not be immediately associated with inefficiency or indifference. Instead, it can be reinterpreted as a conscious leadership posture designed to encourage independence, innovation, and self-management (Yang 2015, 1255). This shift highlights the importance of context: what appears as disengagement in one organisational environment may be perceived as empowerment in another, particularly when teams consist of highly skilled and intrinsically motivated individuals (Zhang et al. 2023, 1).

Wong and Giessner (2018, 757) raise critical questions about the perceived boundary between empowering and laissez-faire leadership. Their study found that empowering leadership might be interpreted as laissez-faire depending on the followers' expectations. When leaders' behaviours fall short of these expectations, whether for more or less guidance, followers may perceive the leadership style as laissez-faire. This discovery suggests a perceptual overlap between the two styles and signals the need for deeper theoretical exploration.

Leadership is increasingly understood as a dynamic and situational process rather than a fixed set of traits or behaviours (e.g., Oc 2018; Kaiser & Overfield 2010). Within this paradigm, laissez-faire leadership can be viewed not merely as passivity but as a flexible, context-sensitive approach to

managing people and performance. Rather than assuming a lack of competence or care, some scholars propose that non-intervention may reflect a deliberate strategy aimed at cultivating self-leadership, innovation, and collective responsibility (Kuijpers et al. 2024, 100). Yang (2015, 1246) advocates for a behavioural interpretation of laissez-faire leadership as "non-involvement" rather than "avoidance," emphasizing its potential to enable autonomy under appropriate conditions. This interpretation aligns with self-determination theory, which posits that autonomy-supportive environments enhance intrinsic motivation, commitment, and performance (Gagné & Deci 2005, 346).

Moreover, studies suggest that laissez-faire leadership is not a static trait but rather a behaviour that fluctuates in response to situational factors. Diebig and Bormann (2020) demonstrated that such behaviours vary daily with the leader's mood, workload, and resources, and Glaas et al. (2025, 11) show that their daily effects depend further on follower-side responses such as job crafting and disengagement. These findings imply that laissez-faire leadership can be situationally induced, opening important avenues for its contextual re-evaluation. The concept of "loose coupling" from Weick (1976) further supports the plausibility of strategic non-intervention. In loosely coupled systems, organisational components maintain independence while remaining responsive to change. This structural looseness allows for flexibility and local adaptation. Viewed through this lens, laissez-faire leadership may provide the autonomy required for emergent behaviour and decentralized problem-solving, particularly in fast-paced or innovation-driven environments.

To better understand how laissez-faire leadership might enable positive organisational outcomes, it is useful to examine its role in supporting the three foundational elements of dynamic capabilities: sensing, seizing, and transforming (Teece 2007). These dimensions provide a structured basis for assessing how leadership behaviours shape organisational adaptation. Accordingly, the following sections analyse laissez-faire leadership in relation to each component, offering theoretical propositions that clarify its potential enabling mechanisms.

Within this first dimension, the sensing process relies on exploratory behaviour, experimentation, and openness to bottom-up perspectives. Because such processes depend on receptiveness to decentralized input, the degree of leader intervention may shape how opportunities are recognized and interpreted. While laissez-faire leadership is frequently characterised as passive, several studies suggest a more nuanced interpretation. Zhang et al. (2023, 1) find that laissez-faire leadership can enhance employees' challenge appraisals. That is, their tendency to interpret tasks as opportunities for recognition, mastery or growth. Challenge appraisal has been associated with higher intrinsic

motivation and creative performance (Li et al. 2016, 698). This pattern indicates that reduced directive oversight may create conditions under which employees engage more actively in opportunity recognition and problem framing.

Turning to the second dimension, the seizing process depends on the mobilisation of resources and timely decision-making. In hierarchical structures, this often relies on directive leadership. However, in decentralized or agile settings, directive behaviours can restrain employee proactivity and self-leadership (Yun et al. 2006, 381). Some studies show that laissez-faire leadership may align with delegation under certain conditions. For instance, Fan et al. (2024, 469) observed that leaders with a reluctant staying mindset (desiring to leave but unable to do so) showed both laissez-faire and increased delegation behaviours. While the underlying motivation may be complex, the behaviour itself suggests that laissez-faire leadership can create space for rapid, localized decision-making when employees are competent and motivated. Delegation, particularly when based on trust, is known to support responsiveness and performance (Yukl & Mahsud 2010, 84), suggesting that non-intervention can serve as a productive leadership approach during opportunity capture.

Turning to third dimension transforming requires reconfiguration of structures, resources, and processes to maintain alignment with a changing environment. This capability depends on organisational learning, cross-functional collaboration, and psychological safety, a shared belief that interpersonal risks, such as speaking up or admitting mistakes, will not lead to negative consequences (Edmondson 1999, 350). If executed with clarity and trust, laissez-faire leadership may support psychological safety by minimizing micromanagement and empowering employees to take ownership. As autonomy increases, employees may become more willing to challenge assumptions, voice concerns, and propose changes (Doblinger 2023, 22). These behaviours that are central to successful transformation (Teece 2007, 1336). In contexts where self-management and learning are already culturally embedded, non-intervention may therefore function less as absence and more as structural restraint, creating space for adaptive reconfiguration to emerge.

Despite its potential to foster autonomy and innovation, laissez-faire leadership carries significant risks, particularly when misapplied or misunderstood. Numerous studies continue to associate it with adverse outcomes such as elevated stress levels, role ambiguity, reduced performance, and increased interpersonal conflict (Skogstad et al. 2007, 81; Kamal et al. 2024, 1461). These risks are particularly pronounced in environments that lack the structural or cultural foundations necessary for self-management.

Finally, the strategic use of non-intervention demands a supportive organisational context. For laissez-faire leadership to function effectively, certain enabling conditions must be present: capable and intrinsically motivated individuals, high levels of psychological safety, clearly communicated objectives, and a culture that values self-leadership and shared purpose (e.g., Yang 2015; Pham et al. 2025). In the absence of these factors, non-intervention is unlikely to be empowering, and may instead exacerbate fragmentation, ambiguity, or underperformance.

2.4 Laissez-faire leadership as strategic non-intervention and enabler of dynamic capabilities

Building on the theoretical insights and boundary conditions previously discussed, this section proposes a conceptual framework that redefines laissez-faire leadership as a form of strategic non-intervention and positions it as a context-sensitive enabler of dynamic capabilities. While conventional leadership models emphasize the active and directive role of leaders, the model developed here challenges this assumption by proposing that, under specific conditions, refraining from intervention can be a deliberate and constructive leadership posture. Such non-intervention fosters autonomy, decentralized decision-making, and psychological safety, mechanisms that support the microfoundations of sensing, seizing, and transforming capabilities. This section synthesizes these relationships, identifies boundary conditions, and introduces leadership fluidity as a meta-capability.

The conceptual starting point of the framework is a reconceptualisation of laissez-faire leadership, not as an abdication of responsibility, but as an intentional form of non-intervention (Yang 2015, 1248). When exercised deliberately, strategic non-intervention creates the space for others to act, learn, and adapt. It differs meaningfully from leader neglect: it is defined not by absence but by restraint. Rather than facilitating autonomy through structured empowerment, as empowering leadership does, strategic non-intervention enables autonomy by withdrawing oversight in contexts where competence, trust, and shared purpose are already present.

This approach shares some conceptual overlap with empowering leadership, which promotes autonomy through active encouragement and delegation (Amundsen & Martinsen 2014; Lee et al. 2018, 307–308, 311), but it remains distinct in its minimalist behavioural orientation. Strategic non-intervention is not about structuring autonomy, it is about choosing not to interfere, trusting that capable and motivated individuals will take appropriate initiative. As Mintzberg (1979, 183) states, “Creative and intelligent people require room for manoeuvre”.

The theoretical proposition advanced here is that strategic non-intervention can foster the development of dynamic capabilities by activating specific psychological and structural mechanisms. These mechanisms serve as microfoundations for the firm's ability to sense, seize, and transform in volatile environments (Schoemaker et al. 2018, 16–19). The table 1 synthesizes these relationships.

Table 1 Examples illustrating how strategic non-intervention enables dynamic capabilities

Dynamic Capability	Mechanism	Explanation	Example
Sensing	Autonomy – exploration	Non-intervention allows for self-directed idea generation and opportunity scanning	Google 20% policy, time legislated for self-directed projects, which in turn enable innovation
Seizing	Decentralized decision-making	Teams can act rapidly without prior approval	Zara's store managers have power to reorder stocks and adapt product mixes
Transforming	Psychological safety – emergent adaptation	Non-intervention encourages learning from mistakes and peer-driven restructuring	GitHub's flat structure allowed developers to self-organize and restructure workflows in real time without managerial oversight

As shown in Table 1, strategic non-intervention does not directly dictate outcomes; rather, it enables conditions, such as autonomy and trust, under which individuals and teams may act in ways that support dynamic capability development. This interpretation aligns with self-determination theory (Gagné & Deci 2005), with psychological safety research that links interpersonal safety to learning and risk-taking (Edmondson 1999; Newman et al. 2017, 523–525), and with loose coupling (Weick 1976). It also extends the logic of microfoundations by illustrating how leadership behaviour modulates the activation of routines, resources, and learning processes central to dynamic capabilities.

Moreover, by fostering the development of autonomy, decentralization, and safety at the root level of the capability tree, strategic non-intervention strengthens the foundational layer from which sensing, seizing, and transforming processes can emerge. This integration supports the micro-macro linkage essential to understanding dynamic capabilities in practice. The Figure 2 gives an overview of the offered preliminary conceptual model.

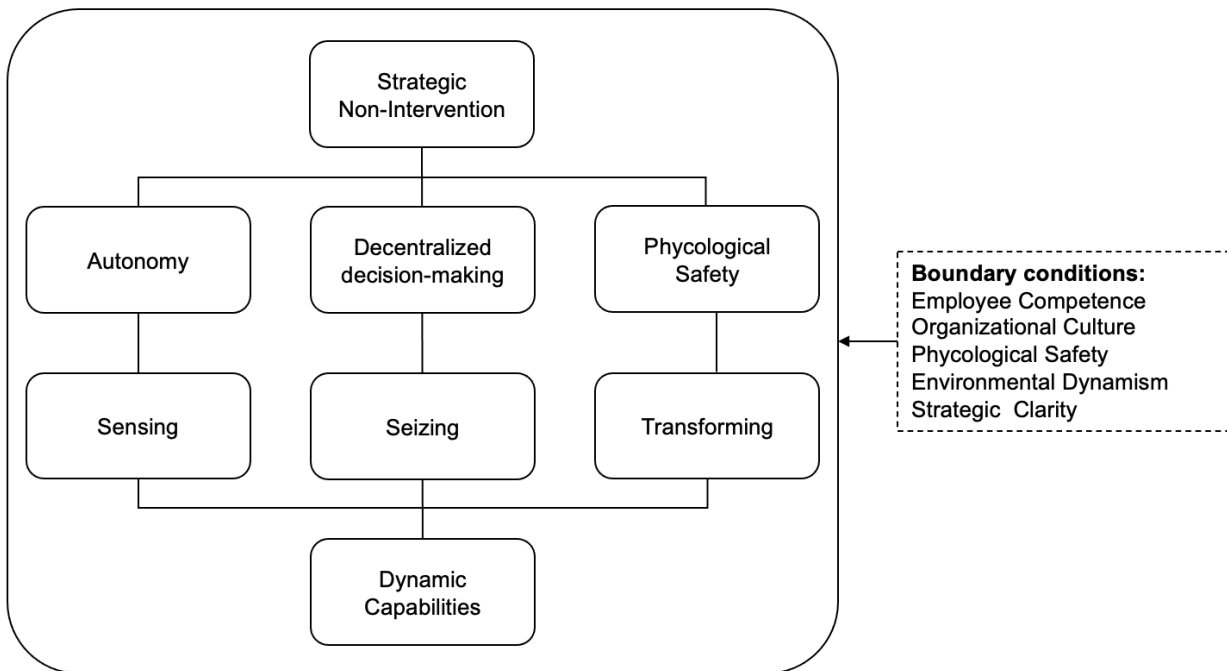


Figure 2 Preliminary conceptual model

An important implication of the proposed model is that strategic non-intervention is not a fixed leadership style, but rather a situational posture within a broader set of adaptive leadership behaviours. As emphasized by Oc (2018) and London and Sherman (2021, 325), effective leaders transition between engagement and restraint based on environmental cues, team maturity, and task demands. In this view, leadership itself becomes a dynamic capability, a meta-capability that allows leaders to calibrate their involvement in real time. Strategic non-intervention, then, is a flexible option deployed when the conditions for self-direction and emergent learning are already in place. The fluidity of leadership thus serves as a higher-order resource that shapes the firm's responsiveness and resilience in the face of uncertainty.

The success of strategic non-intervention is highly contingent. Its enabling potential can only be realized under certain contextual conditions. First, employee competence and proactivity are essential. Individuals must possess not only the technical skills but also the motivation and confidence to navigate ambiguity. In the absence of such readiness, non-intervention may be interpreted as abandonment, leading to disengagement or confusion. (Zhang et al. 2023.) Second, organisational norms and culture play a critical role. Environments that reward autonomy and collective responsibility provide a more fertile ground for non-intervention to generate adaptive behaviour (Yang 2015, 1252–1253). In contrast, settings marked by bureaucracy, compliance, or low trust may interpret non-involvement as irresponsibility (Hussain & Franken 2025, 5). Third, psychological safety is a non-negotiable precondition. When team members feel safe to take risks,

admit mistakes, and experiment without fear of punishment, they are more likely to fill the space created by non-intervention with constructive behaviours (Newman et al. 2017, 527). Without this safety net, however, individuals may hesitate, withdraw, or cover up errors, diminishing learning and adaptability (Edmondson 1999; Dobliger 2023, 22). Finally, strategic clarity must support the absence of control. Leaders can afford to step back only when overarching goals and values are well understood (Yang 2015, 1255). When objectives are unclear or conflicting, autonomy may drift into misalignment.

The conceptual model developed in this section positions strategic non-intervention as a leadership input that enables dynamic capabilities by activating key mechanisms such as autonomy, decentralization, and psychological safety. Importantly, psychological safety plays a dual role: it functions both as a moderating condition that shapes the effectiveness of non-intervention and as an enabling outcome that can be reinforced through it. These mechanisms, in turn, support the microfoundations of sensing, seizing, and transforming. Moderating variables, including team competence, organisational culture, psychological climate, and environmental conditions, shape the effectiveness of this leadership posture.

The preceding conceptual framework was developed as a preliminary model, grounded in theoretical insights from dynamic capabilities and leadership theory. It serves as a basis for evaluating the extent to which empirical literature supports, challenges, or refines the proposed relationships. Although the theoretical synthesis suggests that strategic non-intervention may support dynamic capabilities, the existing evidence is still scattered and not yet integrated into a coherent explanation. This makes it necessary to systematically examine how non-interventionist leadership behaviours have been studied, under which conditions they work, and whether the mechanisms proposed in the preliminary model appear in prior research.

For this reason, the next chapter presents the methodological approach of this thesis and describes how the systematic literature review was designed to assess, refine, and further develop the conceptual relationships introduced above.

3 Methodology

The methodological choices that follow build directly on the theoretical foundations established in the previous chapter. Having outlined why the relationship between non-interventionist leadership behaviours and dynamic capabilities remains conceptually fragmented, this section explains how a systematic literature review was designed to explore that gap in a transparent and structured way. The chapter introduces the review logic, the guiding principles behind the search and selection strategy, and the analytical approach used to evaluate and refine the preliminary conceptual model. Together, these elements clarify how the study gathers, interprets, and synthesizes the evidence that informs the findings presented in the next chapter.

3.1 Research design

This thesis adopts a systematic literature review as its primary research design to test and refine a preliminary conceptual framework that reconceptualizes laissez-faire leadership as a form of strategic non-intervention. The framework proposes that, under specific enabling conditions, such as autonomy, decentralization, and psychological safety, non-interventionist leadership behaviours may support the development of dynamic capabilities, namely sensing, seizing, and transforming. While leadership has been widely examined as a microfoundation of dynamic capabilities, the specific role of laissez-faire leadership within this relationship remains under-theorized and empirically fragmented. In such contexts, an SLR is an appropriate methodological approach, as it enables the systematic identification, critical evaluation, and synthesis of existing knowledge in areas where theoretical integration is limited or inconsistent (Tranfield et al. 2003, 207; Xiao & Watson 2019, 93).

Systematic literature reviews are particularly well suited for theory-oriented research in management and organisation studies, where constructs are often defined and operationalized differently across disciplinary boundaries and empirical contexts (Williams et al. 2021, 524–525; Sauer & Seuring 2023, 1916–1917). Rather than aggregating findings mechanically, an SLR allows for close examination of how constructs are conceptualized, how relationships are theorized, and under what conditions empirical outcomes converge or diverge (Tranfield et al. 2003, 218; Williams et al. 2021, 524–525). Accordingly, the present review is designed to evaluate the plausibility and scope of an existing conceptual model and refine it through structured engagement with the literature.

The review follows a theory-testing and theory-extending logic, commonly described as a hybrid review approach (Xiao & Watson 2019, 102). This approach is appropriate when a study begins

with a theoretically informed framework and seeks both to assess its validity and to refine it based on systematic engagement with prior research. Rather than adopting a purely inductive mapping of the literature or a strictly deductive hypothesis-testing design, the hybrid approach allows for iterative movement between theory and evidence (Dubois & Gadde 2002, 555–556). Specifically, the review examines whether existing empirical and conceptual studies support the proposed relationships, identifies contradictory or null findings, and incorporates additional mechanisms or boundary conditions that emerge from the synthesis.

This design choice responds to calls for greater theoretical ambition in management SLRs, particularly those aiming to contribute to theory development rather than descriptive consolidation (Sauer & Seuring 2023, 1924–1925). By explicitly positioning the review as theory-testing and theory-extending, the study is positioned to assess the plausibility, scope, and limitations of strategic non-intervention as a leadership posture within the dynamic capabilities framework.

Consistent with the review's theoretical orientation, the synthesis adopts a concept-centric approach (Webster & Watson 2002). Findings are organised around core theoretical constructs, such as sensing, seizing and transforming, and related behavioural mechanisms. This strategy enables meaningful comparison across studies that may differ in terminology, methodology, or disciplinary origin, but address substantively similar phenomena.

Given the cross-disciplinary nature of the research question, which draws on strategic management, organisational behaviour, and leadership psychology, the review design also incorporates elements of a meta-narrative approach (Greenhalgh et al. 2005). Meta-narrative principles require that findings be interpreted within their respective disciplinary traditions and epistemological assumptions rather than evaluated against a single preferred methodological hierarchy (Wong et al. 2013, 7). This reduces the risk of conceptual distortion that can arise when heterogeneous literatures, each rooted in different paradigmatic assumptions, are treated as theoretically homogeneous (Greenhalgh et al. 2005, 427; Gough 2013, 1). This is particularly relevant for *laissez-faire* leadership, which has been conceptualized both as a dysfunctional absence of leadership and, more recently, as a context-dependent or situational posture. By preserving disciplinary context while maintaining analytical coherence, the review accommodates theoretical plurality without sacrificing conceptual clarity.

The review is conducted following established methodological guidance for systematic reviews in management research (Tranfield et al. 2003; Xiao & Watson 2019), with the PRISMA statement serving as a reporting backbone to ensure transparency, completeness, and replicability in the

documentation of information sources, screening decisions, and study selection (Page et al. 2021). The review process is organised into clearly defined stages, including problem formulation, literature identification, screening, quality appraisal, and synthesis. Recognising the practical constraints of master's-level research, the review is conducted by a single reviewer. To ensure methodological rigour despite this constraint, several safeguards are implemented, including the use of explicit inclusion and exclusion criteria, pilot screening of search results, structured data extraction templates, and the maintenance of an audit trail documenting screening and synthesis decisions. Such measures are recommended as appropriate compensatory strategies in single-reviewer designs and support internal validity and transparency (Xiao & Watson 2019, 105; Williams et al. 2021, 528). Figure 3 visualises these stages and the relationships between them.

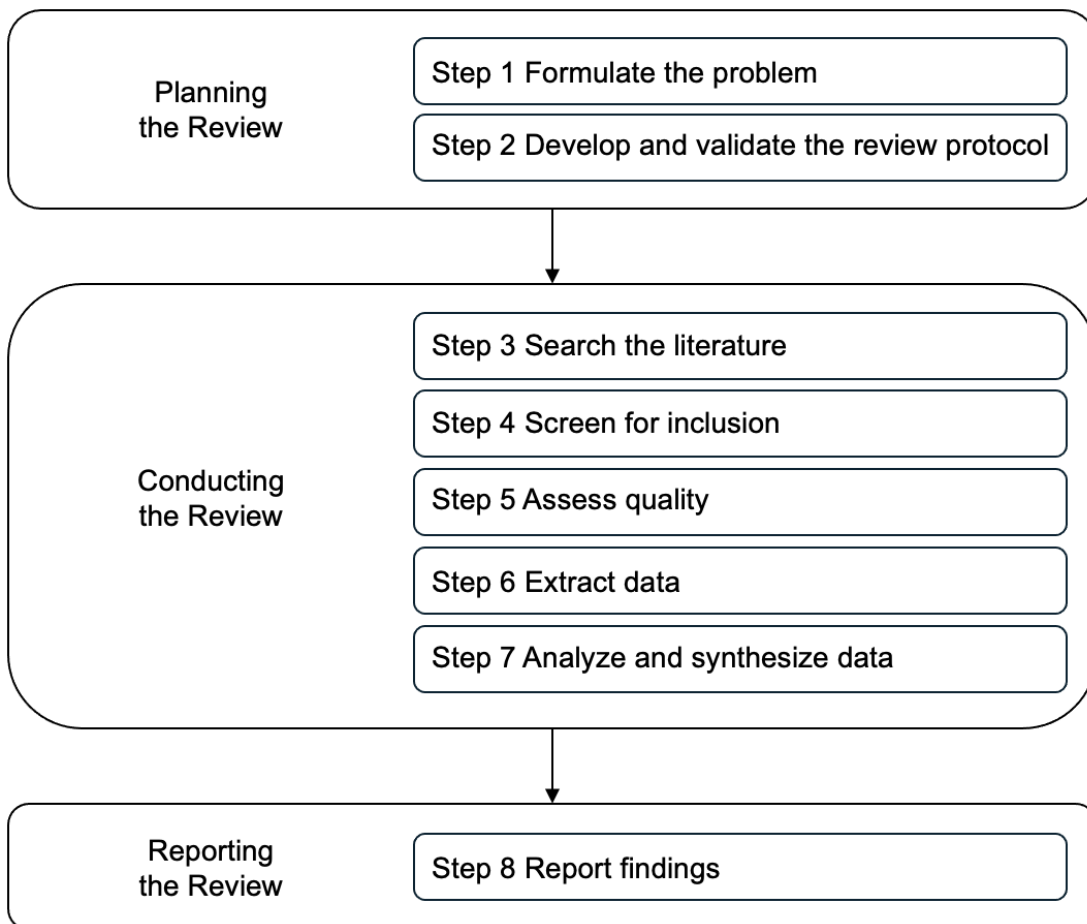


Figure 3 Process of systematic literature review (adapted from Xiao & Watson 2019, 103)

As Figure 3 illustrates, the review is organised into three phases. The planning phase surrounds problem formulation and the development and validation of the review protocol, which establish the scope, objectives, and procedural standards for the review. The conducting phase comprises five sequential steps: searching the literature, screening for inclusion, assessing quality, extracting data,

and analysing and synthesising the findings. The reporting phase consolidates the results into a structured account of the review's findings. This staged yet flexible structure is what enables the review to function as a stand-alone method capable of contributing directly to theory development (Xiao & Watson 2019, 94–95). Through the systematic synthesis of empirical and conceptual studies, including those reporting negative, null, or contradictory findings, the review evaluates the conditions under which laissez-faire leadership may function not as an absence of leadership, and instead as a purposeful form of strategic non-intervention. In doing so, the review refines the initial conceptual framework and clarifies the mechanisms and boundary conditions linking non-interventionist leadership behaviours to the development of dynamic capabilities.

By combining a theory-driven review logic, a concept-centric and cross-disciplinary synthesis strategy, and transparent reporting guided by PRISMA, the research design aligns with contemporary best practices for systematic literature reviews in management and organisation studies (Tranfield et al. 2003; Xiao & Watson 2019; Sauer & Seuring 2023). The following section details the data collection procedures through which this design is operationalised.

3.2 Data collection

The literature search was conducted using two major academic databases: Scopus and Web of Science. Sauer and Seuring (2023, 1919) recommend their combined use in systematic literature reviews within management research. Together, the two databases provide extensive and complementary coverage of peer-reviewed research in management, organisational behaviour, leadership studies, and applied psychology. They also allow precise control over search fields, subject areas, and publication filters.

The search strategy was developed iteratively, consistent with the theory-testing and theory-extending review logic outlined by Xiao and Watson (2019, 102). While an initial design considered multiple Boolean strings aligned with individual research sub-questions, pilot searches revealed substantial conceptual overlap across sub-questions and a risk of fragmenting the literature artificially. The strategy was therefore refined into a single integrated Boolean string designed to capture the intersection between non-interventionist leadership behaviours, enabling organisational conditions, and outcomes relevant to dynamic capability development. This refinement reflects the theoretical premise of the study: that strategic non-intervention is not an isolated leadership behaviour, and instead a configuration of leadership posture, contextual conditions, and organisational outcomes. Such iterative refinement is recognised as best practice in theory-oriented

systematic reviews, particularly where constructs are contested or labelled inconsistently across literatures (Tranfield et al. 2003, 215; Sauer & Seuring 2023, 1928).

To ensure conceptual transparency, the development of the search string was guided by three core conceptual domains: leadership posture, enabling conditions, and capability-related outcomes.

Table 2 summarises the key constructs, associated keywords, and the rationale for their inclusion in the search strategy.

Table 2 Development of search keywords by conceptual domain

Conceptual domain	Core construct	Keywords and variants	Rationale
Leadership posture	Laissez-faire leadership, non-intervention	"laissez-faire leadership", "hands-off leadership", "passive leadership", "leadership withdrawal", "non-intervention*"	Captures both traditional and emerging labels for non-interventionist leadership across leadership and organisational literatures
Enabling conditions	Autonomy and related conditions	autonomy, decentralization, "psychological safety", "distributed decision-making", empowerment, "self-leadership"	Reflects individual-level and structural conditions theorized to enable strategic non-intervention
Capability related outcomes	Dynamic capabilities and proximate outcomes	"dynamic capabilities", "adaptability", "organisational learning", innovation, "strategic renewal"	Captures dynamic capability processes and closely related organisational outcomes

The final search was executed using title, abstract, and keyword fields to ensure comprehensive coverage while maintaining relevance. In Scopus, the following Boolean string was applied: TITLE-ABS-KEY (("laissez-faire leadership" OR "hands-off leadership" OR "hands off leadership" OR "passive leadership" OR "leadership withdrawal" OR non-intervention* OR "non intervention*")) AND ALL (autonomy OR "psychological safety" OR "self-leadership" OR "self leadership" OR empower* OR decentrali?ation OR "distributed decision-making" OR "distributed decision making") AND ALL ("dynamic capabilit*" OR adaptability OR "organi?ational learning" OR innovat* OR "strategic renewal") AND NOT TITLE-ABS-KEY ("health") AND PUBYEAR > 1999 AND PUBYEAR < 2027 AND (LIMIT-TO (DOCTYPE , "ar")) AND (LIMIT-TO (SUBJAREA , "BUSI") OR LIMIT-TO (SUBJAREA , "SOCI") OR LIMIT-TO (SUBJAREA , "PSYC")) AND (LIMIT-TO (LANGUAGE , "English"))

The search was limited to peer-reviewed journal articles published in English between 2000 and 2026, reflecting the post-Eisenhardt and Martin (2000) development of dynamic capabilities theory

and the increasing empirical attention to leadership behaviours within organisational research. Additional filters were applied to restrict results to relevant subject areas, including business, sociology and psychology

An equivalent search string was implemented in Web of Science using database-specific syntax: TS=(("laissez-faire leadership" OR "hands-off leadership" OR "hands off leadership" OR "passive leadership" OR "leadership withdrawal" OR non-intervention* OR "non intervention*")) AND (ALL=(autonomy OR "psychological safety" OR "self-leadership" OR "self leadership" OR empower* OR decentrali?ation OR "distributed decision-making" OR "distributed decision making") OR ALL=("dynamic capabilit*" OR adaptability OR "organi?ational learning" OR innovat* OR "strategic renewal")) NOT TS=(("health"))

Eligibility criteria were defined prior to screening and applied consistently throughout the review process to ensure analytical relevance and transparency (Williams et al. 2021, 526–527). Studies were eligible for inclusion if they engaged meaningfully with at least one of the following areas: non-interventionist or passive leadership behaviours; organisational conditions enabling or constraining leadership effects (e.g., autonomy, decentralization, psychological safety); or outcomes relevant to dynamic capabilities, such as sensing, seizing, transforming, adaptability, organisational learning, or strategic renewal.

To enhance auditability and consistency in screening decisions, exclusion criteria were operationalised using predefined exclusion labels. These criteria and their practical application are summarised in Table 3.

Table 3 Exclusion criteria applied during screening

Exclusion criterion	Description	Screening label
Non-organisational leadership context	Study examines leadership outside a work-related organisational hierarchy, such as doctor–patient, teacher–student, parenting, or individual-level sports coaching relationships	Non-organisational context
Leadership not central	Leadership treated as a control variable or marginal concept	Leadership not central
Laissez-faire treated superficially	Laissez-faire labelled as ineffective without analysis of mechanisms or boundary conditions	Laissez-faire only superficial
No contribution to research questions	Study does not inform SQ1, SQ2, or SQ3	No conceptual contribution
Outside publication scope	Grey literature, non-peer-reviewed, non-English, or outside 2000–2026	Outside publication criteria

Screening followed a three-stage PRISMA protocol (Page et al. 2021): title screening, abstract review, and full-text analysis. The entire selection process was documented in software Zotero 7.0.32, which also supports reference management and removal of duplicates. Figure 4 presents PRISMA flow diagram (Page et al. 2021), which provides a transparent overview of the number of records retrieved, screened, excluded, and included at each stage of the review process.

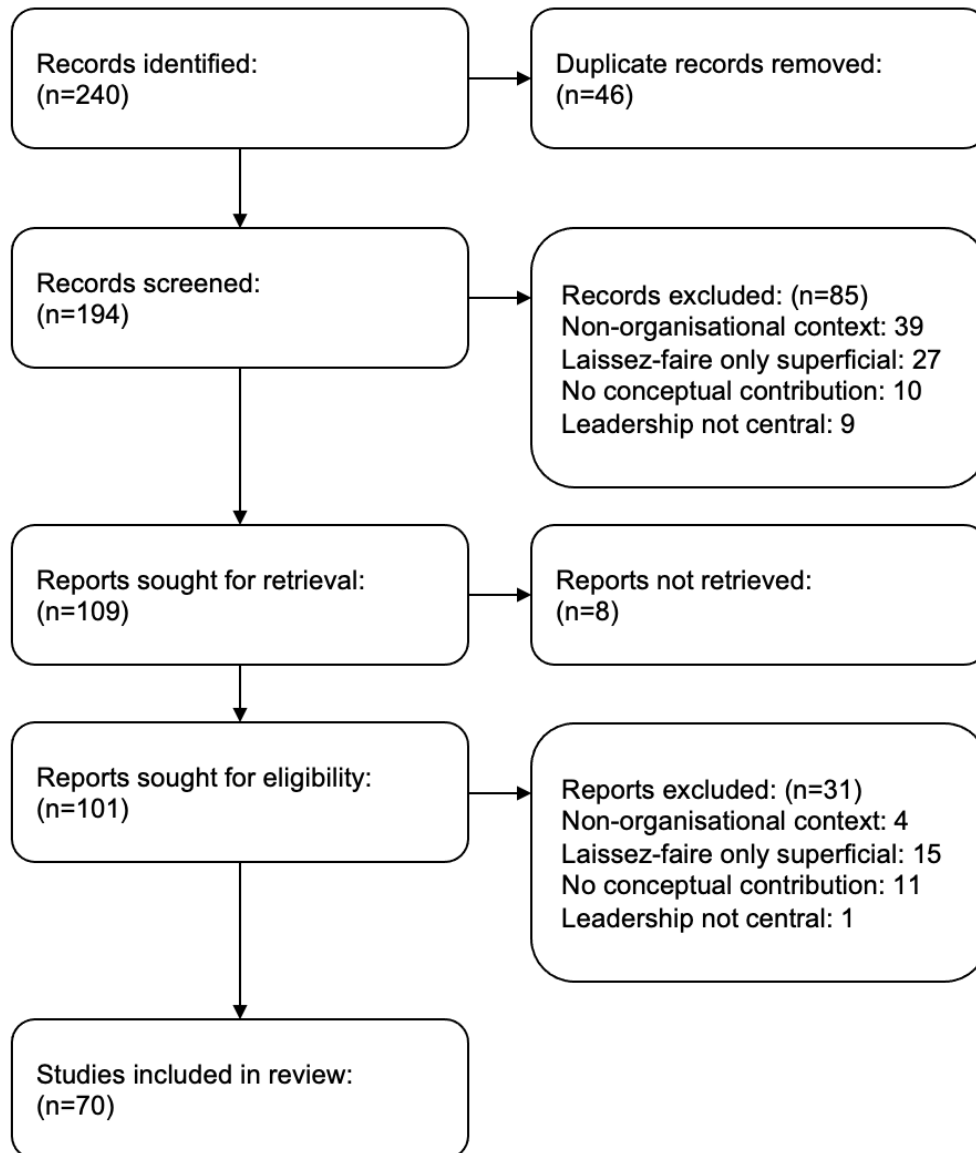


Figure 4 PRISMA flow diagram (adapted from Page et al. 2021)

The combined database searches yielded 240 records, of which 46 duplicates were removed, leaving 194 unique records for title and abstract screening. At this stage, 85 records were excluded: 39 for non-organisational leadership context, 27 for superficial treatment of laissez-faire, 10 for no conceptual contribution to the research questions, and 9 because leadership was not

central to the analysis. Of the 109 reports sought for retrieval, 8 could not be accessed, leaving 101 reports assessed for eligibility at the full-text stage. Full-text analysis led to the further exclusion of 31 studies: 15 for superficial treatment of *laissez-faire*, 11 for no conceptual contribution, 4 for non-organisational leadership context, and 1 because leadership was not central. The final sample comprises 70 studies, including both empirical and conceptual contributions, which form the evidence base for the findings presented in Chapter 4.

3.3 Data analysis

The data analysis adopts an interpretivist orientation, which views organisational phenomena as socially constructed and contextually embedded (Schwandt et al. 2007, 12; Gioia et al. 2013, 16). Interpretivist research seeks to understand how constructs are theorised, operationalised, and interpreted across contexts (Orlikowski & Baroudi 1991, 14). This stance is appropriate given that the review examines how non-interventionist leadership is conceptualised and evaluated within diverse organisational settings.

In line with this orientation, the study follows an abductive logic of inquiry, iteratively moving between theoretical propositions and empirical observations (Dubois & Gadde 2002, 555; Timmermans & Tavory 2012, 180). The review begins with a theoretically informed model and refines it through systematic comparison across studies, consistent with abductive theory development in organisational research (cf. Ketokivi & Mantere 2010, 49–50). Such an approach is particularly suitable for under-theorised relationships, where both conceptual grounding and openness to refinement are required (Webster & Watson 2002, xix; Xiao & Watson 2019, 102).

The data analysis proceeded in two main stages, descriptive analysis and thematic analysis (cf. Tranfield et al. 2003, 218). In the descriptive stage, each included study was read in full and summarised in a structured extraction template capturing authors, year, method, sample, operationalisation of *laissez-faire* leadership, key dependent variables, main findings, and the author's evaluative stance toward non-interventionist leadership. This template served as the foundation for systematic comparison across studies.

In the thematic analysis stage, a hybrid coding strategy was adopted, drawing on the approach outlined by Fereday and Muir-Cochrane (2006), to balance deductive theory testing with inductive insight development. Relevant passages from each study were coded in NVivo 15, with codes organised into three main branches corresponding to the research sub-questions.

The first branch, leadership form, captured how non-interventionist leadership was conceptualised across studies. The deductive starting point was the distinction between the traditional MLQ passive/laissez-faire characterisation, and the reconceptualised strategic non-intervention proposed in the preliminary framework. Additional sub-nodes, including nuanced view, dynamic approach to laissez-faire, leadership withdrawal, delegation, and implications for the leader, emerged inductively as the reviewed literature revealed a more differentiated taxonomy than the initial binary framing anticipated.

The second branch, dynamic capabilities, was structured around the three dimensions of sensing, seizing, and transforming, derived deductively from Teece's (2007) framework. The preliminary conceptual model proposed that non-intervention could enable each dimension through mechanisms such as autonomy, decentralised decision-making, and psychological safety. During coding, the evidence revealed that non-intervention does not uniformly enable capability development. Accordingly, the three-pathway structure, with enabled, suppressed, and null sub-nodes for each dimension, emerged inductively. Each enabled and suppressed pathway contains a mechanism sub-node capturing the specific psychological or structural processes through which the effect operates.

The third branch, boundary conditions, captured the contextual factors that determined which pathway predominated. The preliminary model identified five general enabling conditions (employee competence, organisational culture, psychological safety, environmental context, and strategic clarity). During coding, these were refined and substantially expanded. The three-level structure, follower-level, dyadic and team-level, and organisational and environmental, emerged inductively, as did numerous specific conditions within each level, such as self-efficacy, goal orientation, trust, subordinate perception, task ambiguity, and power distance orientation.

Where studies did not explicitly employ dynamic capabilities terminology, classification was guided by the substantive nature of the reported processes and outcomes, such as opportunity recognition, initiative taking, learning, or organisational reconfiguration (cf. Tranfield et al. 2003, 218–219). This mapping allowed comparison across diverse theoretical traditions while maintaining analytical coherence. Only content directly related to answering the research questions was coded. Related codes were clustered into higher-level thematic sub-nodes, and these were iteratively refined as new studies were incorporated.

To enhance transparency, Table 4 provides an illustrative example of how study content was coded and assigned to the NVivo node structure.

Table 4 Examples of coding

Study	Extract	NVivo codes assigned
Raes et al. (2013, 298)	"Laissez-faire leadership predicting team psychological safety ($b = 0.39$, $p < 0.05$) and team psychological safety predicting team learning behaviour ($b = 0.58$, $p < 0.001$)"	Sensing > Enabled pathway > Mechanism; Transforming > Enabled pathway > Mechanism; Strategic non-intervention; Perceived empowerment or autonomy
Bani-Melhem et al. (2025, 121)	"Passive leadership moderates the impact of illegitimate tasks on work meaningfulness and, consequently, innovative behaviour, as this effect is stronger under passive leadership"	Sensing > Suppressed pathway > Mechanism; MLQ passive laissez-faire; Perceived abandonment
Desgourdes et al. (2024, 1054)	"For employees with less seniority (under 11 years), the influence of LFL on autonomy was notably negative (-0.434 , $p = 0.000$). For those with tenure exceeding 11 years, this negative effect was not observed (0.443 , $p = 0.000$)"	Boundary conditions > Experience; Boundary conditions > Competence or expertise; Nuanced view

The coding and synthesis process was supported using NVivo 15 as a structured qualitative data analysis environment. Although NVivo is frequently applied in interview-based or within-case qualitative research, its functionality is equally suitable for systematic literature reviews that require structured, transparent, and iterative thematic coding across heterogeneous studies. In this review, NVivo was used to manage extracted study content, organise deductive and inductive codes, and systematically map relationships between leadership behaviours, contextual conditions, and capability-related outcomes. The complete coding tree, showing the hierarchical structure across all three branches, is presented in Appendix 1. The full NVivo codebook is presented in Appendix 2.

Contradictory findings were treated as analytically informative. Studies reporting negative or detrimental effects of laissez-faire or passive leadership were first examined in terms of how the leadership construct was operationalised and conceptualised, distinguishing between intentional strategic restraint and forms of leadership absence or withdrawal. This initial conceptual clarification was followed by analysis of contextual characteristics such as task structure, team competence, organisational hierarchy, and levels of psychological safety. By systematically comparing both operationalisation and contextual conditions across studies, the analysis identified boundary conditions under which non-interventionist leadership may enable, constrain, or fail to support dynamic capability development. Authors' evaluative stances toward laissez-faire

leadership were also coded to facilitate comparison between predominantly negative, mixed, and context-dependent interpretations, supporting a nuanced synthesis.

3.4 Evaluation of study

This thesis evaluates its methodological quality using Lincoln and Guba's (1985, 300) four criteria of trustworthiness: credibility, transferability, dependability, and confirmability. These criteria are particularly suitable given the interpretivist epistemological stance of the study, which assumes that knowledge is constructed through interpretation (Schwandt et al. 2007, 11–12). Lincoln and Guba (1986, 74–78) argue that within this paradigm, research quality is assessed through transparency, coherence, and interpretive integrity.

Credibility refers to the internal trustworthiness of the study and concerns whether the findings represent a plausible and well-grounded interpretation of the data (Lincoln & Guba 1985, 301–302). In this systematic literature review, credibility was enhanced through a transparent and structured review process, including clearly defined search strings, predefined inclusion and exclusion criteria, and systematic screening following PRISMA guidelines. Each included study, both empirical and conceptual, was analysed in depth. Attention was paid to how laissez-faire or passive leadership was operationalised and interpreted within each study before mapping findings onto the dynamic capabilities framework. The use of a hybrid deductive–inductive coding strategy further strengthened credibility by ensuring that analysis remained theoretically anchored while allowing emergent mechanisms and contextual conditions to refine the preliminary conceptual model. Contradictory findings were systematically examined as potential boundary conditions, reducing the risk of confirmatory bias. As Enworo (2023, 374) notes, rigour in qualitative research is essential to prevent misleading interpretations. Explicit documentation and systematic comparison were therefore prioritised throughout the review. A limitation relevant to credibility is that thematic synthesis enables nuanced interpretation across heterogeneous literatures yet does not allow statistical aggregation or meta-analytic estimation of effect sizes. The findings should therefore be read as conceptual propositions supported by systematic evidence, and they should not be read as statistically validated causal claims.

Transferability concerns the extent to which findings can be applied in other contexts (Lincoln & Guba 1985, 316). In qualitative inquiry, transferability is achieved through sufficient contextual description that allows readers to assess applicability. This thesis supports transferability by clearly documenting the scope of the review, including databases used, time frame, disciplinary boundaries, and coding logic. The inclusion of studies across diverse industries, cultural contexts, and

methodological traditions allows the identification of patterns that may hold analytical relevance beyond a single setting. A limitation relevant to transferability is that the review is restricted to peer-reviewed English-language publications indexed in Scopus and Web of Science, which may introduce language and publication bias and restrict the inclusion of alternative perspectives.

Dependability refers to the consistency and traceability of the research process over time (Lincoln & Guba 1985, 318). To enhance dependability, the review process was systematically documented at each stage, including search development, screening decisions, coding procedures, and analytical refinements. The structured database created for the review provides an audit trail linking extracted findings to higher-order themes. Although the study was conducted by a single researcher, the explicit documentation of coding logic and iterative cross-checking of classifications contribute to procedural consistency. Enworo (2023, 377) argues that dependability in qualitative research is strengthened when analytical decisions are transparent and traceable. This principle was followed throughout the present study through the systematic documentation of every screening, coding, and synthesis decision.

Confirmability addresses the extent to which findings are grounded in the data and are not shaped solely by researcher bias (Lincoln & Guba 1985, 323–324). Given that this thesis began with a preliminary conceptual framework proposing strategic non-intervention as a potential enabler of dynamic capabilities, particular care was taken to minimise theoretical imposition. The abductive analytical approach required continuous movement between the conceptual model and the reviewed literature, allowing contradictory evidence to refine or challenge initial assumptions. Leadership operationalisation was examined prior to interpreting outcomes, distinguishing intentional strategic restraint from leadership absence or withdrawal. This step reduced the risk of conflating conceptually distinct phenomena. As Schwandt et al. (2007, 11–12) argue, interpretation is inevitably situated. The study therefore acknowledges that theoretical reframing is itself an interpretive act. Systematic coding and transparent documentation support confirmability by making the analytical reasoning visible. A limitation relevant to confirmability is that the conceptual reframing of laissez-faire leadership as strategic non-intervention represents a theoretical departure from dominant operationalisations, particularly those relying on instruments such as the Multifactor Leadership Questionnaire, which typically conceptualises laissez-faire as purely passive or ineffective. This divergence required interpretive judgment during coding, and readers should evaluate the findings with this theoretical positioning in mind.

The measures outlined across the four criteria demonstrate that, despite the inherent limitations, the analytical process was systematically designed to balance theoretical ambition with methodological discipline. Every major analytical decision, from the hybrid coding strategy to the treatment of contradictory findings, is documented and traceable, enabling readers to assess the reasoning independently. The following chapter presents the findings that emerged from this process.

4 Forms, pathways, and boundary conditions of non-intervention

4.1 Overview of systematic literature review

The systematic literature review yielded a final corpus of 70 studies published between 2004 and 2026. This section provides a descriptive overview of the corpus, characterising its temporal development, geographical distribution, methodological composition, operationalisation patterns, and level-of-analysis profile. Each distributional pattern documented here foreshadows a specific analytical challenge addressed in the subsequent finding's sections, from the measurement problem in Section 4.2 through the microfoundational bridge in Section 4.3 to the cross-level boundary condition logic in Section 4.4.

Figure 5 displays the temporal distribution of publications, disaggregated by evaluative stance toward laissez-faire leadership. The classification follows the NVivo coding applied during full-text analysis and captures how each study positions laissez-faire leadership conceptually, not the statistical direction of its findings. Studies coded as traditional negative framing treat laissez-faire as undifferentiated passive absence, while studies coded as nuanced or contextual view engage with the possibility that its effects vary by context or operationalisation. These two nodes anchor the evaluative spectrum developed in Section 4.2. The NVivo coding tree contains additional evaluative nodes, and individual studies may be coded to several simultaneously, so the figure captures a subset of the full corpus.

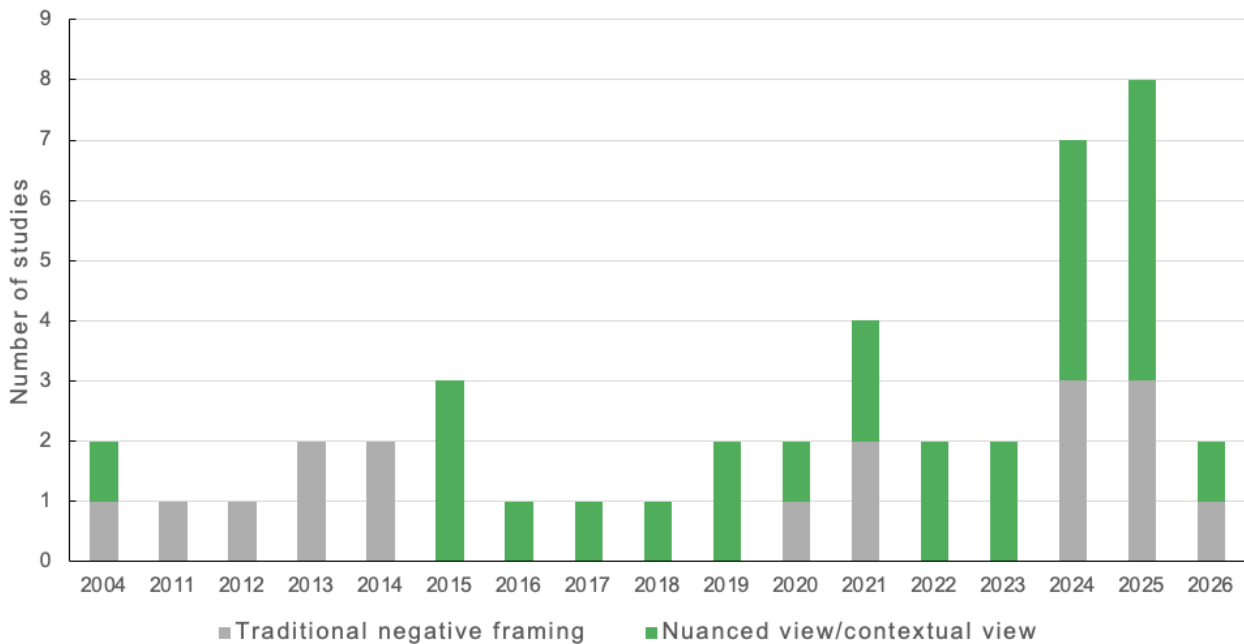


Figure 5 Temporal distribution of reviewed studies by evaluative stance toward laissez-faire leadership

Research attention to laissez-faire leadership has accelerated sharply since 2015, with most contributions appearing in the final three years of the review period. The early corpus, spanning 2004 to 2014, is dominated by studies operating within the traditional negative framing. The shift toward contextual and nuanced interpretations begins around 2015, coinciding with Yang's (2015) conceptual reframing of laissez-faire as non-involvement. From 2019 onward, nuanced contributions consistently match or outnumber traditionally negative ones. This temporal pattern is analytically significant because it demonstrates that the reconceptualisation pursued in this thesis reflects an identifiable shift in how the field conceptualises and investigates non-interventionist leadership.

Figure 6 presents the regional distribution of the reviewed studies, disaggregated by the same NVivo-coded evaluative stance. As with the temporal distribution, the figure captures only studies coded to these two anchoring nodes.

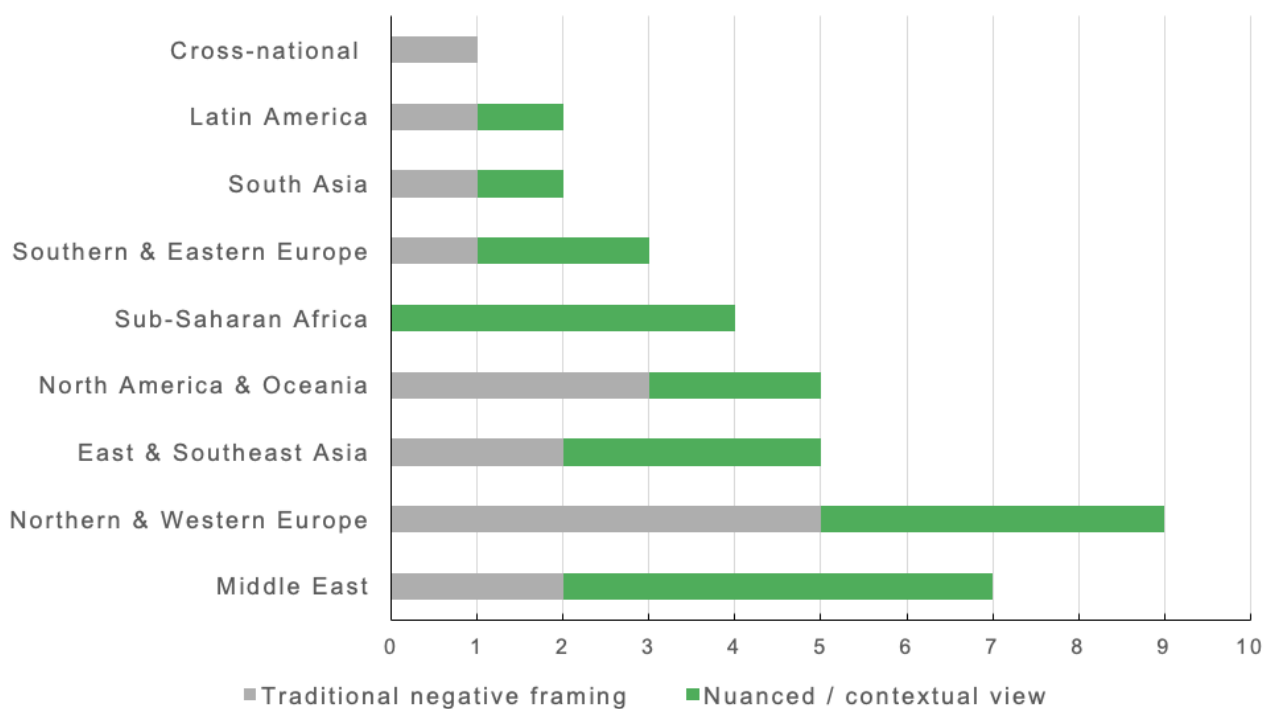


Figure 6 Regional distribution of reviewed studies by evaluative stance toward laissez-faire leadership

The corpus spans 25 countries across nine world regions. The Middle East (7 studies), Northern and Western Europe (9 studies), and East and Southeast Asia (5 studies) constitute the most densely represented regions, followed by North America and Oceania (5 studies) and Sub-Saharan Africa (4 studies). Southern and Eastern Europe (3 studies), South Asia (2 studies), and Latin America (2 studies) are less represented, with one cross-national study spanning multiple regions. The

evaluative stance is not randomly distributed across regions. Sub-Saharan African studies exclusively adopt nuanced or contextual interpretations, while Northern and Western European studies are more evenly split between the two framings. This uneven distribution suggests that how researchers conceptualise non-intervention may itself be shaped by the cultural contexts they study, a possibility examined through the boundary condition analysis in Section 4.4.

As shown on the Figure 7 the corpus is overwhelmingly quantitative. Sixty-two of the 70 studies employ quantitative designs, predominantly cross-sectional surveys using structural equation modelling or hierarchical regression analysis. Three studies are conceptual, three employ mixed methods, and two are qualitative.

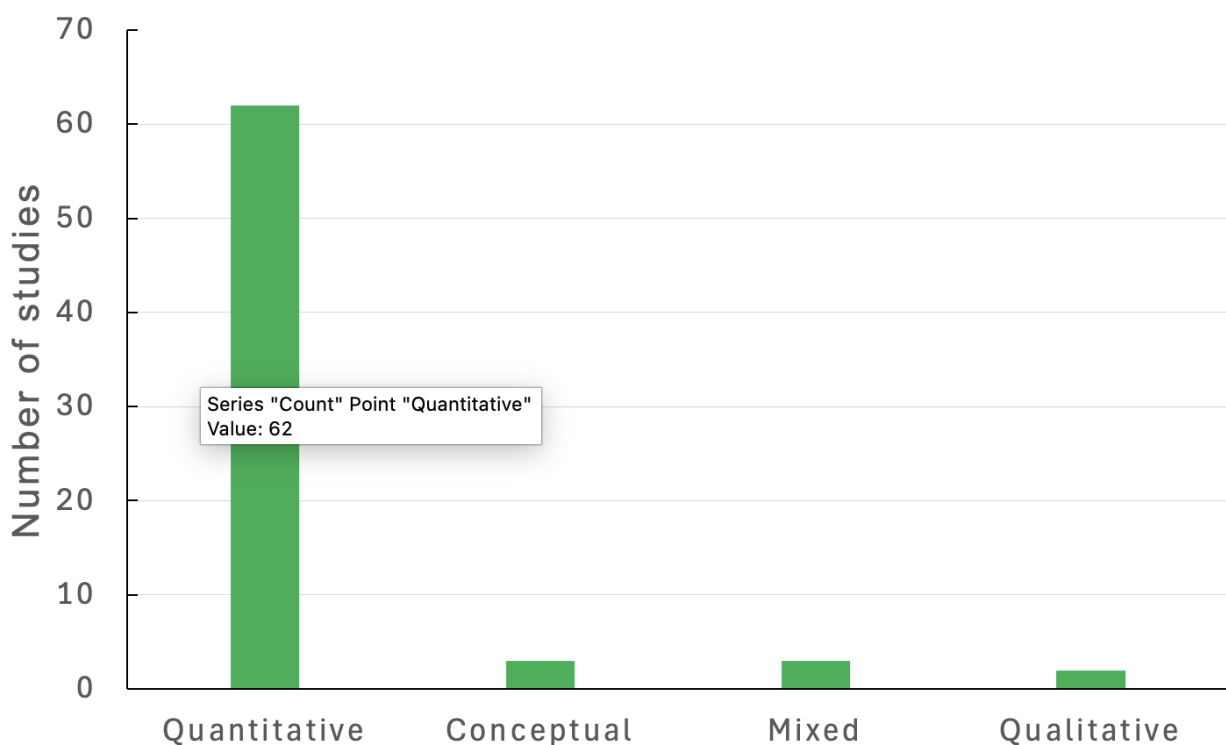


Figure 7 Methodological composition of the reviewed corpus

This methodological profile has two consequences for the present analysis. First, the dominance of survey-based designs means that laissez-faire leadership is measured almost exclusively through follower self-reports, which introduces the attribution bias documented in Section 4.2.3. Second, the scarcity of qualitative evidence limits the corpus's capacity to capture the processual and contextual dynamics of non-intervention as experienced by leaders and followers. The two qualitative studies (Bott 2015; Bohacova & Heide 2024) and three conceptual contributions (Dóci et al. 2015; Itzkovich et al. 2020; Yang 2015) nevertheless provide disproportionately rich insights into the

mechanisms and antecedents of strategic non-intervention, compensating partially for the quantitative dominance.

Having established the methodological profile of the corpus, the analysis now turns to the distribution of findings and its relationship to how laissez-faire leadership is operationalised. Of the 70 studies, 30 report predominantly negative findings, 16 report positive findings, 19 report conditional findings whose direction depends on moderating variables, and 5 report null effects. For three conceptual studies without empirical measurement, the direction classification reflects the evaluative stance of the theoretical argument. The coexistence of positive, negative, conditional, and null results from studies examining the same construct raises the question that motivates Section 4.2: why does laissez-faire leadership produce opposite outcomes across different contexts?

Figure 8 sharpens this question by cross tabulating the direction of findings against the type of leadership operationalisation. The classification into operationalisation categories follows the master classification table (Appendix 3) in which each study is assigned to one of four categories based on the instrument and item content used to measure laissez-faire leadership.

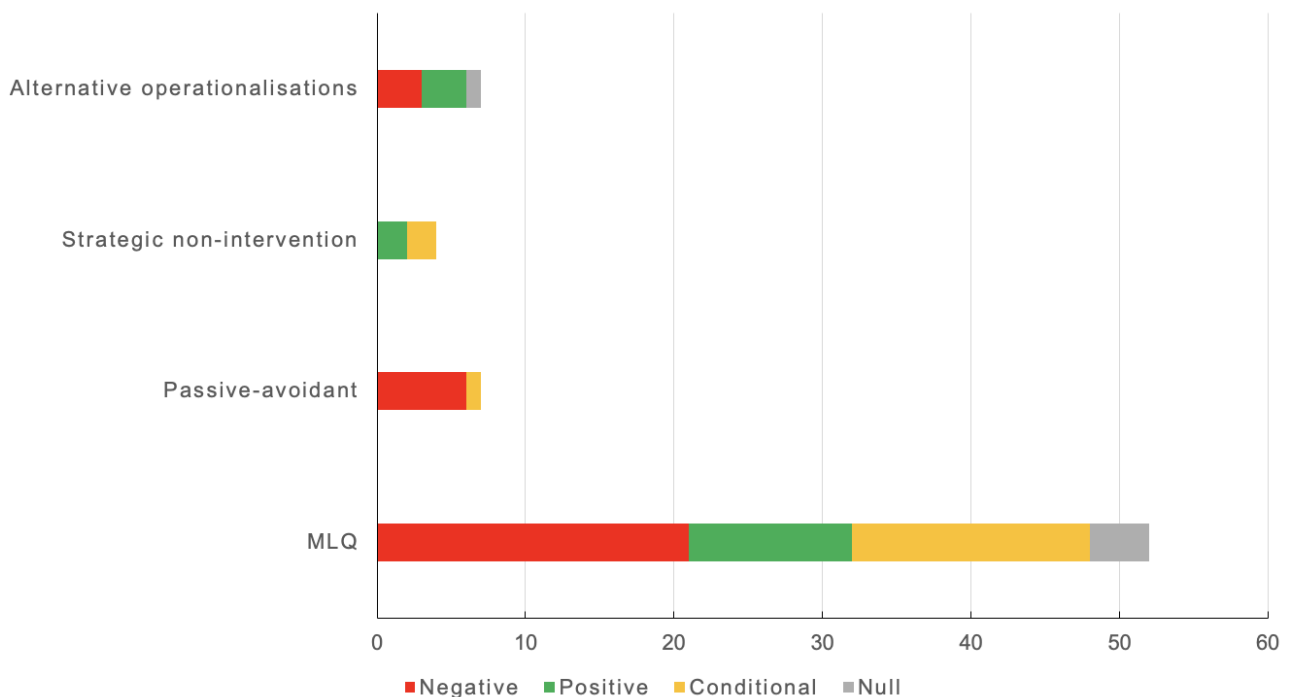


Figure 8 Direction of findings by type of laissez-faire leadership operationalisation

Studies using the standard Multifactor Leadership Questionnaire or its validated translations constitute the largest category (52 studies) and produce the full range of outcomes, with 21 negative, 11 positive, 16 conditional, and 4 null findings. Studies using the passive-avoidant

operationalisation, which combines management-by-exception passive and laissez-faire items into a single higher-order factor, are almost exclusively negative, with 6 negative findings, 1 conditional, and no positive or null results. Studies employing operationalisations that capture strategic non-intervention through items measuring professional autonomy, delegation, and non-interference produce no negative findings, with 2 positive and 2 conditional results. The remaining 7 studies use alternative operationalisations, including modified instruments with substantively different item content, non-MLQ scales, and experimental scenarios. This category also includes conceptual contributions without empirical measurement. The resulting pattern is evenly distributed, with 3 negative, 3 positive, and 1 conceptual finding.

This cross-tabulation establishes a direct empirical foundation for the measurement critique developed in Section 4.2.3. The direction of findings is not independent of how laissez-faire leadership is measured. Instruments that capture withdrawal and avoidance produce predominantly negative findings. Instruments that capture professional autonomy and delegation produce no negative findings. The Multifactor Leadership Questionnaire, which conflates elements of both under a single label, produces the full range of outcomes. The implication is that the dominant negative consensus reflects, at least in part, the properties of the measurement instrument. This patterning does not invalidate the negative findings. It contextualises them as consequences of a specific operationalisation that captures only the withdrawal dimension of non-intervention, excluding the autonomy-granting dimension that this thesis identifies as central to strategic non-intervention.

Figure 9 presents the distribution of studies by level of analysis. Individual-level studies account for 40 of the 70 reviewed papers, followed by dyadic-level studies (15), organisational-level studies (9), and team-level studies (6).

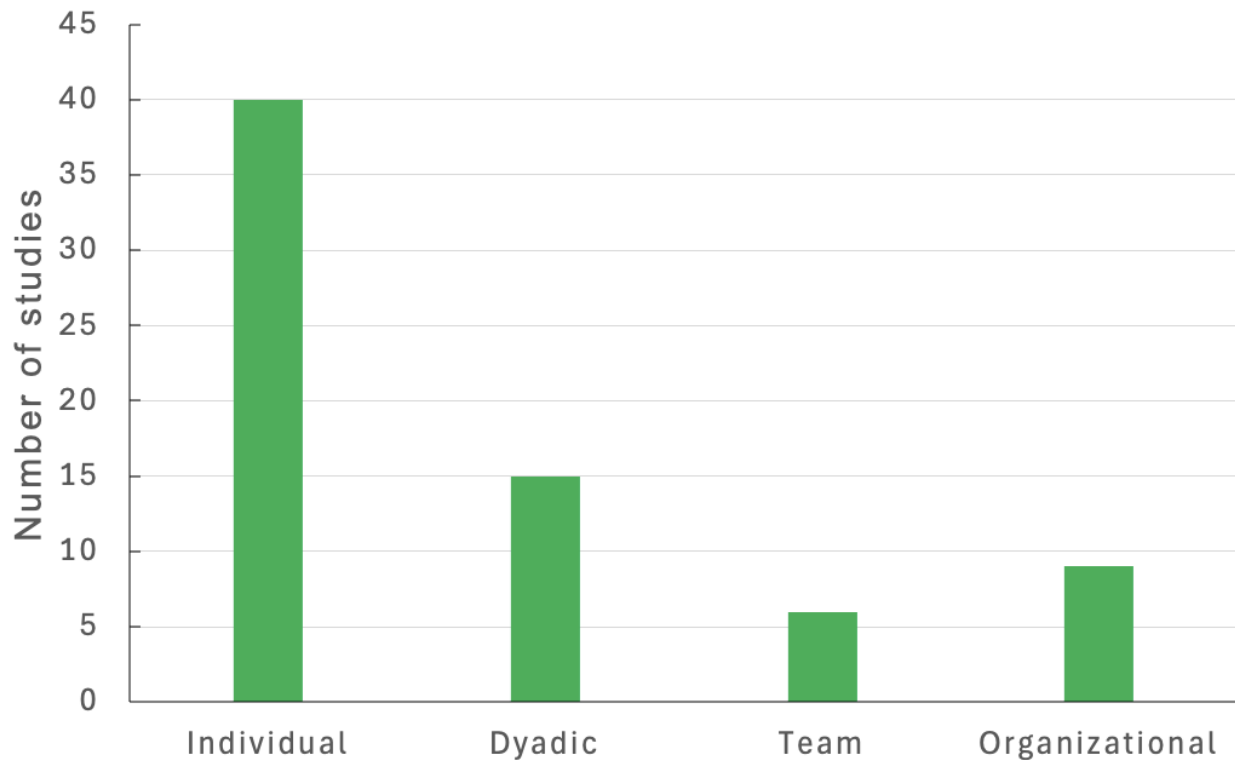


Figure 9 Distribution of reviewed studies by level of analysis

This distribution has a direct methodological consequence for the dynamic capabilities analysis in Section 4.3. Sensing, seizing, and transforming are organisational-level capabilities in Teece's (2007, 1319) framework. Most of the evidence base, however, reports individual-level outcomes such as proactivity, innovative work behaviour, error learning, and knowledge sharing. The mapping of these constructs onto dynamic capability dimensions therefore requires a microfoundational bridge. Following Teece (2007, 1323) and Felin and Foss (2015, 590), individual-level behaviours are treated as the microfoundational inputs through which organisational-level capabilities are enacted. Individual proactivity and environmental scanning contribute to organisational sensing, initiative-taking and resource mobilisation contribute to seizing, and team learning and adaptive reconfiguration contribute to transforming. The inferential distance involved in this mapping varies across studies and is flagged where it is substantial.

Not all 70 studies contribute directly to the dynamic capabilities analysis. Fourteen studies inform only the reconceptualisation argument or boundary conditions without producing evidence mappable onto sensing, seizing, or transforming pathways. Of the remaining 56 studies, sensing is the most densely populated dimension (36 studies), followed by seizing (22 studies) and transforming (16 studies). This density gradient reflects two features of the corpus. First, sensing-adjacent outcomes such as innovative work behaviour, creative performance, and error learning are

the most measured dependent variables in leadership research, while transforming-adjacent outcomes such as organisational reconfiguration and cultural renewal require longitudinal or organisational-level designs that are scarce in the corpus. Second, the gradient creates an asymmetry in the evidentiary foundation of the pathway analysis. The enabling and suppressing mechanisms for sensing rest on broader evidence base than those for transforming, and this difference in density is acknowledged where relevant in the analysis that follows.

Taken together, the distributional characteristics of the corpus reveal a field in transition. The temporal shift from exclusively negative to increasingly nuanced interpretations, the geographic concentration in regions with diverse cultural orientations, the methodological reliance on quantitative follower self-reports, the dependence of finding direction on operationalisation type, and the predominance of individual-level analysis collectively define both the evidential strengths and the interpretive constraints of the synthesis that follows. The subsequent section begins with the most fundamental of these constraints, the measurement problem, and builds from it toward a reconceptualisation of laissez-faire leadership that the remainder of the findings chapter develops.

4.2 Laissez-faire as strategic non-intervention

This section addresses the first sub-question of the thesis: how do empirical and conceptual studies distinguish between ineffective laissez-faire leadership and enabling non-intervention? The analysis proceeds through six stages, beginning with the dominant negative framing of laissez-faire leadership and moving through empirical anomalies, measurement critique, evidence for situational variability, the proposed reconceptualization, and the attribution mechanism that connects behaviour to outcome. Collectively, these stages build the argument that laissez-faire leadership operates as a label for conceptually distinct forms of non-intervention, whose effects are determined by the antecedent conditions under which the behaviour is enacted and by how followers interpret it.

4.2.1 The dominant negative view

The dominant operationalisation of laissez-faire leadership in the reviewed corpus relies on the Multifactor Leadership Questionnaire or conceptually equivalent instruments, which consistently report negative associations with follower and organisational outcomes. Within this tradition, laissez-faire leadership is understood not as a distinct leadership posture but as the absence of leadership altogether. Multiple studies converge on this characterisation, describing laissez-faire leaders as those who avoid making decisions, delay acting, fail to provide feedback, and make no attempts to motivate or develop their followers (Judge & Piccolo 2004, 756; Raes et al. 2013, 291;

Cardona-Cano et al. 2024, 188; Stenling et al. 2025, 4). A study on small family-owned businesses in Germany elaborates on the behavioural consequences for followers:

"A laissez-faire leader exhibits a lack of involvement during critical junctures, resulting in a delay of decision making. Passive leaders do not proactively counter future challenges by developing and training employees. Likewise, they tend to delay providing goals to employees and guidance on how to accomplish them, but rather leave them to their own resources." (Bernhard & O'Driscoll 2011, 354)

This framing positions laissez-faire at the lowest end of the full-range leadership continuum. Rather than being viewed as a neutral condition, it is treated as actively destructive (Chênevert et al. 2015, 72, 84) and defined as lacking any intentional character, representing simply a failure to respond to the needs of subordinates (Desgourdes et al. 2024, 1049).

The empirical evidence produced within this operationalisation is substantial and spans multiple outcome domains. In the area of organisational learning, a cross-regional study covering the United States, Europe, and China finds significant negative correlations between laissez-faire leadership and error learning, reporting that laissez-faire leadership suppresses learning more than overtly aversive leadership in Western samples. This finding challenges the conventional hierarchy of destructive leadership, as the complete absence of feedback appears more damaging to learning than negative signals, which at least provide performance cues that motivate error avoidance. (Bligh et al. 2018, 123, 136.)

In the domain of innovation and creative performance, the evidence reveals a consistent suppression mechanism. Passive leadership depletes the psychological resources that creative and discretionary behaviour requires. Work meaninglessness, burnout, and knowledge hiding emerge as linked channels through which non-intervention erodes innovative capacity across organisational contexts (Bani-Melhem et al. 2025, 121; Bani-Melhem et al. 2024, 605; Mubarak et al. 2021, 5). The mechanism operates because the leader's absence actively removes the relational and informational inputs that sustain creative output, producing resource depletion that suppresses innovation even when followers possess the personal resources to perform. A study on Pakistani textile organisations illustrates this paradox. Psychological capital negatively moderates the relationship between laissez-faire leadership and employee performance, meaning that the performance decline under passive leadership is steeper for employees with higher psychological capital. (Baig et al. 2021, 1099.) The authors do not offer a definitive explanation for this counterintuitive pattern, yet the finding is consistent with the broader evidence that individual-level resources alone are insufficient to activate the enabling pathway when structural and relational conditions are absent.

Evidence from the employee well-being domain strengthens this pattern and adds an important qualification. Laissez-faire leadership is consistently associated with elevated role stress, rumination, and physiological strain across experimental, time-lagged, and multi-level designs (Boukis et al. 2020, 9; Diebig et al. 2016, 690–691; Alharthi 2026, 6–7). The suppressive effect, however, activates conditionally, intensifying under high levels of passive leadership while remaining non-significant when passive leadership is low (Bani-Melhem 2020, 44; Abukhait et al. 2023, 10–11). This conditionality suggests that non-intervention does not produce harm linearly. There appears to be a threshold below which followers absorb the leader's absence without measurable damage, and above which the suppression chain activates.

These findings are empirically robust and should not be dismissed as methodological artefacts. However, they share a common structural feature: all these studies operationalise laissez-faire leadership as undifferentiated passive absence and examine its effects in contexts where conditions such as follower competence, structural supports, psychological safety, and trust are neither present nor controlled for. The negative evidence therefore documents the consequences of non-intervention across diverse organisational and cultural settings, but consistently under conditions where the factors theorised to enable productive non-intervention are absent. Whether these consequences would hold in contexts where such enabling conditions are present is a question the dominant operationalisation cannot address, because it does not distinguish between forms of non-intervention. The following subsection examines evidence suggesting that when these conditions are present, the generalisation does not hold.

4.2.2 Empirical anomalies within the dominant paradigm

The dominant negative consensus is internally contested by studies using the same Multifactor Leadership Questionnaire-based operationalisation. Within the reviewed corpus, several studies report results that diverge from the expected pattern, with some divergences substantial (e.g., Donkor et al. 2021; Thanh & Quang 2022; Alaro et al. 2025). The presence of positive and null findings inside the measurement tradition that produces the negative consensus signals that the operationalisation captures a phenomenon whose effects vary across contexts.

The positive findings cluster around two configurations. The first configuration involves contexts where employee competence functions as a substitute for directive leadership. A study on Ghanaian state-owned enterprises reports a significant positive direct effect of laissez-faire leadership on job performance, attributing the finding to a context where subordinates are professionals capable of

performing with minimal supervision (Donkor et al. 2021, 9). The same study identifies two antecedents of laissez-faire adoption that complicate the dysfunction narrative:

"Two factors cause laissez-faire leadership. First, when there is a strong believe on the part of the leader that the employees know their job and for that matter leave them alone to do their job. Second, where the leader by fears that he may not be re-elected if he leads effectively if the position is elected, he may not desire to exert power and control." (Donkor et al. 2021, 3)

Similar effects appear in Nigerian SMEs (Awotunde & Aregbeshola 2025, 15) and Iranian audit firms, where laissez-faire leadership is negatively associated with dysfunctional audit behaviour, meaning that non-intervention reduces professional misconduct, with the laissez-faire coefficient stronger than that of transformational leadership in this context (Afshar & Soltaninejad 2026, 8–11).

The second configuration involves public sector environments where employees can interpret non-intervention as autonomy rather than neglect. A mixed-methods study on Ethiopian government secondary schools reports that laissez-faire leadership emerged as the strongest positive predictor of school performance, outperforming all transformational and transactional sub-dimensions, and the authors conclude that laissez-faire should be reconceptualised as a strategy that promotes empowerment and builds trust (Alaro et al. 2025, 18, 21). A study on an Omani government ministry reports comparable positive effects (Al Balushi & Jamaludin 2025, 536).

The null findings reveal two analytically distinct patterns. The first pattern emerges from studies using rigorous methodological designs that fail to detect the expected direct effects. A daily diary study using experience sampling methodology finds no significant direct effect of laissez-faire leadership on either job satisfaction or performance at the within-person level, indicating that laissez-faire fails to produce consistent negative effects across daily episodes (Glaas et al. 2025, 1). A study on self-other agreement reports that perceptual congruence on laissez-faire leadership is entirely unrelated to team ratings of well-being, performance, and learning climate, a result that contrasts sharply with management-by-exception passive, where self-other agreement shows clear effects on the same outcomes (Hasson et al. 2019, 45).

The second pattern emerges from studies in which contextual substitutes for leadership absorb the expected negative effect. A study on university research groups in Colombia finds no significant relationship between laissez-faire leadership and organisational ambidexterity, with the authors attributing the null to follower competence and collectivist cultural norms functioning as leadership substitutes (Cardona-Cano et al. 2024, 195). A study on Swiss start-ups reports no direct effect of laissez-faire leadership on performance, though organisational size significantly moderates the

relationship (Zaech & Baldegger 2017, 157). A study on Nigerian bakeries reports non-significant effects across all three decomposed organisational outcomes of growth, profitability, and survival (Ametefe et al. 2024, 65).

A meta-analysis by Judge and Piccolo (2004, 759–763) on full-range leadership supports this picture from a different methodological vantage. When examined in isolation, laissez-faire leadership shows a moderately negative relationship with outcome criteria, yet this estimate contracts sharply once other leadership styles are controlled for, and reverses direction in the case of leader job performance. Judge and Piccolo (2004, 762) interpret this instability as evidence that much of the apparent negative effect of laissez-faire leadership reflects the absence of transformational behaviour rather than a distinct property of non-intervention itself. The implication for the present analysis is that the negative consensus rests on a partly conflated effect: the construct as currently operationalised aggregates the consequences of non-intervention with the consequences of missing inspirational leadership, and these two phenomena require separate analytical treatment.

The instability is not only methodological. Studies using the same construct in similar contexts produce contradictory results, suggesting that the effect varies as much across contexts as it does across measurement choices. The clearest demonstration of this context-dependence comes from a contradiction within the same national setting. Two studies from the same Vietnamese research group produce opposite results on laissez-faire leadership using comparable measurement instruments. One study on provincial public sector agencies reports a strong positive correlation between laissez-faire leadership and employee engagement, noting that Vietnamese employees prefer non-intervention in decision-making and task execution (Thanh & Quang 2022, 10). A second study by the same authors on department-level leaders in the central public sector finds that laissez-faire leadership negatively predicts work engagement and innovative work behaviour (Thang et al. 2022, 7). The contradiction within the same national culture establishes that cultural context alone is insufficient to predict laissez-faire leadership's effects. The divergence likely reflects differences in hierarchical level and accountability structures between provincial and central agencies, indicating that the effectiveness of non-intervention is shaped by configurations of multiple contextual factors operating simultaneously, rather than by any single variable.

Taken together, the positive and null findings show a clear distributional pattern. Positive findings concentrate in two configurations: contexts where employee competence functions as a substitute for directive leadership (Donkor et al. 2021, 9; Awotunde & Aregbeshola 2025, 15; Afshar & Soltaninejad 2026, 8–11), and public sector environments where employees can interpret non-

intervention as autonomy rather than neglect (Alaro et al. 2025, 18; Al Balushi & Jamaludin 2025, 536). Null findings concentrate in studies where contextual substitutes absorb the expected effect (Cardona-Cano et al. 2024, 195; Zaech & Baldegger 2017, 157; Ametefe et al. 2024, 65). The patterning establishes that the negative consensus is context-bound rather than universal. The coexistence of positive, negative, and null results from the same measurement tradition raises a question that the Multifactor Leadership Questionnaire framework, with its undifferentiated operationalisation of laissez-faire, cannot answer: why does the same instrument produce opposite results across different contexts? The measurement properties that contribute to this instability are examined in the following subsection.

4.2.3 The measurement problem

The empirical anomalies documented above can be partially explained by examining the properties of the dominant measurement instrument. Four interconnected problems with the Multifactor Leadership Questionnaire based operationalisation of laissez-faire leadership emerge from the reviewed literature, each contributing to a construct that conflates conceptually distinct phenomena.

First, the Multifactor Leadership Questionnaire combines two conceptually distinct forms of passive leadership into a single higher-order passive-avoidant factor: management-by-exception passive, which involves delayed but eventual intervention, and laissez-faire, which represents complete withdrawal from leadership responsibilities. A study on frontline employees in Greek hospitality distinguishes between these, characterising management-by-exception passive as a pattern in which the leader steps in only after noncompliance has occurred, while laissez-faire denotes complete withdrawal, with the leader declining to make decisions and abdicating responsibility entirely (Ntalakos et al. 2026, 19). This conflation is consequential because strategic non-intervention shares observable features with delayed but available support rather than with total withdrawal. By collapsing them, the Multifactor Leadership Questionnaire renders the distinction between structured restraint and complete disengagement invisible to measurement. The same study reports unexpected positive links between management-by-exception passive and all three outcome variables. This finding supports the argument that when delayed intervention is empirically separated from total withdrawal, its effects can be non-negative. (Ntalakos et al. 2026, 16–17.)

Second, autonomy-granting was historically part of the laissez-faire leadership definition but was later removed from the operationalisation. A study on board-executive director relationships in Canadian nonprofits traces this shift, noting that empowerment was originally included in the definition of laissez-faire leadership but was subsequently reconceived as a proactive approach and

reassigned to transformational leadership (Bass 1999, according to Bott 2015, 61). Critically, autonomy was never incorporated into the Multifactor Leadership Questionnaire's empirical model (Bott 2015, 57–58). This means the instrument systematically captures only the withdrawal dimension of non-intervention, excluding the autonomy-granting dimension that this thesis identifies as central to strategic non-intervention. The negative empirical record is therefore partly an artefact of an operationalisation that measures only one pole of a conceptually dual construct.

The contrast between different operationalisations within the reviewed corpus illustrates this directly. A study on Iranian audit firms operationalises *laissez-faire* leadership through items measuring professional autonomy, delegation, and non-interference, such as auditors having discretion to choose their own approach and managers refraining from involvement in challenging matters. Under this operationalisation, *laissez-faire* leadership reduces dysfunctional behaviour. (Afshar & Soltaninejad 2026, 8, 12–13.) The standard Multifactor Leadership Questionnaire items, by contrast, capture behaviours such as avoiding involvement when important issues arise, being absent when needed, and avoiding making decisions. These two operationalisations measure fundamentally different phenomena under a common label, which explains why the former produces positive findings while the latter consistently produces negative ones.

Third, *laissez-faire* leadership is substantially confounded with the absence of transformational leadership. The meta-analytic correlation between the two constructs indicates that the Multifactor Leadership Questionnaire partially measures *laissez-faire* as the inverse of transformational leadership rather than as a distinct construct (Judge & Piccolo 2004, 761). A conceptual paper on the positive effects of *laissez-faire* leadership argues that the prevailing negative view reflects how the construct has been defined and measured rather than the leadership behaviour itself (Yang 2015, 1248). A prospective study on Norwegian offshore workers demonstrates this confound empirically. The cross-sectional correlation between *laissez-faire* leadership and psychological safety climate is strong, yet when constructive and tyrannical leadership are entered simultaneously in a reciprocal model, the *laissez-faire* coefficient becomes non-significant. The authors conclude that examining leadership without accounting for the concurrent presence of other leadership behaviours risks overestimating the impact of any single predictor. (Birkeland Nielsen et al. 2016, 149, 151.) This progressive attenuation from cross-sectional to multivariate analysis provides direct methodological evidence that much of what is attributed to *laissez-faire* may reflect the concurrent absence of constructive leadership.

Fourth, follower self-reports introduce attribution bias. Research on the relationship between delegation and laissez-faire leadership establishes that the construct is measured as a subordinate's perception, and its effects are theorised to occur on the basis of those perceptions. (Norris et al. 2021, 325.) A study on the empowering–laissez-faire boundary reports that followers perceive both overfulfilling and under fulfilling leader-empowering behaviours as laissez-faire:

"Too much authority and responsibility handed to the followers may be seen as inappropriate if, for example, the followers believe that they do not have the ability to fulfill these expectations or the followers' workload increases above a level that they can handle. In such cases, followers might actually attribute laissez-faire leadership to their leaders instead of appreciating the empowerment." (Wong & Giessner 2018, 760)

A cross-regional study on error learning raises the additional concern of reverse causality. The study finds that followers with a fixed mindset tend to both learn less from errors and perceive their leaders as more negligent, suggesting that the reported associations between laissez-faire leadership and negative outcomes may partly reflect follower attitudes shaping leadership perceptions rather than the other way around. (Yan et al. 2014, 242.) When measurement depends on followers perceiving the absence of something, the threshold for that perception is shaped by expectation and relational history rather than by the leader's actual behavioural choices.

Considered together, these four measurement problems contextualise rather than invalidate the negative findings. The Multifactor Leadership Questionnaire based literature documents the consequences of perceived passive absence, but the construct it measures cannot distinguish strategic restraint from dysfunctional withdrawal, excludes autonomy-granting from its scope, partly overlaps with the absence of transformational leadership, and is sensitive to follower attribution. Rather than capturing a unified phenomenon, the instrument aggregates conceptually distinct behaviours under a single label. This creates the conceptual space for a reconceptualisation that disaggregates non-interventionist leadership into its constituent forms.

4.2.4 Laissez-faire as a dynamic and situationally induced behaviour

A necessary precondition for reconceptualising laissez-faire leadership as strategic non-intervention is demonstrating that it is not a fixed dispositional trait but a behaviour that varies with situation, relationship, and time. If laissez-faire were simply a stable marker of leader incompetence, reconceptualisation would be unwarranted. The reviewed literature provides convergent evidence from multiple independent traditions that this is not the case.

At the intra-individual level, a daily diary study demonstrates that laissez-faire behaviours fluctuate within the same leader across working days, demonstrating that the construct varies on a daily basis

and that prior research has wrongly treated it as a stable style (Zhang et al. 2023, 9). A conceptual paper strengthens this, arguing that leadership styles are inherently fluid and that the same behaviour from a leader cannot be classified as uniformly positive or negative across all situations (Yang 2015, 1253–1254). A study on start-up leadership reaches the same conclusion from a practitioner perspective:

"Founder-CEOs cannot display one single type of leadership behaviour for all situations. They need to adapt their behaviour to the respective situation and context to be most successful. Therefore, they need a variety of abilities and skills in addition to the basic competence necessary for founding and running a business." (Zaech & Baldegger 2017, 172)

At the relational level, a study on supervisor-team temporal fit shows that laissez-faire leadership emerges from the match between supervisor and team orientations rather than from leader disposition alone. Supervisors who share a strong past-orientation with their teams are less likely to intervene, as they perceive no gap requiring their involvement. The same supervisors, however, exhibit proactive leadership when working with teams that do not share this orientation, demonstrating that the behaviour is relationally determined rather than fixed. (Briker et al. 2020, 256–257.) At the structural level, a study on United Arab Emirates public sector organisations demonstrates that centralisation produces passive leadership through the mediating mechanism of autonomy frustration, with organisations that concentrate decision-making power at the top removing job autonomy from middle-level management (Bani-Melhem et al. 2022, 536). If structural conditions can produce laissez-faire behaviour, then structural conditions can also be designed to produce strategic non-intervention.

Beyond individual fluctuation, relational fit, and structural constraint, the reviewed literature identifies several psychological pathways through which laissez-faire behaviour is induced. These pathways share a common feature: in each case, non-intervention emerges as a response to the leader's internal state or relational context, not as a stable disposition. Some of these pathways are resource driven. A team-level study reframes laissez-faire as a resource-conservation strategy, showing that managers with scarce psychological resources adopt defensive strategies to prevent additional resource loss, which translates into laissez-faire leadership (Groulx et al. 2024, 6). Similarly, research on ego depletion shows that laissez-faire behaviour can serve as a temporary recovery strategy that enables supervisors to resume independent decision-making once their depleted resources are restored (Wang et al. 2025, 3). In both cases, non-intervention reflects exhaustion, not the leader's capability or intent. Other pathways are cognitively or relationally driven. A conceptual paper drawing on core evaluation theory proposes that leaders' stable

behavioural tendencies are shaped by their fundamental beliefs about themselves, others, and the world, while their variable, momentary behaviours respond to situational appraisals of these same dimensions (Dóci et al. 2015, 4–5). A three-study design identifies moral licensing as a mechanism through which being trusted by subordinates produces laissez-faire behaviour, as leaders accumulate psychological credits from being perceived as trustworthy and convert them into permission to disengage (Chen et al. 2021, 625). A multi-level study demonstrates that laissez-faire emerges as a reactive coping response when leaders appraise situations as hindrances, with the passivity caused by these appraisals making leaders hesitate to take appropriate actions (Lee et al. 2023, 567). A study on Iranian audit firms adds a reciprocal dimension, finding that leadership evolves in response to subordinate behaviour, with laissez-faire and follower conduct shaping one another over time (Afshar & Soltaninejad 2026, 12).

The convergence of these findings establishes that laissez-faire leadership is contextually induced, not dispositionally fixed. Whether the trigger is resource depletion, cognitive appraisal, moral licensing, or reciprocal adaptation, the common pattern is that non-intervention is a variable response to situational conditions. If non-intervention is contextually produced, the possibility of deliberately context-sensitive non-intervention is not merely theoretically plausible but empirically grounded.

4.2.5 Three forms of non-intervention

The preceding analysis of the dominant evidence, the empirical anomalies, the measurement critique, and the situational variability converges on a central finding: laissez-faire leadership as currently conceptualised is not a single phenomenon but a label applied to at least three conceptually distinct forms of non-intervention. These forms are distinguished not by observable behaviour, which may appear identical across all three, but by their antecedent conditions, cognitive profiles, and relational infrastructure.

The first form, *dysfunctional withdrawal*, corresponds to the traditional conceptualisation of laissez-faire leadership as the absence of leadership. A conceptual paper drawing on core evaluation theory provides the clearest cognitive-level account, proposing that leaders who engage in passive behaviour do so because of negative beliefs about the self, others, and the world. The model describes a self-reinforcing cycle in which passive behaviour confirms the leader's existing sense of inadequacy:

"Consider also the laissez faire leader, who regularly verifies his/her sense of inefficacy by avoidance behaviours that may lead to a weakened status within the organisation or even demotion." (Dóci et al. 2015, 9)

When a leader feels insecure or threatened, the response is to avoid challenges and dodge leadership responsibilities altogether (Dóci et al. 2015, 11). A study on self-leadership and follower perceptions complements this account, finding that leaders with low intrinsic motivation and low natural reward strategies are more likely to be perceived as passive by their followers. These characteristics indicate disengaged inadequacy, supporting the distinction from deliberate restraint. (Furtner et al. 2013, 445.)

A longitudinal study adds a temporal dimension to this form. The finding that laissez-faire leaders maintain their style over extended periods regardless of employees' attitudes suggests a pattern of managerial inertia, where disengagement remains stable and unresponsive to contextual demands (Desgourdes et al. 2024, 1060). This inertia serves as a diagnostic marker: if strategic non-intervention is by definition responsive to context, then the absence of such responsiveness signals dysfunctional withdrawal. A study on leader well-being identifies a feedback loop that sustains this form: counterproductive work behaviour induced by laissez-faire leadership produces resource depletion and exhaustion for the leaders themselves, who then cope by further withdrawing from work responsibilities (Perkins et al. 2025, 15–16). This creates a self-perpetuating cycle in which withdrawal triggers follower dysfunction, which in turn triggers further leader withdrawal. This pattern constitutes the behavioural signature of dysfunctional non-intervention.

The second form, *relationally induced disengagement*, occupies the conceptual space between dysfunction and strategy. This form emerges when non-intervention originates from a genuinely positive relational antecedent but operates through automatic psychological processes, not conscious leadership choice. A study on leader felt trust identifies moral licensing as one such process: leaders who feel trusted by subordinates accumulate psychological credits that permit disengagement, even when the trust relationship itself would support continued engagement. The study finds that leader moral identity moderates this effect, with high moral identity leaders being less susceptible to licensing. (Chen et al. 2021, 629–630.) This suggests that the same relational condition, being trusted, can produce either engagement or withdrawal depending on the leader's evaluative characteristics. A team-level study documents a complementary pathway:

"Managers with scarce psychological resources would adopt defensive strategies to prevent additional psychological resources loss, translating into laissez-faire leadership. Such leadership would then affect teams' readiness to change by negatively impacting the psychological safety climate." (Groulx et al. 2024, 6)

The appropriate organisational response to this form of non-intervention is resource replenishment, not skill development, which distinguishes it from both dysfunctional withdrawal and strategic restraint, where different interventions would be required (Groulx et al. 2024, 7).

The identification of this intermediate form is analytically significant. It demonstrates that non-intervention born from a positive relational context does not automatically qualify as strategic. The leader who disengages through moral licensing is not exercising deliberate restraint but converting relational capital into behavioural economy without conscious intent.

The third form, *strategic non-intervention*, is the conceptual centrepiece of this thesis. The foundational argument for this form is that laissez-faire leadership is not inherently negative; its effects depend on how the behaviour interacts with the context in which it takes place. The proposed mechanism is that non-involvement reduces follower dependency on the leader, which in turn increases self-determination, psychological empowerment, and self-leadership. (Yang 2015, 1250–1252.)

A study drawing on situational leadership theory provides complementary scaffolding from within the full-range leadership tradition:

"It is necessary to distinguish between absence of leadership, which is represented in other models as laissez-faire, and a more effective yet passive manifestation of leadership, which is characterized by low task and low relationship behaviour. In-line we view, this passive style of leadership as constructive since it enables people autonomously to fulfil their organisational duties." (Itzkovich et al. 2020, 860)

A qualitative study on board-executive director relationships in Canadian nonprofits provides evidence of strategic non-intervention in practice. The study identifies four conditions that sustain productive non-intervention: role clarity and boundary identification, clear expectations regarding strategic outcomes, trust in the subordinate's competence, and trust in governance control systems. When these conditions are met, executive directors experience restraint as empowering, knowing the board remains available without micromanaging. (Bott 2015, 67–72.)

A study on a Canadian hospital provides the clearest articulation of what strategic non-intervention entails and what it excludes:

"Managers should distinguish between providing autonomy at work and avoiding taking action (i.e. passive leadership). Providing autonomy does not mean failing to communicate strategic goals, setting individual objectives, giving feedback, managing conflicts, or evaluating results." (Chênevert et al. 2015, 84)

This formulation identifies the specific behavioural components whose presence distinguishes strategic non-intervention from dysfunctional withdrawal: strategic communication, goal alignment, feedback provision, and continued availability.

Several additional studies strengthen specific dimensions of this form. A recurring finding across diverse contexts is that non-intervention does not inherently threaten positive organisational outcomes. Studies on team learning, constructive challenging behaviour, and meaningful work consistently report that laissez-faire leadership can provide employees with autonomy and freedom without undermining psychological safety, and that employees under such leadership protect and build their autonomy when they are not limited by strict rules or micromanagement (Raes et al. 2013, 299; Zheng & Li 2024, 1; Hussain & Franken 2025, 13–14).

What distinguishes strategic non-intervention from the other two forms, however, is the retention of structure alongside the withdrawal of directive action. Studies on Iranian audit firms and Ethiopian schools converge on this point. Managers hand over day-to-day decisions to employees while staying responsible for oversight and outcomes, stepping in only to support development rather than to direct work. (Alaro et al. 2025, 18; Afshar & Soltaninejad 2026, 11.) A study on frontline hospitality employees reaches a similar conclusion, framing passive non-intervention as authority handed over because employees are trusted to do the work (Ntalakos et al. 2026, 19).

A study on leader well-being offers a diagnostic criterion from the opposite direction. Challenges arise when laissez-faire leadership is not suited to the situation or when leaders adopt it for ego-centric or otherwise inappropriate reasons, implying that situation-appropriate and non-ego-centric application is what defines the strategic form (Perkins et al. 2025, 15).

Drawing on the cognitive framework proposed by Dóci et al. (2015, 2–3), the three forms can be characterised by distinct evaluative profiles. Dysfunctional withdrawal is associated with negative self-evaluations and negative other-evaluations, where the leader withdraws because they perceive themselves as incapable and their subordinates as untrustworthy. Relationally induced disengagement involves positive other-evaluations, as the leader genuinely trusts their subordinates, but this trust operates through automatic licensing mechanisms, not deliberate leadership choice. Strategic non-intervention is characterised by positive evaluations across all three dimensions: confidence in one's own capacity for deliberate restraint (self), trust in subordinates' competence and motivation (others), and a perception of the environment as sufficiently stable to permit reduced intervention (world). While all three forms may appear behaviourally identical, they are psychologically, relationally, and structurally distinct.

4.2.6 The attribution bridge: from behaviour to outcome

If observable behaviour is identical across the three forms, what determines which form is enacted in practice and which organisational outcomes follow? The reviewed literature identifies follower attribution as the primary mechanism through which behaviourally identical non-intervention is differentiated into distinct leadership experiences with distinct effects.

The core of this mechanism is that the same leadership behaviour is interpreted differently depending on how the follower evaluates the leader. A study on the relationship between delegation and laissez-faire leadership illustrates this directly, both involve granting subordinates greater autonomy and discretion, yet followers tend to read delegation as laissez-faire when they see the leader as lacking competence and trustworthiness (Norris et al. 2021, 331). The implication is that the construct boundary is in the follower's perception, not in the leader's behaviour.

This perceptual boundary extends beyond delegation. A study on the empowering-laissez-faire distinction finds that when followers do not share similar empowerment expectations with their leaders, the mismatch triggers a negative reinterpretation of leader behaviours as laissez-faire. The authors note that traditional research has assumed empowering and laissez-faire leadership to be clearly distinct constructs, but their evidence suggests that the boundary between them is determined by the alignment of expectations between leader and follower. (Wong and Giessner 2018, 777.) Taken together, the Norris et al. (2021, 331) and Wong and Giessner (2018, 777) findings point to the same conclusion, that behaviourally identical non-intervention can be experienced as empowerment, delegation, or neglect depending on the relational and perceptual context.

A study on Saudi Arabian faculty members provides the strongest empirical test of this attribution logic, demonstrating that laissez-faire leadership is perceived by some as autonomy-granting and by others as neglectful and disengaged. This duality manifests empirically through gender, with female faculty members experiencing a substantially stronger decline in trust under laissez-faire leadership compared to males. The study further shows that trust fully mediates the relationship between laissez-faire leadership and intrinsic motivation: when trust is included in the model, the direct effect becomes non-significant. (Alharthi 2026, 1, 7.)

This finding has significant implications for the present analysis. It suggests that laissez-faire leadership does not suppress intrinsic motivation directly. The entire suppression pathway runs through trust erosion, which is itself a product of how the follower interprets the leader's behaviour. If trust is maintained, the negative effect disappears entirely. This provides empirical grounding for

the argument that the outcomes attributed to non-intervention in the dominant literature may be consequences of the attributional context in which it occurs, not inherent properties of the behaviour itself.

Several additional studies provide convergent evidence for the attribution mechanism. Across different contexts, employees may interpret laissez-faire leadership as the leader respecting their personal space, as a sign of trust that builds ownership and responsibility, or as an absence they tolerate because of workload pressures (Yang 2015, 1255; Hasson et al. 2019, 47; Alaro et al. 2025, 1). A study on subordinates' goal orientations further demonstrates that employees vary in how they interpret and respond to identical passive leadership, with goal orientation shaping whether the same behaviour is appraised positively or negatively (Zhang et al. 2023, 9).

The attribution mechanism has a direct implication for the dynamic capabilities analysis that follows in Section 4.3. If the outcomes of non-intervention are mediated by how followers interpret the leader's behaviour, then the same leadership posture should activate different dynamic capability pathways depending on the attributional context.

Where non-intervention is attributed to competence and trust, the conditions associated with strategic non-intervention, it should activate enabling pathways through autonomy, flow, and self-directed capability building. Where it is attributed to incapacity or neglect, the conditions associated with dysfunctional withdrawal, it should activate suppressing pathways through role ambiguity, disengagement, and resource depletion. Where attribution is ambiguous or non-intervention is genuinely inert, null effects should be expected. The following section examines whether this proposition is supported by the evidence across sensing, seizing, and transforming.

4.2.7 Summary

The analysis has moved through six stages to arrive at a reconceptualisation of laissez-faire leadership. The dominant negative view, empirically robust within its own operationalisation, was shown to coexist with positive findings from developing economies and high-competence contexts, and with null findings across multiple methodological traditions. The measurement critique demonstrated that the MLQ conflates distinct phenomena, excludes autonomy-granting, partly overlaps with the absence of transformational leadership, and is sensitive to follower attribution. Evidence from multiple independent traditions established that laissez-faire leadership is situationally induced by factors including daily fluctuation, relational fit, structural constraint, resource depletion, moral licensing, and ego depletion, confirming that it is not dispositionally fixed.

On this foundation, three forms of non-intervention were distinguished: dysfunctional withdrawal, driven by negative evaluations, avoidance, and managerial inertia; relationally induced disengagement, driven by moral licensing or resource conservation; and strategic non-intervention, driven by positive evaluations, trust, and deliberate restraint within a framework of continued availability and strategic clarity. Follower attribution was identified as the mechanism through which behaviourally identical non-intervention is differentiated into distinct leadership experiences with distinct consequences.

This reconceptualisation does not claim that laissez-faire leadership is generally positive. It proposes that the construct as currently operationalised aggregates distinct phenomena with different antecedents, mechanisms, and consequences, and that the label obscures the relationship between non-interventionist leadership behaviour and organisational outcomes. The challenge for the following section is to determine which form of non-intervention activates which dynamic capability pathways, and under what boundary conditions. It should be acknowledged that the three-form taxonomy is synthesised from different studies addressing different aspects of non-intervention. No single study in the reviewed corpus tests all three forms against each other. The taxonomy is therefore a conceptual contribution of this systematic review, grounded in converging evidence, and its empirical validation remains a task for future research.

4.3 The dual-pathway architecture of non-intervention

Having established that laissez-faire leadership encompasses at least three conceptually distinct forms of non-intervention, this section turns to the second sub-question: how are these forms linked to the development of dynamic capabilities? The evidence from the reviewed corpus reveals a dual-pathway architecture in which non-intervention simultaneously activates enabling and suppressing mechanisms, with follower characteristics, structural conditions, and attributional context determining which pathway dominates. The analysis is organised around three pathways, enabled, suppressed, and null, each examined across the dynamic capability dimensions of sensing, seizing, and transforming.

Before proceeding, a methodological note is necessary. In Teece's (2007, 1319–1320) framework, sensing, seizing, and transforming are organisational-level capabilities. Most of the reviewed studies, however, report individual-level or team-level outcomes such as proactivity, innovative work behaviour, job crafting, error learning, and knowledge sharing. These constructs do not directly constitute dynamic capabilities, but they represent the microfoundational behaviours through which organisational-level capabilities are enacted (Teece 2007, 1323; Felin & Foss 2015,

590). Individual proactivity and environmental scanning contribute to organisational sensing; initiative-taking and resource mobilisation contribute to seizing; and team learning, adaptive conflict resolution, and reconfiguration of work processes contribute to transforming. Throughout this section, the mapping of individual-level constructs onto dynamic capability dimensions follows this microfoundational logic, and the inferential distance is flagged where it is substantial.

4.3.1 The enabling pathway through autonomy, flow and self-directed capability building

The *enabling pathway* describes the conditions under which non-intervention activates behaviours that contribute to sensing, seizing, and transforming. The core mechanism, consistent across the evidence, is that non-intervention creates decisional space that self-regulated employees fill with capability-building activity. This mechanism operates through reduced dependency on the leader, which increases self-determination, psychological empowerment, and self-directed engagement (Yang 2015, 1251). What makes this pathway theoretically significant for the present analysis is that it reframes leader absence from a deficit to a resource. If autonomy operates as a job resource that mitigates demands and supports motivation, then non-intervention is the leadership behaviour that activates this resource, provided the follower has the capacity to use it.

Within the enabling pathway, *sensing-relevant behaviours* emerge through two channels: a *psychological channel* operating through safety and flow, and an *amplification channel* operating through meaningful work and follower-initiated engagement. The strongest evidence for the psychological channel comes from a study on team learning behaviour. The study hypothesised that laissez-faire leadership would inhibit team psychological safety but found the opposite. Laissez-faire leadership positively predicted psychological safety, which in turn positively predicted team learning behaviour. (Raes et al. 2013, 298.) The authors note:

"A 'hands-off' leadership style does not per se mean a threat for neither team psychological safety nor team learning. Laissez-faire leadership gives employees a high degree of autonomy and freedom." (Raes et al. 2013, 299)

This finding is analytically significant for two reasons. First, team learning behaviour, defined as the shared process through which teams question assumptions, experiment, and reflect on outcomes, maps directly onto sensing because it involves the collective recognition and interpretation of new information. Second, the enabling effect operates not despite the absence of leadership but because of the psychological space that absence creates. Non-intervention allows team members to take interpersonal risks, voice dissenting views, and surface information that directive leadership might inadvertently suppress.

A longitudinal study on remote and hybrid work settings extends this finding from teams to individual employees. Laissez-faire leadership is positively associated with employee proactivity, even after controlling for other leadership behaviours (Stenling et al. 2025, 10). The authors interpret this through an autonomy lens:

"In remote settings, reduced managerial intervention might provide employees with more autonomy, thus fostering proactivity. Previous findings suggest that there might be a dark and bright side to laissez-faire leadership and that the impact of laissez-faire leadership can differ as a function of various contextual conditions and moderators."
(Stenling et al. 2025, 13)

Proactive behaviours, which include anticipating changes, scanning for emerging problems, and initiating solutions before being directed to do so, represent microfoundational inputs to organisational sensing. The remote work context adds an important structural dimension: in settings where employees are physically separated from supervisory oversight, non-intervention functions as an inherent feature of the work arrangement, and self-directed sensing becomes the default mode of engagement.

The specific psychological mechanism through which non-intervention enables sensing is revealed by research on constructive challenging behaviour. Constructive challenging, defined as respectfully questioning ideas, challenging decisions, and stimulating critical thinking, maps onto sensing because it involves active reappraisal of existing practices and openness to alternative interpretations, both core sensing activities in Teece's (2007) framework. A three-study design finds that laissez-faire leadership promotes this behaviour through work-related flow, a state characterised by absorption, intrinsic motivation, and a sense of control that enables deep cognitive processing (Zheng & Li 2024, 1–2).

This finding is significant for the present analysis, however, because the same study simultaneously reports the opposing effect: laissez-faire leadership also promotes work disengagement, which suppresses constructive challenging behaviour through the competing mechanism. Within a single empirical design, non-intervention activates both flow and disengagement, producing opposite effects on the same outcome variable. This coexistence provides the clearest empirical demonstration that non-intervention does not produce uniform effects but activates competing mechanisms. The study identifies coworker-support climate as the moderator that strengthens the flow pathway, a boundary condition examined in Section 4.4.

Despite the competing disengagement pathway, additional studies demonstrate that the enabling route operates through distinct mechanisms when its preconditions are met. A study on the

Australian public sector demonstrates that in contexts where work is already meaningful, laissez-faire leadership amplifies its positive effects, with employees in professional roles treating reduced oversight as space for autonomous innovation and problem-solving (Hussain & Franken 2025). The authors propose:

"When meaningful work is already present, the absence of micromanagement may allow employees to activate personal agency and internal motivation more fully — particularly in roles where they possess the capability and confidence to self-direct. In this sense, laissez-faire leadership may remove hierarchical barriers, transforming autonomy into a resource that amplifies the benefits of meaningful work." (Hussain & Franken 2025, 14)

A study on Romanian employees proposes an amplification mechanism through which intrinsically motivated employees would seek new challenges under laissez-faire leadership (Oprea et al. 2022). The authors theorise:

"When the leader is absent and disregards followers' needs, employees may seek to satisfy these needs by themselves, so they will want to increase challenges to meet their need for competence." (Oprea et al. 2022, 4228)

The Hussain and Franken (2025) and Oprea et al. (2022) findings together reveal two distinct routes through which non-intervention enables sensing. Under the positive mechanism, the leader's restraint is experienced as trust, and autonomy functions as a resource that amplifies existing motivation. Under the amplification mechanism, the leader's absence is experienced as a void that intrinsically motivated employees fill through self-directed exploration. The positive mechanism produces sensing-relevant behaviours when trust is present. The amplification mechanism is theorised to produce similar behaviours, yet the empirical evidence from the same study shows that followers of laissez-faire leaders lack the engagement required to pursue their competence needs (Oprea et al. 2022, 4225). The amplification route is therefore fragile, dependent on accompanying conditions that prevent the disengagement mechanism from dominating. This distinction has implications for boundary conditions. The positive mechanism requires trust, while the amplification mechanism requires meaningful work and follower competence.

A study on Ethiopian secondary schools supports the positive mechanism, finding that when principals refrain from intervening, teachers develop a sense of ownership and responsibility, drawing on their expertise to generate new ideas because mistakes do not provoke immediate criticism and space remains for development (Alaro et al. 2025, 18). A study on innovation propensity in Pakistani organisations reports a weak but significant positive relationship between passive-avoidant leadership and innovation, with the authors invoking the concept of leadership

substitution as the explanatory mechanism (Ryan & Tipu 2013, 2122–2124). This introduces a structural mechanism distinct from the psychological ones identified above. Non-intervention enables sensing not through autonomy or flow but through the activation of existing organisational competencies that substitute for leader-directed scanning. This structural channel connects the enabling pathway to the null pathway, where substitution is so complete that leadership effects disappear entirely.

The enabling pathway extends from sensing to seizing. *Seizing-relevant behaviours* under non-intervention include initiative-taking, resource mobilisation, and independent decision-making, with the core mechanism being the *removal of supervisory constraints* on autonomous action. When employees possess the space to act without awaiting directive approval, they can translate recognised opportunities into organisational commitments.

The most compelling illustration comes from a qualitative study on board-executive director relationships in Canadian nonprofits. Executive directors operating under deliberate board restraint reported making numerous independent strategic decisions with confidence that the board would support them, resulting in significant financial improvement for the organisation (Bott 2015, 72). The mechanism is clear: non-intervention creates decisional space, and the executive director fills that space with strategic action. The precondition, confidence in institutional support, determines whether the space produces initiative or hesitation.

A study on organisational ambidexterity in Italian firms supports this mechanism, finding that *laissez-faire* leadership is positively and significantly associated with exploitation activities, while its relationship with exploration is negative and only marginally significant (Leonelli 2024, 448). Exploitation, which involves refining existing competencies and capitalising on established capabilities, maps onto seizing because it represents the deployment of existing resources. The divergence between the two effects illuminates the mechanism: non-intervention removes supervisory friction, which enables deployment of existing capabilities but does not provide the direction needed for venturing into unfamiliar territory. Exploration may require more active leadership support to manage uncertainty.

A daily diary study demonstrates the same mechanism at the individual level. The study finds that *laissez-faire* leadership has a positive indirect effect on next-day performance through job satisfaction, but the effect emerges only when job crafting is high (Glaas et al. 2025, 10). A study on remote project-based work similarly finds that passive leadership benefits employees with high self-leadership more than those without it (Ding et al. 2024, 7). Together, these findings

demonstrate that the seizing mechanism, the translation of autonomy into performance, is activated by the follower's capacity for self-direction. When employees actively shape their work roles, non-intervention enables action. When they do not, non-intervention is inert. The follower characteristics that determine which outcome occurs are examined as boundary conditions below.

Beyond the mechanism itself, the operationalisation of leadership style shapes whether the enabling pathway is empirically detectable. A study on frontline hospitality employees adds an operationalisation dimension to the seizing evidence, reporting that management-by-exception (passive), when separated from laissez-faire, is positively associated with extra effort and effectiveness (Ntalakos et al. 2026, 16). The behaviours described, delayed intervention with retained availability and trust in employee competencies, align more closely with the strategic non-intervention form proposed in this thesis than with total withdrawal. The contrast between positive effects of management-by-exception (passive) and negative laissez-faire effects within the same study strengthens the measurement critique argument. When the measurement instrument separates structured restraint from total withdrawal, the enabling pathway becomes empirically visible.

Within the enabling pathway, *transforming-relevant behaviours* emerge through two channels: a *relational channel* operating through trust and psychological safety, and a *structural channel* operating through distributed leadership and cultural renewal. The relational channel is evidenced most directly by the Raes et al. (2013, 298) study on team learning, which carries dual significance for the present analysis. Team learning behaviour involves not only the recognition of new information (sensing) but also the collective reconfiguration of shared understanding, a transforming process. The finding that non-intervention enables team learning through psychological safety therefore populates both sensing and transforming pathways through the same mechanism, suggesting that the enabling pathway operates as an integrated process across dynamic capability dimensions. A study on conflict management in Ecuadorian small and medium enterprises extends this relational logic from psychological safety to trust. The study finds that laissez-faire leadership is positively associated with both affective and cognitive trust in subordinates, and that this dual trust mediates a positive relationship between laissez-faire leadership and collaborative problem-solving behaviour. (Elgoibar et al. 2025, 7.) Problem-solving behaviour, defined as collaborative conflict resolution through open dialogue and mutual accommodation, constitutes a transforming-relevant activity because it involves the reconfiguration of interpersonal and organisational relationships. When leaders refrain from imposing solutions and subordinates are trusted to engage constructively, relational structures are renewed. The finding that both affective and cognitive trust mediate the pathway supports the three-form taxonomy: strategic

non-intervention requires positive evaluations of both the self and the other, which manifest as dual-channel trust.

The structural channel operates through the emergence of alternative coordination mechanisms when formal leadership withdraws. A study on independent hotels in Iran finds that laissez-faire leadership shows a significant positive relationship with adhocracy culture, which in turn positively predicts organisational effectiveness (Nazarian et al. 2021, 299). Drawing on Western leadership literature, a study on shared leadership in Taiwanese technology teams proposes that under a laissez-faire formal leader, shared leadership behaviours expand because the absence of top-down direction creates space for team members to step in (Tung & Shih 2025, 652). Together with the Nazarian et al. (2021, 299) finding, this suggests that non-intervention enables transforming not by directly reconfiguring organisational structures but by creating space for bottom-up reconfiguration: adhocracy norms and distributed leadership emerge from below when directive control is removed. However, the Tung and Shih (2025, 647) study's own empirical finding complicates this proposition: high levels of laissez-faire leadership cause the positive link between shared leadership and adaptive performance to weaken and eventually reverse. This suggests a curvilinear dynamic where moderate non-intervention may create space for structural renewal while excessive withdrawal undermines it. This curvilinear pattern, which also appears in the Hussain and Franken (2025) findings for sensing, indicates that the enabling pathway has an optimal range beyond which it reverses into suppression.

Across the three dynamic capability dimensions, the *enabling pathway* operates through a consistent mechanism. Non-intervention creates decisional space through perceived autonomy, which activates the psychological and structural resources that produce self-directed capability-building behaviours. The specific resources activated vary by dimension.

For sensing, the mechanism operates through two channels. The psychological channel runs through safety and flow. Psychological safety allows team members to surface information and question assumptions without fear of interpersonal consequences (Raes et al. 2013), while flow enables deep cognitive processing that supports reappraisal of existing practices (Zheng & Li 2024). The amplification channel operates when employees fill the leadership void through self-directed exploration, seeking challenges and resources independently (Oprea et al. 2022; Hussain & Franken 2025). For seizing, the mechanism operates through the removal of supervisory constraints on autonomous action, enabling independent decision-making and deployment of existing capabilities (Bott 2015; Leonelli 2024; Glaas et al. 2025). For transforming, the mechanism operates through

two channels: a relational channel where dual trust enables collaborative reconfiguration of relationships (Elgoibar et al. 2025), and a structural channel where distributed leadership and adaptive cultural norms emerge when formal direction is withdrawn (Nazarian et al. 2021; Tung & Shih 2025).

The activation of these mechanisms depends on a set of preconditions that are not part of the causal chain itself but determine whether it fires: follower competence to fill the autonomy space (Ding et al. 2024; Stenling et al. 2025), structural legitimacy of autonomous action (Bott 2015), meaningful work that provides intrinsic direction (Hussain & Franken 2025), and relational trust that sustains collaboration in the leader's absence (Elgoibar et al. 2025; Raes et al. 2013). These preconditions are examined as boundary conditions in Section 4.4. Two cross-cutting patterns further qualify the architecture: the enabling pathway requires progressively stronger preconditions as the capability demands increase, from autonomy and safety for sensing to trust and structural space for transforming; and the pathway has an optimal range, with both the Tung and Shih (2025) and Hussain and Franken (2025) findings indicating that moderate non-intervention enables capability-building while excessive withdrawal reverses the effect. This pathway corresponds to the strategic non-intervention form identified in Section 4.2.5, where positive evaluations of the self, others, and the environment create the conditions for productive restraint within boundaries of continued availability and strategic clarity.

4.3.2 The suppressing pathway through disengagement, role ambiguity and capability erosion

The *suppressing pathway* describes the conditions under which non-intervention depletes resources, disrupts social exchange, and erodes the microfoundational behaviours that underlie dynamic capabilities. The core mechanism, consistent across the evidence, is that non-intervention under conditions of absent structural support removes performance cues, feedback signals, and cognitive scaffolding, creating role ambiguity and disengagement that suppress capability-building activity. This pathway corresponds to the dysfunctional withdrawal form identified in Section 4.2.5, where negative evaluations and avoidance produce a self-reinforcing cycle of disengagement. Notably, the suppressed pathway is more densely evidenced than the enabled pathway in the reviewed corpus, reflecting the fact that most studies operationalise laissez-faire negatively and therefore look for negative outcomes. This asymmetry is itself a consequence of the measurement bias documented above.

Within the suppressing pathway, *sensing is suppressed* through a *cascading mechanism*. Leadership withdrawal removes informational and relational inputs, which depletes the psychological resources employees need for engagement, which in turn produces behavioural withdrawal that erodes sensing capacity. Unlike the enabling pathway, which operates through genuinely distinct channels, the suppressing pathway operates as a single chain in which each link removes a resource that the next link requires.

The chain begins with the removal of informational inputs. The most direct evidence comes from research on error learning. A cross-regional study covering the United States, Europe, and China finds that laissez-faire leadership significantly suppresses error learning and provides partial evidence that this suppression may exceed that of overtly aversive leadership, though this comparison holds in the US and European samples and not in the Chinese sample (Bligh et al. 2018, 130–131). The authors describe the mechanism:

“It is perhaps more insightful to conceptualize this more passive leadership style as being particularly toxic in that the “hands off” approach means giving very little feedback and fewer performance cues to motivate employees to actually understand their mistakes and improve.” (Bligh et al. 2018, 136)

A complementary study demonstrates that laissez-faire leadership also blocks error learning indirectly by undermining employee mindset, and reports that its inhibitory effect on error learning is stronger than that of aversive leadership (Yan et al. 2014, 242). Error learning, which involves recognising mistakes, analysing their causes, and adjusting future behaviour, is a core sensing activity: it represents the firm's capacity to detect and interpret signals from its own operations. Aversive leaders, despite their hostility, at least provide performance signals. Laissez-faire leaders provide none. The absence of feedback is therefore more damaging to sensing than the presence of negative feedback, because it eliminates the information substrate on which learning depends. A study on Pakistani employees extends this logic from feedback to social contact, finding that laissez-faire leadership instils feelings of workplace isolation that suppress the interpersonal communication channels through which information circulates (Kanwal et al. 2019, 991).

As informational inputs are removed, the chain progresses to psychological resource depletion. The mechanism operates through a consistent sequence across organisational contexts. Non-intervention depletes psychological resources through burnout and meaninglessness, which produces behavioural withdrawal through reduced involvement and knowledge hiding, which in turn suppresses sensing-relevant behaviours including innovation and information flow. The sequence is most extensively documented in United Arab Emirates organisations, where passive leadership

amplifies the negative impact of illegitimate tasks on innovative work behaviour through work meaningfulness in the public sector (Bani-Melhem et al. 2025, 120–121) and increases employee burnout which reduces creative performance in hospitality settings. These studies share overlapping authorship and a cultural context, so their convergent findings should be noted as coming from a related programme. (Bani-Melhem et al. 2024, 605.) The same sequence appears in project-based organisations, where passive leadership significantly reduces job involvement and increases knowledge hiding behaviour (Mubarak et al. 2025, 20–21; Mubarak et al. 2021, 5–6). The convergence across these different research groups and organisational settings strengthens the cascading logic. The sequence is not context-specific; it is a structural consequence of non-intervention under conditions of absent support. A study on Vietnamese department-level leaders reports significant negative associations between laissez-faire leadership and both work engagement and innovative work behaviour, though the regression analysis does not establish a mediation pathway through engagement for laissez-faire specifically (Thanh et al. 2022). The co-occurrence of non-intervention with low engagement and suppressed innovation is consistent with the resource depletion chain, even though this study does not test the mediation directly.

The severity of this cascading chain is not constant. It is amplified by contextual demands that increase the need for leadership-mediated guidance. A study on Cambodian public sector employees during the COVID-19 pandemic demonstrates that laissez-faire leadership significantly increases technostress during digitally driven organisational change (Ly & Ly 2024, 9). Non-intervention is most damaging to sensing when employees face unfamiliar technological demands that require cognitive support. In such contexts, the absence of leadership guidance compounds the cognitive burden of adaptation, intensifying the suppression at every link in the chain.

Within the suppressing pathway, *seizing is suppressed* at a later point on the same chain. Where sensing is eroded at the point of informational input removal, seizing is eroded further down the sequence, where the cumulative absence of feedback and direction produces the role ambiguity and erosion of strategic connection that make opportunity mobilisation impossible. Employees cannot mobilise effort toward opportunities they cannot clearly define, and seizing requires both clarity about what to act on and confidence that action is sanctioned.

The role ambiguity is directly evidenced by a study on full-range leadership and physiological stress, which finds that laissez-faire leaders who fail to clarify expectations or give feedback do not reduce their followers' role ambiguity (Diebig et al. 2016, 686). A study on passive leadership and performance extends this finding by demonstrating that passive leaders harm employee

performance both directly and indirectly through reduced resilience. Passive leadership increases role overload, yet the performance effect operates through eroded psychological resilience rather than through overload itself. (Wang et al. 2021, 7.) Together, these findings suggest that non-intervention suppresses seizing by simultaneously failing to provide direction and depleting the psychological resources employees need to act under uncertainty.

The suppression is selective in its targets. A study on small German family-owned businesses reports that passive leadership significantly reduces psychological ownership of the organisation, though not of the job itself (Bernhard and O'Driscoll 2011, 366). Employees can maintain competence and investment in their specific task even under passive leadership, because experience and peer learning compensate. Their connection to the broader organisational mission, however, erodes because that connection requires leadership-mediated communication of strategic direction. Seizing, which involves committing resources to organisational objectives, depends on organisational-level ownership. Its suppression under passive leadership therefore targets the strategic dimension while leaving the operational dimension intact.

The severity of seizing suppression is amplified by contextual demands that increase the need for coordinated action. Technological disruption and organisational crisis share a common feature: both generate high uncertainty while simultaneously demanding rapid, directed responses that autonomous individuals cannot provide alone. Non-intervention amplifies the negative relationship between AI usage and role ambiguity during technology adoption (Luo et al. 2025, 4–5), and *laissez-faire* combined with transactional leadership negatively affects entrepreneurial activities in Vietnamese startups during crisis conditions, though *laissez-faire* was not measured separately in the latter study (Pham et al. 2025, 1719). These contexts represent the opposite pole from the conditions that enable the positive pathway. Where follower competence and structural clarity make non-intervention tolerable, high uncertainty and underdeveloped structures make it most consistently harmful.

Within the suppressing pathway, *transforming is suppressed* where the same chain scales from individual to collective register. The resource depletion that erodes individual sensing and seizing also erodes the collective psychological infrastructure that organisational reconfiguration requires, with team-level psychological safety functioning as the collective analogue of the individual-level resources removed earlier in the chain. Transforming demands sustained collective effort, shared willingness to change, and the capacity to learn from mistakes. Non-intervention under conditions of resource depletion undermines all three.

The *psychological safety paradox* provides the most analytically powerful evidence. A team-level study finds that laissez-faire leadership negatively impacts team psychological safety climate, which in turn reduces team readiness to change (Groulx et al. 2024, 5–6). Under conditions consistent with the suppressing pathway, non-intervention erodes the very psychological safety that the Raes et al. (2013) study showed non-intervention can create under enabling conditions. The same behavioural output, reduced leader involvement, produces opposite effects on the same mediating variable depending on whether followers attribute the behaviour to trust or to neglect, in line with the attribution bridge developed in Section 4.2.6. This is the strongest evidence for the dual-pathway architecture operating through a shared mechanism with reversed polarity.

A second line of evidence connects the suppressing chain across dynamic capability dimensions. The error learning findings from Bligh et al. (2018) and Yan et al. (2014), discussed under sensing, extend the same chain into transforming. Error learning contributes to transforming through the modification of organisational routines in response to detected errors. When non-intervention suppresses error learning through feedback deprivation, it simultaneously suppresses the adaptive reconfiguration that depends on lessons learned from those errors, confirming that a single upstream link, the removal of feedback, propagates suppression into both sensing and transforming.

The suppression deepens through reciprocity. A study on passive leadership in IT project-based organisations documents a self-reinforcing cycle:

“In IT projects, complexity is high compared to other projects due to rapid technological advancements. Therefore, IT professionals need more creative approaches to achieve the successful completion of a project. In the case of a project manager's passive leadership behaviour, employees become lazy and passive, due to a reciprocal relationship, especially in flat organisations. Thus, the passive behaviour seriously damages creativity and ultimately IT project success.” (Mubarak et al. 2023, 516)

This reciprocity mechanism mirrors the self-reinforcing cycle of dysfunctional withdrawal identified in the reconceptualization. Passive leadership produces passive followership, which confirms the leader's disengagement. For transforming, this cycle is particularly destructive because organisational reconfiguration requires sustained collective effort that no individual can generate alone. Notably, self-regulation does not buffer this effect, suggesting that individual coping strategies cannot substitute for the collective coordination that transforming requires. The contrast with the enabling pathway is significant. The Tung and Shih (2025) study showed that moderate non-intervention enables shared leadership and adaptive performance, yet the same study reports that high levels of laissez-faire leadership cause this positive relationship to deteriorate and become

negative. The Mubarak et al. (2023) finding explains why. Once reciprocal passivity takes hold, the distributed leadership that moderate non-intervention enables collapses, because team members who have withdrawn into passivity no longer step into the leadership vacuum. The curvilinear pattern confirms that the boundary between enabling and suppressing pathways is not a binary threshold but a gradient, with the tipping point determined by the degree to which structural and relational supports compensate for the leader's withdrawal

Across the three dynamic capability dimensions, the *suppressing pathway* operates through a single cascading mechanism rather than through parallel channels. The overarching chain runs from non-intervention through the removal of informational and relational inputs to psychological resource depletion, which produces behavioural withdrawal that progressively erodes capability-building behaviours. Each link in the chain removes a resource that the next link requires, producing cumulative degradation rather than isolated effects.

The point on this chain at which each dynamic capability dimension is most vulnerable varies by dimension, with sensing eroded earliest, seizing mid-chain, and transforming at the collective downstream link. For sensing, the chain activates at its earliest link. Feedback deprivation and social isolation, which eliminate the information substrate on which learning and innovation depend (Bligh et al. 2018; Yan et al. 2014; Kanwal et al. 2019). As informational inputs are removed, psychological resources are depleted through burnout, meaninglessness, and disengagement, which suppress innovative work behaviour and knowledge sharing (Bani-Melhem et al. 2025; Bani-Melhem et al. 2024; Mubarak et al. 2025; Mubarak et al. 2021). For seizing, the same chain engages further downstream. Role ambiguity and the erosion of strategic connection. Non-intervention fails to provide the clarity and direction that employees need to mobilise effort toward organisational objectives, and the resulting ambiguity depletes psychological resilience (Diebig et al. 2016; Wang et al. 2021). The suppression is selective, targeting organisational-level ownership while leaving task-level competence intact (Bernhard and O'Driscoll 2011). For transforming, the chain activates at its collective downstream link. Psychological safety is degraded when non-intervention originates from resource depletion (Groulx et al. 2024), and the resulting passivity is reciprocated by followers, creating a self-reinforcing cycle that degrades the system's adaptive capacity (Mubarak et al. 2023).

Two cross-cutting patterns distinguish the suppressing chain from the enabling pathway. First, while the enabling pathway operates through genuinely distinct channels that can produce different positive effects depending on which channel activates, the suppressing pathway operates as a single

cumulative chain. This asymmetry explains why negative effects of non-intervention appear more consistent across studies than positive effects: a single chain produces convergent outcomes, while multiple channels produce divergent ones. Second, the suppressing chain is amplified by contextual demands that increase the need for leadership-mediated guidance, including technological disruption (Luo et al. 2025; Ly & Ly 2024), organisational crisis (Pham et al. 2025), and high task complexity (Mubarak et al. 2023). These amplifiers intensify the suppression at every link in the chain, making non-intervention most damaging precisely in the conditions where adaptive capability is most needed. This pathway corresponds to the dysfunctional withdrawal form, where the leader's negative self-evaluations and avoidance produce a self-reinforcing cycle that progressively degrades organisational capability.

4.3.3 The null pathway and the conditions under which non-intervention is inert

The null pathway is not an absence of findings. It is a theoretically meaningful condition that reveals contexts where leadership is genuinely substituted by other mechanisms, meaning non-intervention produces no effect because leadership itself is not the operative variable. The null evidence can be organised by the type of substitute that renders leadership inert.

The most common substitute is follower or structural competence. A study on university research groups in Colombia finds no significant relationship between laissez-faire leadership and organisational ambidexterity, with the authors attributing the null to follower competence and collectivist cultural norms functioning as leadership substitutes (Cardona-Cano et al. 2024, 195). A study on Swiss start-ups reports no direct effect of laissez-faire leadership on performance, though organisational size significantly moderates the relationship, suggesting that formalisation and standardisation in larger ventures provide the structure that compensates for leader absence (Zaech and Baldegger 2017, 169). A study on Nigerian bakeries reports non-significant effects across all three decomposed organisational outcomes of growth, profitability, and survival (Ametefe et al. 2024, 65). In these studies, existing competencies, cultural norms, or organisational structures supply the guidance that leadership would otherwise provide, rendering non-intervention irrelevant.

A second type of substitution occurs when the task structure itself limits what leadership can contribute. In highly interdependent IT project teams, specialised decision structures show no significant association with project success regardless of leadership condition, likely because the collective consultation these tasks demand operates through mechanisms that individual-level leadership, whether directive or passive, cannot reach (Zhu et al. 2016, 635). A similar structural ceiling appears in cross-border acquisitions, where laissez-faire leadership does not significantly

predict organisational ambidexterity (Rao-Nicholson et al. 2016, 2473). In safety-critical industries with highly experienced workforces, the same pattern holds and laissez-faire leadership ceases to independently predict psychological safety climate once concurrent leadership behaviours are accounted for (Birkeland Nielsen et al. 2016, 149). The high uncertainty and legitimacy demands of these contexts, or the procedural structures already governing behaviour within them, appear to exceed what any form of non-intervention can address. These null findings differ analytically from the competence-based substitutions documented above. They do not indicate that existing resources compensate for absent leadership. They indicate that the task or structural environment itself falls outside the range of problems that non-intervention, however well-configured, can solve.

A third pattern emerges from within-person and perceptual studies. A daily diary study finds no significant direct effect of daily laissez-faire leadership on daily job satisfaction or performance at the within-person level (Glaas et al. 2025, 8–9). A study on self-other agreement reports that perceptual congruence on laissez-faire leadership is entirely unrelated to team ratings of well-being, performance, and learning climate, contrasting with management-by-exception passive, where self-other agreement shows clear effects on the same outcomes (Hasson et al. 2019, 45). These findings suggest that at the daily fluctuation level, non-intervention may lack the intensity or duration needed to activate either pathway. The Hasson et al. (2019) finding is particularly revealing because it implies that followers may tolerate occasional leader absence without attributing it to neglect or competence, neutralising the attribution mechanism.

The null pathway is analytically important because it introduces a third possibility beyond the enabling and suppressing narratives. In some contexts, non-intervention is simply irrelevant, and the debate about its effects misidentifies the operative variable. The substitutes that produce null effects, whether follower competence, structural formalisation, task demands, or perceptual tolerance, represent the same boundary conditions that determine whether the enabling or suppressing pathway activates. When substitutes are partial, one of the active pathways dominates. When substitution is complete, non-intervention is inert.

4.3.4 Summary of the pathway model

The three pathways documented in this section are not competing interpretations of the evidence. They are coexisting manifestations of the same behaviour under different conditions. The enabling pathway activates when non-intervention creates autonomy that self-regulated employees convert into sensing, seizing, and transforming behaviours through psychological safety, flow, trust, and self-directed exploration. The suppressing pathway activates when non-intervention creates role

ambiguity, feedback deprivation, and resource depletion that erode the microfoundational behaviours underlying all three dynamic capability dimensions. The null pathway emerges when structural, cultural, or competence-based substitutes render leadership non-operative.

The most analytically significant pattern in the evidence is that these pathways are not mutually exclusive. The Zheng and Li (2024) study demonstrates that flow and disengagement are activated simultaneously by the same leadership behaviour, producing opposite effects on the same outcome variable. The Raes et al. (2013) and Groulx et al. (2024) studies show that the same mediating variable, psychological safety, is positively influenced by non-intervention under strategic conditions and negatively influenced under resource-depleted conditions. The Tung and Shih (2025) study shows that moderate non-intervention enables adaptive performance while excessive non-intervention suppresses it. These dual and curvilinear activations are the empirical signature of the dual-pathway architecture proposed in this thesis.

An important structural difference emerges from the comparison of the two active pathways. The enabling pathway operates through genuinely distinct channels that vary by dynamic capability dimension, which explains why positive effects of non-intervention are context-sensitive and outcome-dependent. The suppressing pathway operates through a single cascading chain in which each link removes a resource the next link requires, which explains why negative effects appear more consistent across studies. This difference clarifies why the dominant literature has converged on a uniformly negative view. A single chain produces convergent outcomes that are easier to detect and replicate. Multiple channels produce divergent outcomes that appear contradictory when aggregated across contexts.

Connecting these findings to the three-form taxonomy from Section 4.2, a correspondence emerges between leadership forms and the active pathways. Strategic non-intervention, characterised by positive evaluations of the self, others, and the environment, activates the enabling pathway. Dysfunctional withdrawal, characterised by negative evaluations and avoidance, activates the suppressing pathway. Relationally induced disengagement, operating through automatic licensing, produces variable effects that may activate either pathway depending on the strength and direction of the relational antecedent. The null pathway does not correspond to a specific leadership form. It is determined by the context, emerging when structural, cultural, or competence-based substitutes render leadership non-operative regardless of the leader's intent or evaluative profile. The attribution mechanism explains the two active pathways: where non-intervention is attributed to trust and competence, the enabling pathway activates; where it is attributed to neglect and

incapacity, the suppressing pathway activates. The null pathway operates outside this attribution logic entirely. When leadership is substituted by other mechanisms, followers do not need to attribute the leader's behaviour, and the pathway question becomes irrelevant. The following section examines the specific boundary conditions that determine which pathway dominates.

4.4 Boundary conditions determining pathway dominance

The mechanism synthesis in Section 4.3 identified that the enabling and suppressing pathways depend on conditions that are not part of the causal chain itself. Some of these conditions function as binary gates that determine whether a pathway activates at all; others operate as continuum moderators that shift the relative strength of competing pathways. For analytical clarity, both are treated under the umbrella of boundary conditions. The reviewed evidence organises these conditions into three levels of analysis: follower-level conditions that determine whether individual employees can convert autonomy into capability-building activity, dyadic and team-level conditions that shape how non-intervention is interpreted within relationships, and organisational and environmental conditions that determine whether structural substitutes for leadership exist. These three levels correspond to the self-, other-, and world-evaluations in the Dóci et al. (2015) framework that characterised the three forms of non-intervention in Section 4.2. Critically, the evidence demonstrates that boundary conditions operate multiplicatively across levels. No single condition is sufficient to determine which pathway dominates. What matters is the configuration across all three levels simultaneously.

4.4.1 Follower-level conditions

The enabling pathway requires followers who possess the competence, motivation, and psychological resources to convert autonomy into capability-building activity. When these are absent, autonomy ceases to function as a resource and becomes a source of ambiguity and disengagement.

The first of these resources is *competence and experience*, the most consistently invoked boundary condition across the reviewed corpus, with the evidence converging on a threshold logic. Below a certain level of expertise, non-intervention is experienced as abandonment. Above it, the same behaviour is experienced as enabling autonomy.

The clearest empirical demonstration of this threshold comes from a longitudinal study on French employees, which finds that for employees with under eleven years of seniority, laissez-faire leadership shows a significantly negative effect on autonomy, while this negative effect disappears

for those whose tenure exceeds eleven years. The same study finds that professional status supports this pattern. Senior employees and those with longer tenure are less affected by non-intervention. (Desgourdes et al. 2024, 1054–1056.) The eleven-year mark is the most precisely quantified boundary condition in the reviewed corpus, and it suggests that the enabling pathway does not gradually strengthen with experience. It activates once a critical mass of expertise and organisational knowledge has accumulated.

What accumulates is not simply technical skill. Evidence from education, manufacturing, hospitality, and public sector contexts reveals that competence bounds at least three dimensions that develop with experience. The first is task mastery, the ability to perform autonomously without supervisory input. Experienced teaching professionals in Ethiopian secondary schools are comfortable completing their work without guidance:

"This finding highlights a 'double-edged sword' effect of LFL, where its efficacy is highly contingent upon the characteristics and capabilities of the followers." (Alaro et al. 2025, 18)

Highly skilled workers in Turkish enterprises prefer to be told what is to be done and not how it should be done (Arun 2017, 58), and Colombian researchers with advanced tertiary degrees display autonomy and performance orientation that enables laissez-faire leadership to function effectively (Cardona-Cano et al. 2024, 198). The second is psychological resilience, the capacity to absorb workplace stressors without leadership support. An experimental study on hospitality frontline employees demonstrates that laissez-faire supervision produces significantly worse outcomes than empowering supervision across multiple stress indicators, yet the authors note that employees frequently confronted with customer incivility may develop experience-based coping mechanisms that attenuate these effects over time (Boukis et al. 2020, 11). The third is professional confidence, the self-assessed readiness to act independently. A study on Ghanaian state-owned enterprises reports that laissez-faire leadership is directly and positively linked to job performance, with the authors noting that this style suits subordinates who are professionals capable of performing with minimal supervision (Donkor et al. 2021, 10–11). The three dimensions of mastery, resilience, and confidence describe what competence consists of. They do not, however, determine whether competence can be exercised. A study on the Australian public sector demonstrates employees in managerial and professional roles benefit from reduced oversight, treating it as space for autonomous innovation, while clerical and frontline employees in more structured roles find laissez-faire leadership obstructive and report heightened role ambiguity (Hussain & Franken 2025, 14). A study on Nigerian bakeries, despite reporting null results across all performance outcomes, proposes

that larger bakeries with specialised roles tend to thrive under laissez-faire leadership (Ametefe et al. 2024, 66–67). The enabling pathway requires not only that the follower possesses competence but that the organisational role permits its exercise. A highly competent employee in a tightly regulated position cannot convert autonomy into capability-building activity because the structural constraints override individual capacity.

Even when competence is present and the role permits its exercise, a third condition shapes whether the follower acts. *Self-efficacy* is the psychological complement to competence. Competence is what the follower can do, while self-efficacy is what the follower believes they can do. The distinction matters because the enabling pathway requires both. An employee who possesses competence yet lacks confidence will not fill the autonomy space that non-intervention creates.

The evidence reveals that self-efficacy operates as a dual buffer, protecting against the suppressing pathway while simultaneously activating the enabling one. Employees high in creative self-efficacy resist knowledge hiding even under passive leadership conditions (Mubarak et al. 2021, 5), and passive leadership proves more beneficial for employees with high self-leadership in remote project-based work (Ding et al. 2024, 7–8). In both cases, followers with strong self-belief maintain capability-building behaviours that would otherwise collapse under non-intervention. The reverse is equally instructive. When subordinates feel they do not have the ability to fulfil delegated expectations, they perceive delegation as the absence of needed leadership (Norris et al. 2021, 331). The same behavioural withdrawal is experienced as empowerment or abandonment depending on the follower's own confidence in acting independently.

Self-efficacy alone, however, does not guarantee a positive outcome. Psychological capital, a composite that includes self-efficacy alongside hope, resilience, and optimism, acts as a negative moderator. Under laissez-faire leadership, employees scoring higher on psychological capital experience a sharper decline in performance than those scoring lower. (Baig et al. 2021, 1098.) This counterintuitive finding, though limited by single-source data, reveals the boundary of self-efficacy's protective function. Individual-level psychological resources enable the positive pathway only when the structural and relational context permits their exercise. Where that context is absent, high self-efficacy may heighten the follower's sensitivity to the gap between what they believe they can accomplish and what the leadership environment allows them to accomplish, intensifying the negative experience of non-intervention.

At the follower level, *intrinsic motivation* determines whether the capacity to act autonomously translates into actual autonomous action. The enabling pathway requires not only the capacity but

the motivation to use it. The most direct evidence comes from a study on Israeli schoolteachers, which finds that passive leadership significantly predicts intrinsic motivation for teachers who already exhibit high organisational citizenship behaviour, yet produces no significant effect for other teachers (Berkovich 2024). The authors note:

"It is conceivable that these saints may have already internalized a strong sense of purpose and motivation for their work, making them less reliant on external support from their leaders." (Berkovich 2024, 14)

The finding establishes a clear conditional relationship. Pre-existing intrinsic motivation is a necessary condition for non-intervention to produce positive motivational outcomes. When meaningful work is already present, laissez-faire leadership enhances its positive effects (Hussain & Franken 2025, 10; Donkor et al. 2021, 3; Cardona-Cano et al. 2024, 189).

The fragility of this condition, however, is equally well documented. Intrinsically motivated Romanian employees who are theorised to seek new challenges under laissez-faire leadership prove too disengaged in practice to act on their competence needs (Oprea et al. 2022, 4228), and intrinsic motivation does not significantly buffer the negative effects of passive leadership on job involvement or innovative work behaviour in project-based organisations (Mubarak et al. 2025, 21–22). Motivation exists in both studies, yet the resource depletion produced by non-intervention prevents it from translating into capability-building activity. What separates the finding from Berkovich (2024, 14) from those of Oprea et al. (2022, 4228) and Mubarak et al. (2025, 21–22) is not the level of motivation itself. It is the accompanying infrastructure of professional experience, longstanding relationships, and institutional familiarity that allows motivation to operate. The contrast provides direct evidence for the multiplicative logic. Individual-level conditions must be present in combination.

A closely related finding sharpens this point by distinguishing between two follower profiles that are easy to conflate. Conscientiousness, which captures internal drive and high personal standards, negatively moderates the relationship between laissez-faire leadership and thriving at work, meaning that the most achievement-oriented employees experience the steepest decline under non-intervention (Ahmed Iqbal et al. 2021, 679–680). The proposed explanation is that conscientious employees require external accountability structures to channel their drive productively, and laissez-faire leadership removes precisely those structures. This separates achievement orientation from autonomous self-direction. Employees who set high standards for themselves are not necessarily equipped to generate their own goal structures and feedback loops in the absence of leadership input. Strategic non-intervention appears constructive for the latter profile, not the former. Read

alongside the Berkovich (2024) and Oprea et al. (2022) results, the Ahmed Iqbal et al. (2021) finding suggests that the enabling follower condition is more precisely defined than follower readiness frameworks typically acknowledge.

The Ahmed Iqbal et al. (2021) finding hints at a distinction that the next condition develops more fully. *Goal orientation* determines how followers cognitively appraise non-intervention, shaping whether the same leadership behaviour is interpreted as a challenge to be embraced or a hindrance to be endured. Where competence, self-efficacy, and intrinsic motivation determine whether followers possess the resources to act, goal orientation determines whether they are oriented toward the kind of action that non-intervention permits.

A study using experience sampling methodology finds that followers with a high learning goal orientation interpret laissez-faire leadership as a hindrance, reducing performance. Followers with a high performance-prove orientation interpret it as a challenge, improving performance. Followers with a high performance-avoid orientation experience reduced evaluation anxiety under laissez-faire, which paradoxically enables challenge appraisal and improved performance. (Zhang et al. 2023, 6–8.) This finding challenges the intuitive assumption that learning-oriented employees would thrive under non-intervention. The opposite occurs because learning-oriented employees actively seek feedback and developmental input, and laissez-faire leadership removes precisely those resources. The counterintuitive beneficiaries are performance-avoid employees, for whom the absence of evaluative pressure creates psychological space.

The same cognitive logic extends from goal orientation to a closely related construct. Fixed mindset functions as both a consequence of non-intervention and a boundary condition that amplifies its negative effects. A cross-regional study finds that both aversive and laissez-faire leadership apply indirect effects on employee error learning by undermining employee mindset (Bligh et al. 2018, 133). Employees who already hold a fixed mindset are more likely to perceive their leaders as negligent and less likely to learn from errors, creating a self-reinforcing cycle. A cross-cultural study comparing Taiwan and the United Kingdom suggests that avoidance orientation may be more salient among East Asian employees, indicating that goal orientation interacts with cultural context in shaping responses to non-intervention (Lee et al. 2023, 580–581). The cognitive appraisal process through which goal orientation operates is itself culturally conditioned. This supports the cross-level logic. No follower-level condition operates in isolation from the organisational and cultural environment in which it is embedded.

4.4.2 Dyadic and team-level conditions

The enabling pathway requires a relational context in which non-intervention is attributed to trust and competence. The same behaviour is experienced as empowerment or abandonment depending on the relational infrastructure within which it occurs.

Trust is the single most powerful gate in the reviewed evidence. A study on Saudi Arabian faculty members demonstrates that trust fully accounts for the link between laissez-faire leadership and intrinsic motivation. Once trust is entered into the model, the direct effect of laissez-faire leadership on motivation drops to non-significance. (Alharthi 2026, 7.) Laissez-faire leadership employs no independent effect on motivation. Its entire impact runs through trust. When trust is maintained, non-intervention does not suppress motivation. When trust erodes, the suppression pathway activates entirely through this relational channel.

The trust mechanism operates through both affective and cognitive dimensions. A study on conflict management in Ecuadorian small and medium enterprises demonstrates that affective trust and cognitive trust each mediate the link between laissez-faire leadership and problem-solving behaviour, with the pathway significantly stronger in family businesses where socioemotional wealth creates a more trust-rich environment (Elgoibar et al. 2025, 10–11). The dual-channel finding reinforces the three-form taxonomy. Strategic non-intervention requires positive evaluations of both the self and the other, which manifest empirically as the simultaneous presence of affective and cognitive trust. When both are present, the enabling pathway activates. When either is absent, it fails. A qualitative study on Canadian nonprofits frames trust as an expression of structural delegation, noting that giving up control can be viewed as trust in an individual's capabilities and integrity (Bott 2015, 70–71). A study on Israeli schoolteachers attributes the positive effect of passive leadership to longstanding relationships in which trust has developed over time (Berkovich 2024, 14). Trust shapes the relational context within which non-intervention operates, but the context alone does not determine the follower's experience. Whether trust translates into perceived empowerment depends on how the follower interprets the leader's restraint.

At the dyadic level, *follower perception* determines how the trust-shaped relational context translates into experience. The attribution mechanism that links leadership behaviour to organisational outcomes operates through three interpretive channels: the same non-interventionist behaviour is experienced as empowerment, as abandonment, or is tolerated without strong attribution in either direction.

The empowerment-abandonment boundary is determined by expectation alignment. A study on the empowering-laissez-faire distinction finds that role ambiguity rises and intrinsic motivation falls when leader and follower hold misaligned empowerment expectations:

"Followers saw over- and underfulfilling leader-empowering behaviours as more laissez-faire and evaluated this leadership as ineffective over time. These findings are intriguing, first, because traditional research on empowering and laissez-faire leadership has assumed that the two leadership styles are clearly distinct." (Wong & Giessner 2018)

It is not the amount of leader withdrawal that matters but the gap between what the follower expects and what the leader provides. When the leader withdraws less than the follower expects, the follower perceives micromanagement. When the leader withdraws more, the follower perceives abandonment. The enabling pathway requires alignment between leader restraint and follower readiness.

The third interpretive channel, perceptual tolerance, is evidenced by a study on self-other agreement which finds that perceptual congruence on laissez-faire leadership is entirely unrelated to team outcomes, unlike management-by-exception passive where self-other agreement shows clear effects. The authors suggest that subordinates may accept their leader's absence when they recognise it as the consequence of heavy workloads, in which case absence and avoidance no longer attract blame. (Hasson et al. 2019.) Tolerance represents a perceptual neutralisation in which followers neither interpret non-intervention positively nor negatively. They simply accommodate it as an unremarkable feature of the working relationship. When attribution is neutralised, leadership effects disappear because the behaviour is not psychologically processed as leadership at all.

When attribution tilts toward abandonment, the consequences extend beyond individual dissatisfaction. A study on implicit follower expectations finds that employees interpret laissez-faire leadership as a signal that their expectations are unimportant, which can justify self-interested behaviours that harm the organisation (Perkins et al. 2025). A study on perceived organisational justice demonstrates that laissez-faire leadership strongly and negatively predicts perceived justice, and that the negative effects on employee-organisation relationships operate entirely through this justice perception (Jin & Men 2026). The Jin and Men (2026) finding is structurally parallel to the Alharthi (2026) trust finding discussed above. Just as non-intervention has no direct effect on motivation once trust is removed, it has no direct effect on employee-organisation relationships once justice perception is removed. Both trust and justice perception function as relational gates.

Their erosion is the channel through which non-intervention produces negative outcomes, not the leadership behaviour itself.

Coworker support extends the relational context beyond the leader-follower dyad. The preceding conditions of trust, perception, and justice all operate within the dyad, but when peers provide the social resources that the leader does not, the enabling pathway is strengthened by horizontal support even in the absence of vertical leadership. A three-study design on constructive challenging behaviour finds that coworker-support climate strengthens the flow pathway and weakens the disengagement pathway under laissez-faire leadership (Zheng & Li 2024, 10). A study on hospitality frontline employees demonstrates a three-way interaction in which coworker help and support reduces the burnout effects of passive leadership, with this buffering further moderated by job tenure (Bani-Melhem et al. 2024, 608–609). The three-way interaction is the clearest empirical demonstration of the multiplicative logic in the reviewed corpus. The effect of passive leadership on burnout depends simultaneously on coworker support at the team level and job tenure at the follower level. Neither condition alone is sufficient. The buffering effect emerges only when both are present.

Coworker support has limits. A qualitative study on workplace voicing dynamics finds that even in an organisation described as safe, open, and transparent, employees remained silent in meetings where managers provided minimal facilitation (Bohacova & Heide 2024, 137). Coworker support can buffer individual-level outcomes such as burnout, yet it does not fully compensate for the voice and information-sharing behaviours that sensing requires. The enabling pathway for sensing-relevant behaviours may require active leadership facilitation that coworker support alone cannot provide.

Relational maturity integrates trust, perception, and coworker support into a single temporal dimension. It is a composite condition that encompasses follower experience, relational trust, and structural familiarity. The enabling pathway becomes more accessible as the leader-follower relationship matures. The Berkovich (2024) finding on experienced teachers with longstanding relationships, the Desgourdes (2024) finding on the eleven-year tenure threshold, and the Bott (2015) evidence on established board-executive director relationships all converge on the same temporal logic. A conceptual paper on laissez-faire leadership supports this by proposing that non-involvement is more suitable at later stages of interaction, when followers have developed the readiness to self-direct (Yang 2015, 1252). A study on supervisor-team temporal fit finds that laissez-faire leadership becomes more frequent when the supervisor and team share a strong past

temporal focus, since past-focused teams welcome a hands-off style that places few demands on them (Bricker et al. 2020, 256).

Maturity matters because it allows the other boundary conditions to accumulate. Trust develops over time. Competence develops through experience. Structural familiarity develops through repeated interaction with organisational processes. A mature dyad is one in which all three levels of boundary conditions are simultaneously present, which is why maturity functions as the clearest predictor of enabling pathway activation. The opposite is equally evident. A study on Vietnamese startups demonstrates that organisations in their early stages, with underdeveloped structures and immature relationships, are most vulnerable to the suppressing pathway under laissez-faire leadership (Pham et al. 2025, 1719–1720).

4.4.3 Organisational and environmental conditions

The enabling pathway requires structural conditions that provide the strategic direction, role clarity, and cultural support that non-intervention leaves absent. When these structures are missing, non-intervention creates a vacuum that individual competence and relational trust alone cannot fill.

Cultural context is the second most densely coded boundary condition in the reviewed corpus. The contradictory nature of the cultural evidence is analytically valuable, because it demonstrates that culture does not independently determine the pathway. Culture interacts with conditions at the other two levels.

Collectivist cultural orientations produce both enabling and suppressing effects depending on the accompanying conditions. A study on Ecuadorian small and medium enterprises finds that the strong collectivist culture amplifies the trust pathway, as collectivists are more willing to prioritise collective goals and use constructive approaches to conflict resolution (Elgoibar et al. 2025, 10). A study on Colombian university research groups similarly suggests that collectivist orientation and shared accomplishment can take the place of active leadership (Cardona-Cano et al. 2024, 198). In contrast, a study on Pakistani employees finds that the implicit, high-context communication norms of collectivist culture strengthen perceptions of organisational politics and workplace isolation under laissez-faire leadership (Kanwal et al. 2019, 997). The divergence is not random. In the Ecuadorian and Colombian studies, collectivism operates alongside high follower competence and established trust, creating the configuration that enables the positive pathway. In the Pakistani study, collectivism operates alongside hierarchical expectations and implicit communication norms that amplify the perception of abandonment. Culture is the same; the accompanying conditions differ.

High power distance similarly produces divergent effects. A study on Pakistani organisations reports that passive-avoidant leadership is positively related to innovation propensity, with the authors proposing that followers in high power distance cultures may seek to achieve certainty through innovation when leadership direction is absent (Ryan and Tipu 2013, 2126). A study on Indonesian IT project teams reports the opposite, finding that high power distance limits participative decision-making even when nominal participation structures exist (Zhu et al. 2016, 635). In the Ryan study, high power distance operates alongside follower motivation to reduce uncertainty, creating a compensatory innovation response. In the Zhu study, high power distance operates alongside bureaucratic traditions that constrain bottom-up initiative. The operative variable is not power distance itself but whether the follower has the space and motivation to compensate for absent direction. Yang (2015, 1255) supports this by noting that subordinates in Asian contexts tend to expect more direct leader involvement than their counterparts in other cultural settings, suggesting that power distance shapes what followers expect from leadership, not just how they respond to its absence. A study on Taiwanese technology teams demonstrates that high power distance amplifies the need for formal leaders, making laissez-faire leadership less viable as a pathway to shared leadership (Tung & Shih 2025, 651–652).

A cross-regional study on error learning provides the most direct cultural comparison, finding that laissez-faire leadership is associated with less error learning than aversive leadership in the US and European samples, while this effect does not appear in the Chinese sample, where both styles produce equivalent suppression (Bligh et al. 2018, 134). A study on Southeast European transitional economies adds a complementary observation, suggesting that historically rigid hierarchical cultures shaped by centralised planning provide less cultural support for the creative freedom that non-intervention assumes (Strugar Jelača et al. 2020, 479–480). The cultural contradictions documented across the preceding paragraphs are evidence of cross-level interactions, in which culture combines with conditions at the follower and dyadic levels to determine which pathway activates. The Bligh et al. (2018) and Strugar Jelača et al. (2020) findings support this conclusion by showing that the relative strength of the suppressing pathway itself varies across cultural contexts, even when the same construct is measured.

Cultural context determines the expectations followers bring to the leadership relationship. *Strategic clarity* determines whether the organisational environment provides the directional framework within which autonomous action can be aligned with organisational objectives.

The enabling pathway requires a specific sequencing. Strategic direction must be established before the leader steps back. A qualitative study on Canadian nonprofits illustrates this sequencing in practice. Executive directors describe boards that provide clear strategic plans and explicit expectations before withdrawing from operational involvement:

"They had clear ideas of what they wanted me to do. So it wasn't like come on and figure it all out for us." (Bott 2015, 74)

When this sequencing is absent, the consequences are consistent across contexts. Exploration efforts become fragmented without clear guidance from leaders (Leonelli 2024, 438), role ambiguity intensifies when strategic direction for technology integration is missing (Luo et al. 2025, 3), and teams without goal commitment and strong team-member exchange experience role conflict under laissez-faire leadership (Tung & Shih 2025, 639–640). The common thread across these findings is that autonomy without direction produces disorientation. Non-intervention enables dynamic capabilities only when the follower already knows what direction to move in. The leader's withdrawal removes the how, and strategic clarity provides the what. When both are absent, the follower has neither structural guidance nor leadership support to orient autonomous action.

A distinct dimension of this condition is signal coherence. A study on Turkish enterprises reports a high bivariate correlation between laissez-faire leadership and knowledge sharing culture, yet this relationship loses significance when laissez-faire is bundled with other leadership dimensions such as intellectual stimulation and contingent reward (Arun 2017, 57). Non-intervention enables information flow when it constitutes a clear and consistent signal of trust. When accompanied by simultaneous directive or reward-contingent behaviours that contradict the hands-off posture, the signal becomes incoherent and the enabling effect disappears. Strategic non-intervention requires commitment to a consistent posture rather than selective addition to a directive leadership repertoire.

Task ambiguity and complexity determine whether individual assignments are sufficiently defined for autonomous execution. Where strategic clarity provides direction at the organisational level, task ambiguity locates the same problem at the assignment level, close enough to the follower's daily work to override individual competence when the task itself is unclear. When tasks are well-defined, non-intervention allows competent employees to proceed independently. When tasks are ambiguous, non-intervention removes the only source of clarity available, and the suppressing pathway activates most reliably.

The mechanism through which ambiguity amplifies suppression is informational scarcity. The suppressing pathway begins with the removal of informational inputs. Task ambiguity means those inputs were already scarce before the leader withdrew, making the removal doubly damaging. Laissez-faire leaders who fail to set clear expectations or supply feedback do not reduce role ambiguities, with the resulting uncertainty producing measurable physiological stress responses (Diebig et al. 2016, 686). The vulnerability is greatest in what Bernhard & O'Driscoll (2011, 351–352) describe as weak situations, environments such as small family-owned businesses where well-recognised rules of conduct are not fully established, leading employees to depend more heavily on the leader for behavioural cues. Even competent employees become dependent on leader guidance when the task environment lacks structure. Competence, the strongest follower-level enabler, is overridden by structural ambiguity.

This interaction intensifies in technologically dynamic environments, where task demands exceed what any individual follower can navigate alone. Project ambiguity combined with passive leadership creates obstacles to project success that individual self-regulation cannot overcome (Mubarak et al. 2023, 516), and laissez-faire leadership amplifies technology-related role ambiguity during AI adoption, making the relationship between new technology and confusion stronger under non-intervention than under active leadership (Luo et al. 2025, 4–5). These are the conditions where non-intervention is most consistently harmful, and where the case for active leadership is strongest.

Task ambiguity identifies conditions where individual work demands are unclear. *Organisational size* determines whether the broader structural environment compensates for this ambiguity when leadership is absent. In organisations with formalised processes, standardised routines, and established decision rules, these structures provide the guidance that leadership would otherwise supply. Non-intervention is tolerable or even beneficial because employees can orient themselves through the system. In organisations without such infrastructure, the leader is the primary source of coordination, and withdrawal creates a vacuum that no individual resource can fill.

The evidence for this substitution logic is consistent across contexts. Laissez-faire leadership is negatively associated with performance in smaller start-ups and positively associated in larger ones, with the authors attributing the divergence to the formalisation and standardisation that larger ventures develop over time (Zaech & Baldegger 2017, 171). Vietnamese startups in their early stages need active leadership precisely because they lack the developed structures and processes that would compensate for its absence (Pham et al. 2025, 1719). Small German family-owned businesses concentrate managerial authority with the owner-manager, restricting employees' scope

to act autonomously even when they have the competence to do so (Bernhard & O'Driscoll 2011, 350–351). The common pattern across these three contexts is that organisational immaturity and non-intervention compound each other. As structural substitution increases, leadership effects diminish, and non-intervention becomes inert. This is the structural mechanism through which the null pathway emerges.

4.4.4 Cross-level interaction and the multiplicative logic

The preceding analysis has examined boundary conditions at each level independently. The reviewed evidence, however, demonstrates that conditions at different levels interact to determine pathway dominance. The clearest empirical demonstration is the three-way interaction between passive leadership, job tenure, and coworker support. The effect of passive leadership on burnout is not determined by any single condition. It depends simultaneously on whether the employee has accumulated sufficient experience at the follower level and whether peers provide compensatory social resources at the team level. (Bani-Melhem et al. 2024, 606–608.) Neither condition alone is sufficient; the buffering effect emerges only from the combination. This multiplicative pattern recurs across the reviewed evidence. Coworker-support climate determines whether laissez-faire leadership activates flow or disengagement (Zheng & Li 2024, 9), gender moderates the degree of trust erosion under laissez-faire leadership, with female faculty experiencing substantially stronger decline than male faculty (Alharthi 2026, 7), follower perceptions of delegation as laissez-faire depend on the interaction between gender and perceived leader competence-trustworthiness (Norris et al. 2021, 331), and the enabling effect of laissez-faire leadership on meaningful work operates only in high-discretion professional roles, not in regulated clerical positions (Hussain & Franken 2025, 16). In every case, the outcome is determined by the interaction of conditions across levels, not by any condition in isolation.

The multiplicative structure also explains the contradictory cultural findings. Collectivism does not independently determine the pathway. In Ecuador and Colombia, collectivism interacts with high follower competence and established trust to produce enabling effects. In Pakistan, collectivism interacts with hierarchical expectations and low structural clarity to produce suppressing effects. The cultural variable is constant; the accompanying conditions at the follower and dyadic levels differ. This interaction pattern generalises across the reviewed evidence. Every boundary condition that produces contradictory findings across studies does so because its effect depends on the configuration of conditions at other levels.

The enabling pathway requires a specific configuration. Follower competence, relational trust, and structural clarity must be present simultaneously. The suppressing pathway activates when any level fails, because the cascading chain needs only one missing resource to begin its degradation. The null pathway emerges when structural substitutes at the organisational level are so complete that the conditions at the other two levels become irrelevant. This configuration logic explains why the reviewed literature has produced contradictory findings about laissez-faire leadership. Studies conducted in contexts where all three levels are favourable find positive effects (e.g., Donkor et al. 2021; Alaro et al. 2025; Al Balushi & Jamaludin 2025). Studies in contexts where one or more levels are unfavourable find negative effects (e.g., Mubarak et al. 2023; Mubarak et al. 2025; Ly & Ly 2024). Studies in contexts where organisational substitutes dominate find null effects (e.g., Cardona-Cano et al. 2024; Ametefe et al. 2024; Zaech & Baldegger 2017). The contradiction is not in the construct. It is in the unexamined variation across boundary condition configurations.

4.4.5 Summary

The boundary conditions examined in this section determine which of the three pathways dominates in a given context. At the follower level, competence, self-efficacy, intrinsic motivation, and goal orientation determine whether individuals can convert autonomy into capability-building activity. At the dyadic and team level, trust, expectation alignment, perceptual tolerance, coworker support, and relational maturity determine whether non-intervention is attributed to empowerment or abandonment. At the organisational and environmental level, cultural context, strategic clarity, signal coherence, task ambiguity, and structural maturity determine whether substitutes for leadership exist.

These conditions do not operate independently. The evidence for two-way and three-way interactions demonstrates a multiplicative logic in which the enabling pathway requires a favourable configuration across all three levels simultaneously. This configuration corresponds to the strategic non-intervention form, where leader who possesses positive self-evaluations (confidence in restraint), positive other-evaluations (trust in follower competence), and positive world-evaluations (perceiving the environment as sufficiently stable to permit reduced intervention), operating within a context of competent followers, trusting relationships, and clear strategic direction. When any element of this configuration is missing, the same behaviour activates the suppressing pathway, and finally, when structural substitutes fully compensate for absent leadership, the null pathway emerges.

4.5 Synthesis and updated conceptual framework

The findings presented in Sections 4.2, 4.3, and 4.4 can now be assembled into a single propositional model that addresses the overarching research question. How and under what conditions can laissez-faire leadership, viewed as a deliberate and adaptive leadership stance, enable the development of dynamic capabilities?

The answer operates through four linked stages. The first stage is the reconceptualisation of the construct itself. The analysis demonstrated that laissez-faire leadership as currently operationalised aggregates at least three conceptually distinct forms of non-intervention. Dysfunctional withdrawal is driven by negative self- and other-evaluations and produces a self-reinforcing cycle of avoidance. Relationally induced disengagement emerges from genuinely positive relational antecedents through automatic psychological processes such as moral licensing or resource conservation. Strategic non-intervention is driven by positive evaluations across all three dimensions of the self, the other, and the environment, and is exercised within a framework of continued availability and strategic clarity. These three forms are behaviourally identical yet psychologically, relationally, and structurally distinct. The distinction cannot be made by observing the leader. It can only be made by examining the antecedent conditions, the evaluative profile, and the follower's interpretation of the behaviour.

The second stage is the attribution mechanism that connects form to pathway. Because the three forms produce identical observable behaviour, the pathway activated is determined not by the leader's intent or disposition. It is determined by how followers interpret the behaviour. Where non-intervention is attributed to trust and competence, the enabling pathway activates. Where it is attributed to neglect and incapacity, the suppressing pathway activates. Where leadership is substituted by structural, cultural, or competence-based mechanisms and attribution is neutralised, the null pathway emerges. This attribution mechanism is the pivot point of the entire model. It explains how the same behaviour produces positive, negative, and null effects across different studies and different contexts.

The third stage is the pathway architecture through which non-intervention shapes dynamic capabilities. Three pathways were identified, each with a distinct internal structure. The enabling pathway operates through genuinely distinct channels that vary by dynamic capability dimension. Sensing is enabled through psychological safety and flow, which create the cognitive space for team learning, constructive challenge, and opportunity recognition. Seizing is enabled through the removal of supervisory constraints, which allows employees to translate recognised opportunities

into independent decisions and resource commitments. Transforming is enabled through dual trust and the emergence of shared leadership, which create the relational and structural infrastructure for organisational reconfiguration. The suppressing pathway operates through a single cascading chain. Non-intervention removes informational inputs through feedback deprivation and social isolation, which depletes psychological resources through burnout and meaninglessness, which produces behavioural withdrawal through reduced involvement and knowledge hiding, which erodes capability-building behaviours across all three dynamic capability dimensions simultaneously. The null pathway operates through structural substitution, where existing competencies, cultural norms, or organisational formalisation supply the guidance that leadership would otherwise provide, rendering non-intervention irrelevant to capability outcomes.

A structural asymmetry distinguishes the two active pathways and constitutes one of the central findings of this thesis. The enabling pathway's multiple channels produce divergent outcomes that are context-sensitive and outcome-dependent. The suppressing pathway's single chain produces convergent outcomes that are consistent and replicable across studies. This asymmetry explains why the dominant literature has converged on a uniformly negative view of laissez-faire leadership. A single chain is easier to detect and replicate across diverse contexts. Multiple channels produce effects that appear contradictory when aggregated without attention to the specific channel activated, which is precisely what happens when the Multifactor Leadership Questionnaire treats all non-intervention as a single undifferentiated construct.

The fourth stage is the boundary condition configuration that determines which pathway dominates. Boundary conditions operate at three levels. At the follower level, competence, self-efficacy, intrinsic motivation, and goal orientation determine whether individuals can convert autonomy into capability-building activity. Competence operates through a threshold logic, activating the enabling pathway once a critical mass of task mastery, psychological resilience, and professional confidence has accumulated. At the dyadic and team level, trust, expectation alignment, perceptual tolerance, coworker support, and relational maturity determine whether non-intervention is attributed to empowerment or abandonment. Trust is the single most powerful gate in the reviewed evidence, with the full-mediation finding demonstrating that laissez-faire leadership has no independent effect on motivation once trust is removed. At the organisational and environmental level, strategic clarity, signal coherence, cultural context, task ambiguity, and structural maturity determine whether substitutes for leadership exist. These conditions operate multiplicatively across levels. The enabling pathway requires a favourable configuration across all three levels simultaneously. The

suppressing pathway activates when any level fails. The null pathway emerges when structural substitutes fully compensate for absent leadership.

Figure 10 presents the updated conceptual framework that integrates these four stages into a single visual architecture. The figure shows how observable non-intervention flows through the three-form taxonomy and the attribution mechanism into three pathways, each with its distinct internal structure, producing dimension-specific effects on sensing, seizing, and transforming. The boundary conditions are positioned as a moderating layer that operates across all three levels simultaneously, with the configuration logic determining pathway dominance.

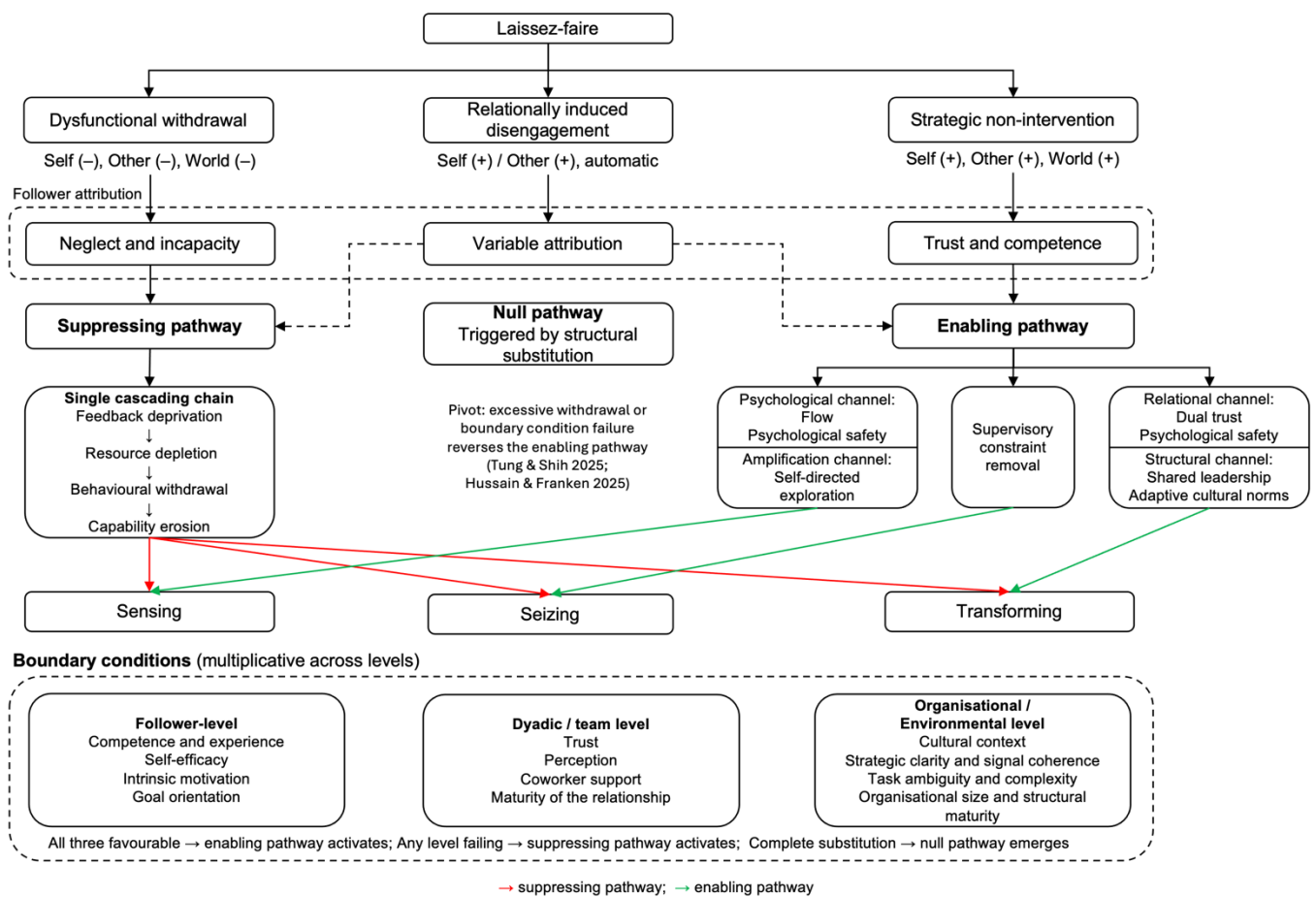


Figure 10 Updated conceptual framework

The preliminary conceptual model proposed in Chapter 2 identified three enabling mechanisms through which strategic non-intervention might support dynamic capabilities. Autonomy was proposed as the mechanism enabling exploration and sensing. Decentralised decision-making was proposed as the mechanism enabling seizing. Psychological safety was proposed as the mechanism enabling emergent adaptation and transforming. The findings confirm, revise, and extend this preliminary framework in several respects.

Psychological safety is confirmed as an enabling mechanism, and the evidence is stronger than anticipated. The Raes et al. (2013) finding that laissez-faire leadership positively predicts team psychological safety provides direct empirical support. The finding also extends the preliminary model by demonstrating that psychological safety operates across two dynamic capability dimensions simultaneously, enabling both sensing (through team learning) and transforming (through collective reconfiguration of shared understanding). The preliminary model positioned psychological safety under transforming only. The Groulx et al. (2024) finding that the same variable is negatively influenced under resource-depleted conditions reveals that psychological safety is also the shared mechanism through which the enabling and suppressing pathways produce opposite effects, a complexity the preliminary model could not accommodate.

Autonomy is confirmed as an intermediate resource through which non-intervention produces its effects. The findings reveal, however, that autonomy is not a mechanism in itself. It is the decisional space within which specific mechanisms operate. Psychological safety, flow, trust, and self-directed engagement are the mechanisms that activate within the autonomy space. The preliminary model treated autonomy as a direct enabler of sensing. The findings reposition it as the precondition that activates specific psychological and structural resources, which in turn produce capability-building behaviours.

Decentralised decision-making receives limited direct support as a standalone mechanism. The Bott (2015) evidence on executive directors and the Nazarian et al. (2021) evidence on adhocracy culture provide some grounding, yet the evidence for seizing operates primarily through the removal of supervisory constraints on autonomous action, which is related to decentralisation yet conceptually narrower. The preliminary model proposed decentralisation as an organisational-level mechanism. The findings suggest that the operative mechanism is individual-level freedom to act, not the redistribution of formal decision-making authority.

The findings extend the preliminary model in four directions that were not anticipated. First, the three-form taxonomy introduces a differentiation that the preliminary model did not contain. The preliminary model treated strategic non-intervention as a unified construct. The findings demonstrate that it is one of three forms that must be distinguished from dysfunctional withdrawal and relationally induced disengagement. Second, the dual-pathway architecture reveals that non-intervention simultaneously activates enabling and suppressing mechanisms, a complexity the preliminary model's unidirectional framing could not accommodate. The Zheng and Li (2024) finding that flow and disengagement are activated simultaneously by the same leadership behaviour

is the clearest empirical demonstration of this dual activation. Third, the null pathway introduces a theoretically significant condition that the preliminary model did not consider. The preliminary model assumed that non-intervention would always produce effects, whether positive or negative. The null evidence demonstrates that in some contexts, leadership is simply not the operative variable. Fourth, the multiplicative boundary condition logic reveals that the effectiveness of non-intervention depends on the simultaneous configuration of conditions across three levels, not on the presence of any single enabling factor as the preliminary model implied. The preliminary model listed boundary conditions as independent moderators. The findings demonstrate that they interact multiplicatively, with the three-way interaction between passive leadership, job tenure, and coworker support providing the clearest empirical evidence.

The updated model can be summarised as a conditional proposition. Non-intervention enables dynamic capabilities when the leader enacts strategic restraint with positive self-, other-, and world-evaluations, followers attribute this restraint to trust and competence, and the organisational context provides strategic clarity, structural support, and sufficient follower competence to convert autonomy into capability-building activity across all three levels simultaneously. When any element of this configuration is absent, the same behaviour activates the suppressing pathway, and when structural substitutes fully compensate for absent leadership, the null pathway emerges. The contradiction in the laissez-faire leadership literature is not in the construct. It is in the unexamined variation across boundary condition configurations. The three-form taxonomy, while grounded in converging evidence from the reviewed corpus, remains a conceptual synthesis awaiting empirical validation, a point examined further in the limitation discussion.

5 Conclusions

This thesis set out to examine how and under what conditions laissez-faire leadership, reconceptualised as a deliberate and adaptive leadership stance, can enable the development of dynamic capabilities. Through a systematic literature review of 70 studies spanning leadership psychology, organisational behaviour, and strategic management, the analysis produced an integrated framework that connects the construct of non-intervention to the microfoundational processes underlying sensing, seizing, and transforming. The framework operates through four linked stages: a reconceptualisation of laissez-faire leadership into three distinct forms, an attribution mechanism that connects form to pathway, a dual-pathway architecture through which non-intervention shapes dynamic capabilities, and a multiplicative boundary condition logic that determines which pathway dominates in a given context.

This chapter draws out the implications of these findings for leadership theory and the dynamic capabilities framework, translates the analytical architecture into actionable guidance for organisational practice, and identifies the limitations that constrain the present study alongside the research directions they open.

5.1 Theoretical contributions

The thesis makes four interconnected contributions to the scholarly understanding of leadership and dynamic capabilities. Each contribution addresses a specific gap at the intersection of the full-range leadership tradition and the microfoundations movement in strategic management, and each carries implications that extend beyond the narrow domain of laissez-faire leadership.

The first contribution is the demonstration that what the literature treats as a single construct, laissez-faire leadership, aggregates at least three psychologically distinct forms of non-intervention: dysfunctional withdrawal, relationally induced disengagement, and strategic non-intervention. This finding is grounded in the Dóci et al. (2015) evaluative framework and supported by converging evidence from longitudinal, experimental, qualitative, and cross-sectional designs across the reviewed corpus. The contribution is not that laissez-faire leadership can have positive effects, a point others have noted (Yang 2015; Zhang et al. 2023; Kuijpers et al. 2024). It is that the dominant operationalisation of the construct, principally through the Multifactor Leadership Questionnaire, systematically prevents detection of the distinction between these forms by collapsing them into a single passive-avoidant dimension.

This finding carries implications for the full-range leadership model more broadly. Bass and Avolio (1994) designed the Full Range Leadership Theory Framework as a comprehensive taxonomy of leadership behaviour, positioning laissez-faire as the lowest point on a continuum from passive to active and from ineffective to effective. The three-form taxonomy challenges the assumption that this bottom tier represents a unitary phenomenon. If the passive-avoidant dimension aggregates behaviours with different antecedent conditions, different cognitive profiles, and different organisational consequences, then the "full range" is miscalibrated at one end. The items that measure laissez-faire in the Multifactor Leadership Questionnaire capture behavioural surface features, such as absence, avoidance, and delay, without discriminating between the evaluative and relational structures that produce them. This responds directly to Antonakis et al.'s (2003, 284) call for greater contextual sensitivity in leadership measurement and extends Kuijpers et al.'s (2024, 103) critique by providing a taxonomy that specifies the psychological dimensions along which the forms diverge.

The broader implication is methodological. Any study that uses the Multifactor Leadership Questionnaire to measure laissez-faire leadership is measuring an unresolved mixture of distinct phenomena. The inconsistency in the Laissez-faire leadership literature, positive findings in some contexts, negative in others, null in still others, is not evidence of a weak or context-dependent construct. It is the predictable consequence of aggregating distinct constructs under a single label and measuring them with a single instrument. The three-form taxonomy offers a framework for disentangling these effects, though its empirical validation remains a task for future measurement development.

The second contribution is the identification of a dual-pathway architecture through which non-intervention shapes dynamic capabilities, and the discovery that the two active pathways are structurally asymmetric. The enabling pathway operates through multiple distinct channels that vary by dynamic capability dimension: psychological safety and flow for sensing, removal of supervisory constraints for seizing, and dual trust with distributed leadership for transforming. The suppressing pathway operates through a single cascading chain. The feedback deprivation leads to psychological resource depletion, which produces behavioural withdrawal, which erodes capability-building behaviours across all three dimensions simultaneously.

This structural asymmetry constitutes one of the most analytically significant findings of the thesis. It explains a pattern that has characterised the laissez-faire leadership literature for decades: the convergence on negative findings. A single cascading chain produces convergent outcomes that are

consistent and replicable across diverse contexts because the chain follows the same degradation sequence regardless of setting. Multiple enabling channels, in contrast, produce divergent outcomes that are context-sensitive and outcome-dependent, because different channels activate under different conditions and affect different capability dimensions. When these divergent outcomes are aggregated across studies without attention to the specific channel activated, they appear contradictory, inconsistent, or weak. This is precisely what occurs when the Multifactor Leadership Questionnaire treats all non-intervention as a single undifferentiated construct.

This contribution extends the microfoundations movement in strategic management (Felin & Foss 2005; Felin et al. 2015) by demonstrating that a single microfoundational input, leadership behaviour, can disaggregate into architecturally different pathways depending on the conditions of activation. The microfoundations literature has argued that macro-level constructs such as routines and capabilities must be disaggregated into their individual-level components to avoid tautology and improve explanatory power (Felin & Foss 2005, 444; Winter 2003, 991). The dual-pathway architecture applies this logic to leadership itself as a microfoundation. It shows that the relationship between leadership and dynamic capabilities cannot be specified at the construct level. It can only be specified at the pathway level, with distinct mechanisms producing distinct effects through distinct channels. This contributes to Winter's (2003, 992–993) observation about the difficulty of observing and codifying dynamic capabilities by identifying one source of that difficulty. The same leadership input activates different capability-building processes through architecturally different mechanisms, and only pathway-level analysis can detect the pattern.

The third contribution is the identification of follower attribution as the pivot mechanism through which behaviourally identical non-intervention is differentiated into distinct leadership experiences with distinct effects on dynamic capabilities. The full-mediation findings from the reviewed corpus provide the empirical anchoring. Laissez-faire leadership has no independent effect on intrinsic motivation once trust is removed from the model (Alharthi 2026, 7), and no independent effect on employee-organisation relationships once perceived justice is removed (Jin & Men 2026, 15–16). In both cases, the entire effect of non-intervention runs through a relational mediator that is shaped by how the follower interprets the leader's behaviour. The construct boundary between empowering leadership, delegation, and laissez-faire is perceptual, not behavioural (Wong & Giessner 2018; Norris et al. 2021).

This finding extends the dynamic capabilities framework in a direction that Teece's (2007) original formulation did not anticipate. Teece (2007, 1341) discusses managerial leadership as a

microfoundation in terms that imply unilateral enactment: the leader senses, the leader seizes, the leader orchestrates transformation. The preliminary conceptual model in Chapter 2 adopted this framing by positioning leadership as a meta-capability, an integrative force that coordinates and shapes the activation of other microfoundational elements. The attribution finding complicates this framing in an analytically productive way. It demonstrates that leadership's meta-capability function is not unilaterally enacted by the leader. It is co-constructed through follower perception. The same leadership behaviour becomes a different microfoundational input depending on the attributional context in which it is received. This means the meta-capability is relational, not positional. Helfat and Peteraf (2015, 845) conceptualised managerial cognitive capabilities as cognitive processes internal to the leader, such as attention, perception, and problem-solving. The present findings suggest that the leader's cognitive capabilities are necessary for dynamic capability development, yet insufficient. The follower's cognitive appraisal determines whether leadership inputs translate into capability outcomes. Dynamic capabilities, at the microfoundational level, are therefore products of leader-follower co-construction, not of leadership alone.

The fourth contribution is the demonstration that boundary conditions across three levels, follower, dyadic and team, and organisational and environmental, operate multiplicatively, not additively. The enabling pathway requires a favourable configuration across all three levels simultaneously. The suppressing pathway activates when any single level fails, because the cascading chain needs only one missing resource to begin its degradation. The null pathway emerges when structural substitutes at the organisational level are so complete that leadership effects disappear entirely.

The clearest empirical demonstration of this multiplicative logic is the three-way interaction in the reviewed corpus: the effect of passive leadership on burnout depends simultaneously on whether the employee has accumulated sufficient experience at the follower level and whether peers provide compensatory social resources at the team level (Bani-Melhem et al. 2024, 606–608). Neither condition alone is sufficient. The buffering effect emerges only from the combination. This interaction pattern recurs across the reviewed evidence and explains the contradictory cultural findings. Collectivism does not independently determine the pathway. In Ecuador and Colombia, collectivism interacts with high follower competence and established trust to produce enabling effects (Elgoibar et al. 2025; Cardona-Cano et al. 2024). In Pakistan, collectivism interacts with hierarchical expectations and low structural clarity to produce suppressing effects (Kanwal et al. 2019). The cultural variable is constant; the accompanying conditions at the other levels differ.

This contribution connects directly to Teece's (2007, 1319–1321) central strategic argument about the opacity and firm-specificity of dynamic capabilities. Teece (2007) argued that dynamic capabilities are difficult to replicate precisely because their microfoundations are complex, path-dependent, and causally ambiguous. The multiplicative boundary condition logic identified in this thesis provides a concrete mechanism through which this causal ambiguity operates at the leadership level. If the enabling pathway requires a specific multi-level configuration of follower competence, relational trust, and structural clarity, all present simultaneously, then the configuration itself becomes a source of competitive advantage. It is causally ambiguous because the enabling effect cannot be attributed to any single condition. It is path-dependent because the conditions accumulate over time, with trust developing through relational maturity (Berkovich 2024; Desgourdes et al. 2024) and competence developing through professional experience. It is difficult to observe from outside because the behavioural surface of strategic non-intervention is identical to that of dysfunctional withdrawal. An external observer cannot determine which form is operating without access to the evaluative profiles and relational infrastructure that the taxonomy identifies. This opacity, which Teece (2007, 1321) argued is a necessary condition for sustained competitive advantage, is therefore partly produced by the leadership configuration itself.

Taken together, these four contributions converge on a proposition that extends the preliminary conceptual model from Chapter 2. The model positioned leadership fluidity, the capacity to move between engagement and restraint in response to contextual cues, as a meta-capability (Oc 2018; London & Sherman 2021, 325). The findings confirm this framing and refine it. Leadership fluidity is not merely the leader's capacity to switch between styles. It is the capacity to read the boundary condition configuration correctly and calibrate the degree of intervention accordingly. This capacity requires positive self-evaluations (confidence that restraint will not produce dysfunction), accurate other-evaluations (correct assessment of follower readiness), and informed world-evaluations (perception of whether the structural and cultural environment supports autonomous action). The leader who can perform this calibration in real time possesses a higher-order capability that connects the situational leadership tradition, which has developed largely within organisational behaviour, to the dynamic capabilities framework, which has developed within strategic management. These two traditions have evolved independently, and the present thesis offers a bridge between them. Strategic non-intervention is the point where situational leadership theory meets microfoundational analysis.

5.2 Managerial implications

The findings produce guidance for leadership practice, leadership development, and organisational design. The central practical insight is that non-intervention is not inherently destructive yet treating it as a generic recommendation carries equivalent dangers. Effective application requires diagnostic capability, sequenced implementation, and structural scaffolding, and each of these requirements translates into specific organisational action.

The most immediate practical implication concerns the diagnosis of non-intervention. Organisations should not treat all instances of leadership restraint identically, because the three-form taxonomy provides observable proxies for distinguishing among them. Desgourdes et al. (2024, 1060) show that temporal stability of the behaviour serves as one diagnostic marker, with non-intervention that persists unchanged regardless of contextual demands signalling dysfunctional withdrawal and context-responsive calibration signalling strategic restraint. Chênevert et al. (2015, 84) and Bott (2015, 67–72) identify retention of strategic communication and availability as a second marker, since leaders who maintain goal alignment, feedback provision, and continued accessibility while reducing directive involvement are enacting strategic non-intervention rather than withdrawal. The Dóci et al. (2015) framework supplies a third marker through the leader's evaluative profile, where confidence in one's own capacity for deliberate restraint, trust in subordinates' competence, and a perception of the environment as conducive to autonomous action distinguish strategic non-intervention from both dysfunctional withdrawal and relationally induced disengagement.

The appropriate organisational response differs by form. Dysfunctional withdrawal calls for leadership development focused on self-efficacy and managerial skill-building, because the withdrawal originates in the leader's negative self-evaluations. Groulx et al. (2024, 7) show that relationally induced disengagement calls instead for resource replenishment, because the withdrawal stems from exhaustion or moral licensing rather than from incompetence. Strategic non-intervention calls for continued organisational support, because the restraint is functional. The practical cost of misdiagnosis is significant in both directions. Treating strategic restraint as dysfunction removes a productive leadership posture from the organisational repertoire, while treating dysfunction as strategy permits ongoing organisational harm to continue unchecked.

Diagnostic capability alone, however, does not produce enabling effects. The findings demonstrate that strategic non-intervention follows a specific sequence, and strategic direction must be established before the leader withdraws from directive involvement. This principle emerges most clearly from the Bott (2015) evidence on board-executive director relationships, where executive

directors described boards providing clear strategic plans and explicit expectations before withdrawing from operational involvement. The sequencing principle translates into a practical protocol. Leaders should first establish strategic clarity and communicate overarching objectives, then verify that follower competence meets the threshold required for autonomous action, then confirm that relational trust is present at the dyadic and team level and then ensure that structural supports such as coworker networks and formalised processes are in place. Only after this configuration is verified does withdrawal create enabling autonomy. Desgourdes et al. (2024, 1054–1056) identify an eleven-year tenure threshold that provides a concrete though context-specific benchmark for the competence dimension of this assessment.

The sequencing principle has direct implications for leadership development programmes. Dominant frameworks for leadership training, typically grounded in the full-range leadership model, teach managers to view non-intervention as the bottom of the leadership range and to aspire toward progressively more active and transformational behaviours. The present findings suggest that leadership development should equip leaders to diagnose when restraint is appropriate and to build the conditions that make it productive. Training in boundary condition assessment, specifically the capacity to evaluate follower readiness, relational trust, and structural maturity in combination, would complement rather than replace the existing emphasis on active leadership behaviours.

Beyond individual leader capability, organisational-level structural conditions determine whether non-intervention produces enabling, suppressing, or null effects. Zaech and Baldegger (2017, 171) show that organisational size and structural maturity function as moderators, with larger and more formalised organisations providing the standardised routines and decision rules that compensate for absent directive leadership. Pham et al. (2025, 1719–1720) document the corresponding vulnerability in startups and small firms, where the absence of developed structures leaves the suppressing pathway as the dominant outcome. Arun (2017, 57) adds signal coherence as a further condition, demonstrating that non-intervention enables positive outcomes only when it constitutes a clear and consistent signal of trust rather than being bundled with contradictory directive or reward-contingent behaviours.

These findings carry specific implications for contemporary organisational forms. Flat structures, remote and hybrid work arrangements, and knowledge-intensive organisations create conditions where non-intervention is structurally embedded in the work arrangement itself. Stenling et al. (2025, 13) show that in remote settings reduced managerial intervention becomes an inherent

feature of the work context, with self-directed sensing emerging as the default mode of engagement. The practical implication is that organisations adopting these structural forms should proactively invest in the boundary conditions that make non-intervention productive. These investments include coworker support systems, clear strategic communication, and formalised feedback processes, because the leadership posture is already present in the structure and the question is whether the supporting conditions match it. The opposite pattern holds for organisations undergoing technological disruption, digital transformation, or crisis conditions. Ly and Ly (2024), Luo et al. (2025), and Mubarak et al. (2023) converge on the finding that these contexts consistently amplify the suppressing pathway. In such settings, active leadership becomes the only posture for which the evidence supports positive capability outcomes.

5.3 Limitations of the study and future research suggestions

The contributions of this thesis are subject to several limitations that constrain the strength of its claims and simultaneously open avenues for future investigation. These limitations are organised from those affecting the core conceptual contribution to those concerning methodological scope.

The most consequential limitation concerns the three-form taxonomy itself. The taxonomy constitutes the central reconceptualisation of the thesis and synthesises converging evidence across different studies addressing different aspects of non-intervention. No single study in the reviewed corpus tests all three forms against each other within a unified empirical design. The taxonomy is grounded in the Dóci et al. (2015) evaluative framework and supported by evidence from longitudinal, qualitative, and experimental studies, yet its internal coherence and discriminant validity remain untested. The possibility that the three forms represent positions on a continuum rather than discrete categories cannot be excluded based on the present evidence, and the possibility that additional forms exist similarly remains open.

This limitation opens the most important avenue for future research. Empirical validation of the taxonomy requires designs capturing within-person fluctuations across the three forms. Experience sampling methodology combining leader self-reports of intent and evaluative appraisals with follower perception measures in the same daily cycle would provide the most direct test. Such designs could examine whether the evaluative profiles differentiate forms as the taxonomy predicts, with positive self-, other-, and world-evaluations distinguishing strategic non-intervention, negative evaluations characterising dysfunctional withdrawal, and positive other-evaluations combined with automatic processing marking relationally induced disengagement. The development of measurement instruments operationalising the three forms separately, as an alternative or

complement to the Multifactor Leadership Questionnaire, would also enable the taxonomy to be tested across the large-sample quantitative designs that dominate the field.

A second limitation concerns the inferential distance from individual-level outcomes to organisational-level dynamic capabilities. Most of the reviewed studies measure individual-level or team-level outcomes such as proactivity, innovative work behaviour, job crafting, error learning, and knowledge sharing. These constructs were mapped onto sensing, seizing, and transforming through microfoundational logic grounded in Teece's (2007, 1319–1323) framework and the microfoundations movement articulated by Felin et al. (2015, 590). The inferential distance between individual-level proactivity and organisational-level sensing capability, or between individual error learning and firm-level transforming, is theoretically bridged yet empirically untested in the reviewed corpus. This gap is not unique to the present thesis and represents a structural challenge of microfoundational research in strategic management, as Felin and Foss (2005, 449) have noted. The thesis has been transparent about this distance and flagged inferential steps where they are substantial, yet the limitation constrains the strength of claims about dynamic capabilities specifically.

Future research should address this gap through multilevel designs simultaneously measuring individual-level enabling and suppressing behaviours alongside organisational-level dynamic capability outcomes. Pairing individual sensing behaviours with firm-level indicators such as new product development rates, market responsiveness metrics, or patent activity would provide the cross-level evidence the present review could not generate. The Bott (2015) study captures both leadership posture and organisational financial outcomes within a qualitative design and offers a methodological template for such cross-level investigation.

A third set of limitations concerns the methodological characteristics of the reviewed corpus. The corpus is dominated by cross-sectional, quantitative, Multifactor Leadership Questionnaire -based designs, and this concentration carries three specific consequences. Cross-sectional designs cannot establish the temporal ordering that the causal mechanisms proposed in this thesis require. The cascading chain of the suppressing pathway, for instance, implies a temporal sequence from feedback deprivation through resource depletion to behavioural withdrawal, yet most studies measure all variables simultaneously. Most studies also operationalise laissez-faire leadership through the very instrument whose limitations the thesis critiques, creating a paradox in which the evidence for the measurement critique is drawn from studies themselves subject to the measurement problem. The consistency of the critique across independent research groups mitigates this concern

without eliminating it. Qualitative studies capable of capturing the lived experience of strategic non-intervention and the contextual richness of how leaders and followers negotiate the meaning of restraint are underrepresented in the corpus. Several studies from United Arab Emirates-based research programmes by Bani-Melhem and colleagues across 2020, 2022, 2024, and 2025 share overlapping authorship and may represent overlapping samples, a consideration that should qualify the convergence of findings from that context.

Future research should prioritise longitudinal and qualitative designs. Longitudinal studies tracking how non-intervention evolves over time within specific leader-follower dyads would test whether the temporal dynamics of trust development, competence accumulation, and relational maturity operate as the present synthesis predicts. Qualitative studies using experience-near methods such as narrative interviews or ethnographic observation would capture how leaders and followers construct the meaning of restraint in real time, providing evidence that survey-based designs cannot generate. The use of alternative operationalisations of *laissez-faire*, including the Barling and Frone (2017) passive leadership scale or Yang's (2015) non-involvement framing, would also help determine whether the enabling pathway becomes more visible when measurement instruments are better calibrated to the conceptual distinctions the three-form taxonomy proposes.

A fourth limitation concerns scope and publication bias. The review is restricted to English-language peer-reviewed publications indexed in Scopus and Web of Science. This restriction may introduce language and publication bias. Given that several key findings emerge from developing economies including Ethiopia, Ecuador, Pakistan, the United Arab Emirates, and Colombia, the exclusion of non-English scholarship from these regions may have narrowed the evidence base, particularly for cultural boundary conditions where local-language research could provide complementary perspectives. The restriction to peer-reviewed sources excludes grey literature and practitioner accounts that might document instances of strategic non-intervention in practice. The study was also conducted by a single researcher, which, despite systematic documentation of all analytical decisions and the structural consistency provided by the hybrid deductive-inductive approach, means that inter-coder reliability could not be assessed. Future reviews incorporating grey literature and non-English sources, particularly from East Asian and Middle Eastern contexts where cultural boundary conditions are most salient, would strengthen the generalisability of the boundary condition analysis.

A final limitation concerns the status of the updated conceptual model itself. The framework presented in Section 4.5 integrates four stages, the three-form taxonomy, the attribution mechanism,

the pathway architecture, and the multiplicative boundary conditions, into a single propositional framework. It should be understood as a set of theoretically grounded propositions rather than a tested causal model. The propositions are derived from the synthesis of 70 studies, and the synthesis itself involves interpretive judgment in mapping diverse constructs, operationalisations, and contexts onto a single analytical architecture. The framework's value lies in its explanatory coherence and its capacity to resolve contradictions in the existing literature, while its predictive validity awaits empirical testing through the designs described above.

This thesis began with the observation that in environments characterised by rapid change, firms must continuously evolve, and that leadership is the meta-capability through which this evolution is orchestrated. The findings demonstrate that the orchestration metaphor, while powerful, is incomplete. Effective leadership sometimes means stepping back from the podium, allowing the ensemble to perform without direction, provided the score has been distributed, the musicians are skilled, and the acoustics of the hall support independent performance. The challenge for both scholarship and practice lies in distinguishing when the conductor's silence is strategy from when it is abdication. This thesis has offered a framework for making that distinction. The three-form taxonomy specifies the psychological conditions under which non-intervention qualifies as strategic. Together with the dual-pathway architecture and the boundary condition logic, it repositions *laissez-faire* leadership from the bottom of the leadership range to a context-sensitive instrument within the leader's adaptive repertoire, one that demands no less skill, judgment, or deliberation than the most active forms of leadership.

6 Summary

Laissez-faire leadership has long been treated as the least effective form of leadership within the Full-Range Leadership Theory framework, synonymous with absence, avoidance, and dysfunction. A smaller but growing body of research, however, finds that deliberate leader restraint can support autonomy, initiative, and self-directed learning when enabling conditions are in place. The dynamic capabilities framework positions leadership as a meta-level microfoundation that orchestrates sensing, seizing, and transforming, yet has paid little attention to the possibility that deliberately refraining from intervention may itself be a strategic leadership behaviour. This thesis reconceptualises laissez-faire leadership as strategic non-intervention and examines how and under what conditions such restraint can enable the development of dynamic capabilities.

The inquiry is guided by one main research question and three sub-questions addressing how studies distinguish ineffective laissez-faire leadership from enabling non-intervention, how non-interventionist behaviours are linked to sensing, seizing, and transforming, and which contextual factors shape their effectiveness. The study applies a systematic literature review methodology following PRISMA standards and a theory-testing and theory-extending review logic. A Boolean search across Scopus and Web of Science yielded 240 records, of which 70 peer-reviewed empirical and conceptual studies published between 2004 and 2026 form the final corpus. Findings were coded in NVivo 15 through a hybrid deductive–inductive strategy and synthesised across leadership psychology, organisational behaviour, and strategic management.

The thesis advances four interconnected theoretical contributions. The first is the demonstration that what the literature treats as a single construct aggregates at least three psychologically distinct forms of non-intervention: dysfunctional withdrawal, relationally induced disengagement, and strategic non-intervention. These forms are behaviourally identical yet differ in their self-, other-, and world-evaluative profiles. The second is the identification of follower attribution as the pivot mechanism through which behaviourally identical non-intervention is routed into enabling, suppressing, or null pathways. The third is the identification of a structurally asymmetric dual-pathway architecture. The enabling pathway operates through multiple distinct channels that vary by dynamic capability dimension, while the suppressing pathway operates through a single cascading chain. The fourth is the demonstration that boundary conditions at the follower, dyadic, and organisational–environmental levels operate multiplicatively, with the enabling pathway activating only when favourable conditions are present simultaneously across all three levels. Together, these findings reposition laissez-faire leadership from the bottom of the leadership range

to a context-sensitive instrument within the leader's adaptive repertoire, one that demands no less skill, judgment, or deliberation than the most active forms of leadership.

References

- Abukhait, R. – Khattak, M.N. – Shaya, N. – Ramanathan, U. (2023) The underlying mechanism between compulsory citizenship behaviours and employee innovative work behaviours and knowledge sharing: A moderated mediation model. *Frontiers in Psychology*, Vol. 14, 1128499.
- Adner, R. – Helfat, C.E. (2003) Corporate effects and dynamic managerial capabilities. *Strategic Management Journal*, Vol. 24 (10), 1011–1025.
- Afshar, M.S. – Soltaninejad, A.S. (2026) Reciprocal effects of audit managers' leadership styles and dysfunctional audit behaviour: Evidence from Iranian audit firms. *International Journal of Disclosure and Governance*, Vol. 23 (1).
- Ahmed Iqbal, Z. – Abid, G. – Arshad, M. – Ashfaq, F. – Athar, M.A. – Hassan, Q. (2021) Impact of authoritative and laissez-faire leadership on thriving at work: The moderating role of conscientiousness. *European Journal of Investigation in Health, Psychology and Education*, Vol. 11 (3), 667–685.
- Alaro, A.G. – Thuo, M.W. – Lodesso, S.L. (2025) Paradoxical effects of principals' leadership styles on school performance in government secondary schools in Wolaita Zone South Ethiopia. *Discover Education*, Vol. 4 (1), 536.
- Alharthi, F.B. (2026) The double-edged sword of laissez-faire leadership: How gender and trust shape faculty motivation. *Acta Psychologica*, Vol. 263, 106285.
- Ametefe, M.D. – Doe Ametefe, G.T. – Aloomo, A.G. – Itodo, I.J. (2024) Examining the effects of leadership styles on growth, profitability, and survival in northeastern Nigeria's bread-bakery sector. *The Journal of Private Enterprise*, Vol. 39 (3), 41–78.
- Amundsen, S. – Martinsen, Ø.L. (2014) Empowering leadership: Construct clarification, conceptualization, and validation of a new scale. *The Leadership Quarterly*, Vol. 25 (3), 487–511.
- Antonakis, J. – Avolio, B.J. – Sivasubramaniam, N. (2003) Context and leadership: An examination of the nine-factor full-range leadership theory using the Multifactor Leadership Questionnaire. *The Leadership Quarterly*, Vol. 14 (3), 261–295.
- Arun, K. (2017) Knowledge sharing in business organisations: Leadership role in knowledge sharing at Turkish enterprises. In: *Managing Knowledge Resources and Records in Modern Organisations*, ed. by P. Jain – N. Mnjama, 44–65. IGI Global, Hershey, PA.
- Awotunde, M.O. – Aregbeshola, R.A. (2025) Effect of leadership styles on entrepreneurship success: A comparative analysis. *Cogent Business & Management*, Vol. 12 (1), 2516176.
- Baig, S.A. – Iqbal, S. – Abrar, M. – Baig, I.A. – Amjad, F. – Zia-ur-Rehman, M. – Awan, M.U. (2021) Impact of leadership styles on employees' performance with moderating role of positive psychological capital. *Total Quality Management & Business Excellence*, Vol. 32 (9–10), 1085–1105.
- Bani-Melhem, A.J. – Khassawneh, O. – Abukhait, R.M. – Mohammad, T. – Bouchon, F. (2024) Passive leadership and hospitality frontline employees' creative performance in the UAE: The moderating role of job tenure and coworker help and support. *Journal of Human Resources in Hospitality & Tourism*, Vol. 23 (4), 592–618.
- Bani-Melhem, S. (2020) What mitigate and exacerbate the influences of customer incivility on frontline employee extra-role behaviour? *Journal of Hospitality and Tourism Management*, Vol. 44, 38–49.
- Bani-Melhem, S. – Abukhait, R. – Bourini, I.F. (2022) How and when does centralization affect the likelihood of passive leadership? *Leadership & Organization Development Journal*, Vol. 43 (4), 533–549.

- Bani-Melhem, S. – Abukhait, R.M. – Mohd Shamsudin, F. (2025) This doesn't make sense! Does illegitimate tasks affect innovative behaviour? *The Service Industries Journal*, Vol. 45 (1), 105–131.
- Bao, Y. – Zhang, Z. – Yang, C. (2025) A meta-analytic review of transformational leadership research in public administration. *The American Review of Public Administration*, Vol. 55 (2), 154–174.
- Barling, J. – Frone, M.R. (2017) If only my leader would just do *something*! Passive leadership undermines employee well-being through role stressors and psychological resource depletion: leadership. *Stress and Health*, Vol. 33 (3), 211–222.
- Bass, B.M. (1990) From transactional to transformational leadership: Learning to share the vision. *Organizational Dynamics*, Vol. 18 (3), 19–31.
- Bass, B.M. – Avolio, B.J. (1994) Transformational leadership and organisational culture. *International Journal of Public Administration*, Vol. 17 (3–4), 541–554.
- Bedoya, M.A. – Pérez-Sánchez, E. – Zapata, C. – Baier-Fuentes, H. – Hernandez-Sanchez, B. (2024) Entrepreneurial orientation and transformational leadership for the development of innovation capabilities. *Quality Innovation Prosperity*, Vol. 28 (1), 174–192.
- Berkovich, I. (2024) OCB saints and OCB sinners in schools: Effects of principals' leadership styles on teachers' motivation by OCB levels. *ECNU Review of Education*, 20965311241256354.
- Bernhard, F. – O'Driscoll, M.P. (2011) Psychological ownership in small family-owned businesses: Leadership style and nonfamily-employees' work attitudes and behaviours. *Group & Organization Management*, Vol. 36 (3), 345–384.
- Berraies, S. – Zine El Abidine, S. (2019) Do leadership styles promote ambidextrous innovation? Case of knowledge-intensive firms. *Journal of Knowledge Management*, Vol. 23 (5), 836–859.
- Bingham, C.B. – Eisenhardt, K.M. – Furr, N.R. (2007) What makes a process a capability? Heuristics, strategy, and effective capture of opportunities. *Strategic Entrepreneurship Journal*, Vol. 1 (1–2), 27–47.
- Bligh, M.C. – Kohles, J.C. – Yan, Q. (2018) Leading and learning to change: The role of leadership style and mindset in error learning and organisational change. *Journal of Change Management*, Vol. 18 (2), 116–141.
- Bohacova, K. – Heide, M. (2024) The silent potential: Coworkers' voicing in workplace meetings. *Corporate Communications: An International Journal*, Vol. 29 (7), 130–147.
- Bott, G. (2015) Thou shall not meddle: Exploring autonomy in the board-executive director relationship. In: *Studies in Public and Non-Profit Governance*, ed. by L. Gnan – A. Hinna – F. Monteduro, 57–83. Emerald Group Publishing Limited, Bingley, UK.
- Boukis, A. – Koritos, C. – Daunt, K.L. – Papastathopoulos, A. (2020) Effects of customer incivility on frontline employees and the moderating role of supervisor leadership style. *Tourism Management*, Vol. 77, 103997.
- Briker, R. – Walter, F. – Cole, M.S. (2020) The consequences of (not) seeing eye-to-eye about the past: The role of supervisor–team fit in past temporal focus for supervisors' leadership behaviour. *Journal of Organizational Behavior*, Vol. 41 (3), 244–262.
- Cardona-Cano, R. – López-Zapata, E. – Velez-Ocampo, J. (2024) Leadership styles, collaborative integrative behaviour and ambidexterity in university research groups. *The Learning Organization*, Vol. 31 (2), 185–204.
- Chen, X. – Zhu, Z. – Liu, J. (2021) Does a trusted leader always behave better? The relationship between leader feeling trusted by employees and benevolent and laissez-faire leadership behaviours. *Journal of Business Ethics*, Vol. 170 (3), 615–634.
- Chênevert, D. – Vandenberghe, C. – Tremblay, M. (2015) Multiple sources of support, affective commitment, and citizenship behaviours: The moderating role of passive leadership. *Personnel Review*, Vol. 44 (1), 69–90.

- Desgourdes, C. – Hasnaoui, J. – Umar, M. – Feliu, J.G. (2024) Decoding laissez-faire leadership: An in-depth study on its influence over employee autonomy and well-being at work. *International Entrepreneurship and Management Journal*, Vol. 20 (2), 1047–1065.
- Diebig, M. – Bormann, K.C. (2020) The dynamic relationship between laissez-faire leadership and day-level stress: A role theory perspective. *German Journal of Human Resource Management / Zeitschrift für Personalforschung*, Vol. 34 (3), 324–344.
- Diebig, M. – Bormann, K.C. – Rowold, J. (2016) A double-edged sword: Relationship between full-range leadership behaviours and followers' hair cortisol level. *The Leadership Quarterly*, Vol. 27 (4), 684–696.
- Ding, G. – Ren, X. – Lin, F. (2024) Adopting active or passive leadership in project-based organisations? The role of inclusive leadership in remote work environment. *International Journal of Project Management*, Vol. 42 (6), 102623.
- Doblinger, M. (2023) Autonomy and engagement in self-managing organisations: Exploring the relations with job crafting, error orientation and person-environment fit. *Frontiers in Psychology*, Vol. 14, 1198196.
- Dóci, E. – Stouten, J. – Hofmans, J. (2015) The cognitive-behavioural system of leadership: Cognitive antecedents of active and passive leadership behaviours. *Frontiers in Psychology*, Vol. 6, 1344.
- Donkor, F. – Dongmei, Z. – Sekyere, I. (2021) The mediating effects of organisational commitment on leadership styles and employee performance in SOEs in Ghana: A structural equation modeling analysis. *Sage Open*, Vol. 11 (2), 21582440211008894.
- Dubois, A. – Gadde, L.-E. (2002) Systematic combining: An abductive approach to case research. *Journal of Business Research*, Vol. 55 (7), 553–560.
- Edmondson, A. (1999) Psychological safety and learning behaviour in work teams. *Administrative Science Quarterly*, Vol. 44 (2), 350–383.
- Einarsen, S. – Aasland, M.S. – Skogstad, A. (2007) Destructive leadership behaviour: A definition and conceptual model. *The Leadership Quarterly*, Vol. 18 (3), 207–216.
- Eisenhardt, K.M. – Martin, J.A. (2000) Dynamic capabilities: What are they? *Strategic Management Journal*, Vol. 21 (10–11), 1105–1121.
- Elgoibar, P. – Ruiz-Palomino, P. – Gutierrez-Broncano, S. (2025) Laissez-faire leadership, trust in subordinates and problem-solving conflict management: A multigroup analysis across family and non-family businesses. *European Management Journal*, Vol. 43 (3), 466–480.
- Elmehdi, E. – Saad, L. – Bert, J. (2025) Adapting global business models to disruptive innovation and market dynamics: A framework for modern times. *Journal of Organizational Management Studies*, 1–17.
- Enworo, O.C. (2023) Application of Guba and Lincoln's parallel criteria to assess trustworthiness of qualitative research on indigenous social protection systems. *Qualitative Research Journal*, Vol. 23 (4), 372–384.
- Fan, X. – Wang, D. – Wang, F. – Kraimer, M.L. (2024) When leaders are forced to stay: The indirect effects of leaders' reluctant staying on subordinates' performance. *Journal of Organizational Behavior*, Vol. 45 (3), 459–476.
- Felin, T. – Foss, N.J. (2005) Strategic organisation: A field in search of micro-foundations. *Strategic Organization*, Vol. 3 (4), 441–455.
- Felin, T. – Foss, N.J. – Heimeriks, K.H. – Madsen, T.L. (2012) Microfoundations of routines and capabilities: Individuals, processes, and structure. *Journal of Management Studies*, Vol. 49 (8), 1351–1374.
- Felin, T. – Foss, N.J. – Ployhart, R.E. (2015) The microfoundations movement in strategy and organisation theory. *Academy of Management Annals*, Vol. 9 (1), 575–632.

- Fereday, J. – Muir-Cochrane, E. (2006) Demonstrating rigor using thematic analysis: A hybrid approach of inductive and deductive coding and theme development. *International Journal of Qualitative Methods*, Vol. 5 (1), 80–92.
- Foss, N.J. – Pedersen, T. (2016) Microfoundations in strategy research. *Strategic Management Journal*, Vol. 37 (13), E22–E34.
- Furtner, M.R. – Baldegger, U. – Rauthmann, J.F. (2013) Leading yourself and leading others: Linking self-leadership to transformational, transactional, and laissez-faire leadership. *European Journal of Work and Organizational Psychology*, Vol. 22 (4), 436–449.
- Gagné, M. – Deci, E.L. (2005) Self-determination theory and work motivation. *Journal of Organizational Behavior*, Vol. 26 (4), 331–362.
- Gavetti, G. (2005) Cognition and hierarchy: Rethinking the microfoundations of capabilities' development. *Organization Science*, Vol. 16 (6), 599–617.
- Gioia, D.A. – Corley, K.G. – Hamilton, A.L. (2013) Seeking qualitative rigor in inductive research: Notes on the Gioia methodology. *Organizational Research Methods*, Vol. 16 (1), 15–31.
- Glaas, S. – Pham, H. – Kuonath, A. – Frey, D. (2025) Thriving or withdrawing: How job crafting and disengagement shape responses to daily laissez-faire leadership. *Journal of Business and Psychology*, Vol. 40.
- Gough, D. (2013) Meta-narrative and realist reviews: Guidance, rules, publication standards and quality appraisal. *BMC Medicine*, Vol. 11 (1), 22.
- Greenhalgh, T. – Robert, G. – Macfarlane, F. – Bate, P. – Kyriakidou, O. – Peacock, R. (2005) Storylines of research in diffusion of innovation: A meta-narrative approach to systematic review. *Social Science & Medicine*, Vol. 61 (2), 417–430.
- Groulx, P. – Maisonneuve, F. – Harvey, J.-F. – Johnson, K.J. (2024) The ripple effect of strain in times of change: How manager emotional exhaustion affects team psychological safety and readiness to change. *Frontiers in Psychology*, Vol. 15, 1298104.
- Gupta, V. – MacMillan, I.C. – Surie, G. (2004) Entrepreneurial leadership: Developing and measuring a cross-cultural construct. *Journal of Business Venturing*, Vol. 19 (2), 241–260.
- Hasson, H. – Von Thiele Schwarz, U. – Tafvelin, S. (2019) Shared or different realities: Self–other agreement on constructive and passive leadership and employee outcomes. *Leadership & Organization Development Journal*, Vol. 41 (1), 37–51.
- Helfat, C.E. – Peteraf, M.A. (2015) Managerial cognitive capabilities and the microfoundations of dynamic capabilities. *Strategic Management Journal*, Vol. 36 (6), 831–850.
- Huang, J.Y.H. – Jiang, R. – Chang, J.Y.T. (2023) The effects of transformational and adaptive leadership on dynamic capabilities: Digital transformation projects. *Project Management Journal*, Vol. 54 (4), 428–446.
- Hughes, D.J. – Lee, A. – Tian, A.W. – Newman, A. – Legood, A. (2018) Leadership, creativity, and innovation: A critical review and practical recommendations. *The Leadership Quarterly*, Vol. 29 (5), 549–569.
- Hussain, A. – Franken, E. (2025) Laissez-faire leadership, red tape and the meaningful work paradox. *Australian Journal of Public Administration*, 1–20.
- Huy, Q. – Zott, C. (2019) Exploring the affective underpinnings of dynamic managerial capabilities: How managers' emotion regulation behaviours mobilize resources for their firms. *Strategic Management Journal*, Vol. 40 (1), 28–54.
- Izkovich, Y. – Heilbrunn, S. – Aleksic, A. (2020) Full range indeed? The forgotten dark side of leadership. *Journal of Management Development*, Vol. 39 (7/8), 851–868.
- Jiang, Y. – Chen, C.C. (2018) Integrating knowledge activities for team innovation: Effects of transformational leadership. *Journal of Management*, Vol. 44 (5), 1819–1847.
- Jin, J. – Men, L.R. (2026) How avoidant leadership style turns employees into adversaries: The impact of laissez-faire leadership on employee-organisation relationships and employee

- communicative behaviour. *International Journal of Business Communication*, Vol. 63 (2), 334–360.
- Judge, T.A. – Piccolo, R.F. (2004) Transformational and transactional leadership: A meta-analytic test of their relative validity. *Journal of Applied Psychology*, Vol. 89 (5), 755–768.
- Jung, D.I. – Sosik, J.J. (2002) Transformational leadership in work groups: The role of empowerment, cohesiveness, and collective-efficacy on perceived group performance. *Small Group Research*, Vol. 33 (3), 313–336.
- Kaiser, R.B. – Overfield, D.V. (2010) Assessing flexible leadership as a mastery of opposites. *Consulting Psychology Journal: Practice and Research*, Vol. 62 (2), 105–118.
- Kamal, F. – Ridwan, R. – Ali Rachman Puja Kesuma, T. (2024) Laissez-faire leadership: A comprehensive systematic review for effective education practices. *Journal of Education and Learning (EduLearn)*, Vol. 18 (4), 1460–1467.
- Kang, K. (2025) Impact of leadership styles on organisational agility within the technology industry: Case of the UK. *Entrepreneurship Research Journal*, Vol. 15 (4), 783–814.
- Kanwal, I. – Lodhi, R.N. – Kashif, M. (2019) Leadership styles and workplace ostracism among frontline employees. *Management Research Review*, Vol. 42 (8), 991–1013.
- Ketokivi, M. – Mantere, S. (2010) Two strategies for inductive reasoning in organisational research. *Academy of Management Review*, Vol. 35 (2), 315–333.
- Kuijpers, E. – Cameron, S. – Vullings, J.T. (2024) Is there power in letting go? An assessment of laissez-faire leadership research. In: *Research Handbook on Destructive Leadership*, ed. by B. Schyns – P. Neves – K. Breevaart, 95–114. Edward Elgar Publishing, Cheltenham, UK.
- Lee, A. – Willis, S. – Tian, A.W. (2018) Empowering leadership: A meta-analytic examination of incremental contribution, mediation, and moderation. *Journal of Organizational Behavior*, Vol. 39 (3), 306–325.
- Lee, H.W. – Chi, N.-W. – Kim, Y.J. – Lee, H. – Lin, S.-H. (Joanna) – Johnson, R.E. (2024) Leaders' responses to receipt of proactive helping: Integrating theories of approach–avoidance and challenge–hindrance. *Human Relations*, Vol. 77 (4), 560–590.
- Leonelli, S. (2024) Increasing organisational ambidexterity: The role of entrepreneurs' leadership styles and individual resilience. *Journal of International Entrepreneurship*, Vol. 22 (4), 433–463.
- Lewin, K. – Lippitt, R. – White, R.K. (1939) Patterns of aggressive behaviour in experimentally created "social climates." *The Journal of Social Psychology*, Vol. 10 (2), 269–299.
- Li, F. – Deng, H. – Leung, K. – Zhao, Y. (2017) Is perceived creativity-reward contingency good for creativity? The role of challenge and threat appraisals. *Human Resource Management*, Vol. 56 (4), 693–709.
- Lincoln, Y.S. – Guba, E.G. (1985) *Naturalistic inquiry*. Sage, Newbury Park, CA.
- Lincoln, Y.S. – Guba, E.G. (1986) But is it rigorous? Trustworthiness and authenticity in naturalistic evaluation. *New Directions for Program Evaluation*, Vol. 1986 (30), 73–84.
- London, M. – Sherman, G.D. (2021) Becoming a leader: Emergence of leadership style and identity. *Human Resource Development Review*, Vol. 20 (3), 322–344.
- Lopez-Cabrales, A. – Bornay-Barrachina, M. – Diaz-Fernandez, M. (2017) Leadership and dynamic capabilities: The role of HR systems. *Personnel Review*, Vol. 46 (2), 255–276.
- Luo, J. – Mu, X. – Zhang, Q. (2025) Is non-intervention feasible? How laissez-faire leadership moderates the relationship between AI usage and service employee empathetic creativity. *International Journal of Hospitality Management*, Vol. 126, 104074.
- Ly, B. – Ly, R. (2024) Technostress in times of change: Unveiling the impact of leadership styles in Cambodia's public organisations in the wake of COVID-19. *Cogent Business & Management*, Vol. 11 (1), 2331645.
- Mintzberg, H. (1979) *The structuring of organisations*. Prentice-Hall, Englewood Cliffs, NJ.

- Mubarak, N. – Khan, J. – Pesämaa, O. (2023) *Lord of the flies* in project-based organisations: The role of passive leadership on creativity and project success. *Project Management Journal*, Vol. 54 (5), 508–522.
- Mubarak, N. – Osmadi, A. – Khan, J. – Mahdiyar, A. – Riaz, A. (2021) What makes people hide knowledge? Influence of passive leadership and creative self-efficacy. *Frontiers in Psychology*, Vol. 12, 740880.
- Mubarak, N. – Salami, B. – Noor, S. (2025) The curse to project innovation; role of passive leadership. *IEEE Engineering Management Review*, 1–15.
- Nazarian, A. – Atkinson, P. – Foroudi, P. – Edirisinghe, D. (2021) Factors affecting organisational effectiveness in independent hotels – the case of Iran. *Journal of Hospitality and Tourism Management*, Vol. 46, 293–303.
- Newman, A. – Donohue, R. – Eva, N. (2017) Psychological safety: A systematic review of the literature. *Human Resource Management Review*, Vol. 27 (3), 521–535.
- Nielsen, M.B. – Skogstad, A. – Matthiesen, S.B. – Einarsen, S. (2016) The importance of a multidimensional and temporal design in research on leadership and workplace safety. *The Leadership Quarterly*, Vol. 27 (1), 142–155.
- Norris, K.R. – Ghahremani, H. – Lemoine, G.J. (2021) Is it laissez-faire leadership or delegation? A deeper examination of an over-simplified leadership phenomenon. *Journal of Leadership & Organizational Studies*, Vol. 28 (3), 322–339.
- Ntalakos, A. – Belias, D. – Koustelios, A. – Tsigilis, N. (2026) Beyond laissez-faire: Differentiating the relationship between the full range leadership model (FRLM) and employee well-being and effort in the Greek hotel sector. *Administrative Sciences*, Vol. 16 (1), 34.
- Oc, B. (2018) Contextual leadership: A systematic review of how contextual factors shape leadership and its outcomes. *The Leadership Quarterly*, Vol. 29 (1), 218–235.
- Oprea, B. – Miulescu, A. – Iliescu, D. (2022) Followers' job crafting: Relationships with full-range leadership model. *Current Psychology*, Vol. 41 (7), 4219–4230.
- Orlikowski, W.J. – Baroudi, J.J. (1991) Studying information technology in organisations: Research approaches and assumptions. *Information Systems Research*, Vol. 2 (1), 1–28.
- Page, M.J. – McKenzie, J.E. – Bossuyt, P.M. – Boutron, I. – Hoffmann, T.C. – Mulrow, C.D. – Shamseer, L. – Tetzlaff, J.M. – Akl, E.A. – Brennan, S.E. – Chou, R. – Glanville, J. – Grimshaw, J.M. – Hróbjartsson, A. – Lalu, M.M. – Li, T. – Loder, E.W. – Mayo-Wilson, E. – McDonald, S. – McGuinness, L.A. – Stewart, L.A. – Thomas, J. – Tricco, A.C. – Welch, V.A. – Whiting, P. – Moher, D. (2021) The PRISMA 2020 statement: An updated guideline for reporting systematic reviews. *BMJ*, n71.
- Peng, J. – Li, M. – Wang, Z. – Lin, Y. (2021) Transformational leadership and employees' reactions to organisational change: Evidence from a meta-analysis. *The Journal of Applied Behavioral Science*, Vol. 57 (3), 369–397.
- Perkins, B.G. – Ellis, A.P.J. – Mai, K.M. (2025) Suffering from their own passiveness: A leader-centric investigation of laissez-faire leadership. *Journal of Leadership Studies*, Vol. 19 (2), e70011.
- Pham, T.-H.-D. – Le, Q.H. – Ho, H. (2025) The impact of leadership behaviours on startup's entrepreneurship in Vietnamese southern areas in the time of COVID-19. *International Journal of Emerging Markets*, Vol. 20 (4), 1705–1727.
- Pichlak, M. (2021) The drivers of technological eco-innovation—dynamic capabilities and leadership. *Sustainability*, Vol. 13 (10), 5354.
- Raes, E. – Decuyper, S. – Lismont, B. – Van Den Bossche, P. – Kynndt, E. – Demeyere, S. – Dochy, F. (2013) Facilitating team learning through transformational leadership. *Instructional Science*, Vol. 41 (2), 287–305.
- Rao-Nicholson, R. – Khan, Z. – Akhtar, P. – Merchant, H. (2016) The impact of leadership on organisational ambidexterity and employee psychological safety in the global acquisitions of

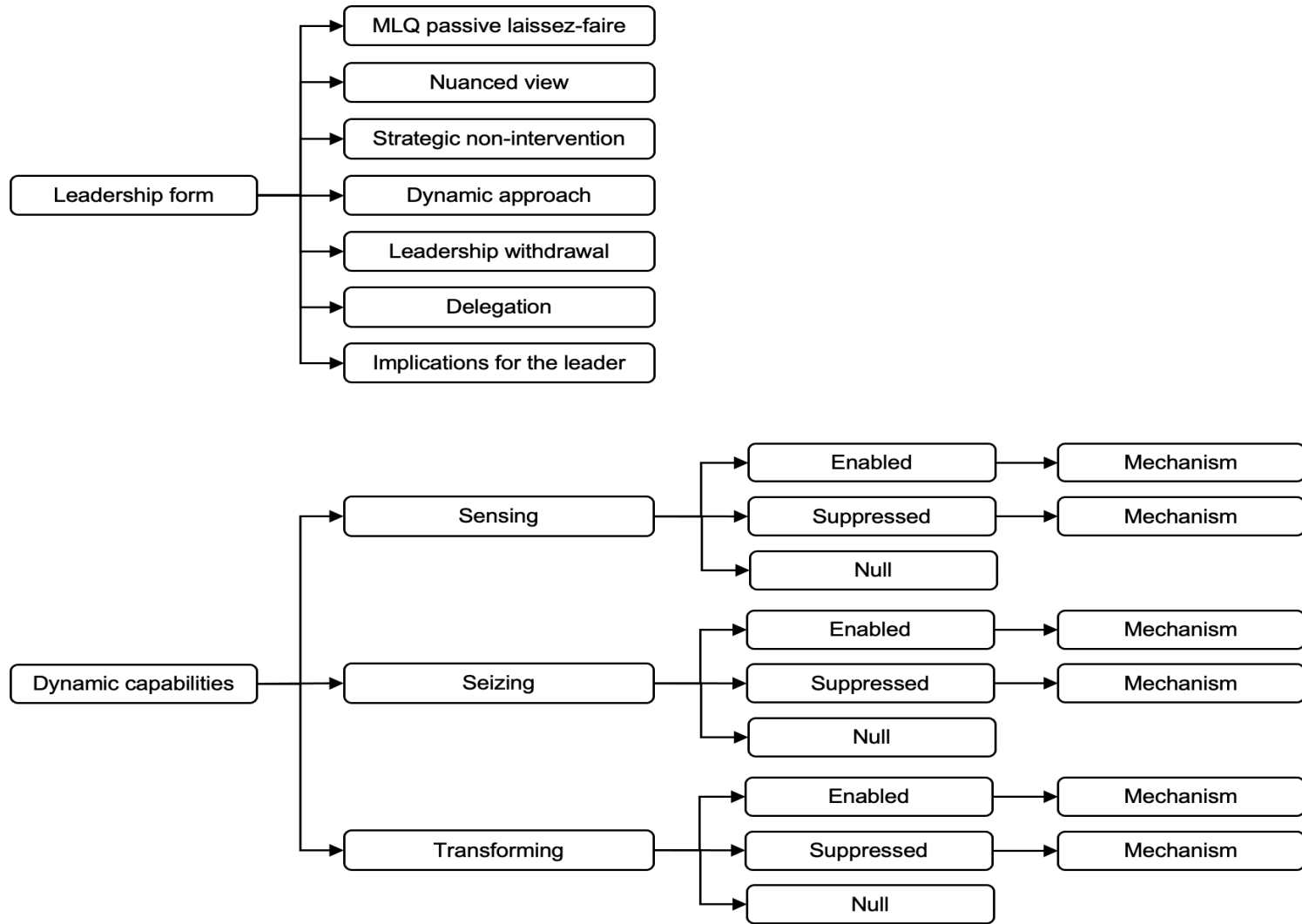
- emerging market multinationals. *The International Journal of Human Resource Management*, Vol. 27 (20), 2461–2487.
- Rassa, H.A. – Emeagwali, L. (2020) Laissez fair leadership role in organisational innovation: The mediating effect of organisation structure. *Management Science Letters*, Vol. 10 (6), 1457–1462.
- Robert, V. – Vandenberghe, C. (2021) Une analyse du leadership laissez-faire dans les organisations : le rôle des orientations d'objectifs des employés. *Psychologie du Travail et des Organisations*, Vol. 27 (3), 159–174.
- Ryan, J.C. – Tipu, S.A.A. (2013) Leadership effects on innovation propensity: A two-factor full range leadership model. *Journal of Business Research*, Vol. 66 (10), 2116–2129.
- Sauer, P.C. – Seuring, S. (2023) How to conduct systematic literature reviews in management research: A guide in 6 steps and 14 decisions. *Review of Managerial Science*, Vol. 17 (5), 1899–1933.
- Schoemaker, P.J.H. – Heaton, S. – Teece, D. (2018) Innovation, dynamic capabilities, and leadership. *California Management Review*, Vol. 61 (1), 15–42.
- Schriber, S. – Löwstedt, J. (2020) Reconsidering ordinary and dynamic capabilities in strategic change. *European Management Journal*, Vol. 38 (3), 377–387.
- Schuh, S.C. – Zhang, X. – Tian, P. (2013) For the good or the bad? Interactive effects of transformational leadership with moral and authoritarian leadership behaviours. *Journal of Business Ethics*, Vol. 116 (3), 629–640.
- Schwandt, T.A. – Lincoln, Y.S. – Guba, E.G. (2007) Judging interpretations: But is it rigorous? Trustworthiness and authenticity in naturalistic evaluation. *New Directions for Evaluation*, Vol. 2007 (114), 11–25.
- Seabra, S.N. – Pettigrew, A.M. – Swann, W.L. (2026) Dynamic capabilities in institutionalized public services: Managerial microfoundations and direct performance effects in English hospitals. *International Public Management Journal*, 1–24.
- Skogstad, A. – Einarsen, S. – Torsheim, T. – Aasland, M.S. – Hetland, H. (2007) The destructiveness of laissez-faire leadership behaviour. *Journal of Occupational Health Psychology*, Vol. 12 (1), 80–92.
- Stenling, A. – Tafvelin, S. – Bentzen, M. – Olafsen, A.H. (2025) Remote work intensity and individual work performance: Indirect effects through leadership behaviours and employee work motivation. *Journal of Management & Organization*, 1–19.
- Strugar Jelača, M. – Miličević, N. – Bjekić, R. – Petrov, V. (2020) The effects of environment uncertainty and leadership styles on organisational innovativeness. *Engineering Economics*, Vol. 31 (4), 472–486.
- Teece, D.J. (2007) Explicating dynamic capabilities: The nature and microfoundations of (sustainable) enterprise performance. *Strategic Management Journal*, Vol. 28 (13), 1319–1350.
- Teece, D.J. (2014) A dynamic capabilities-based entrepreneurial theory of the multinational enterprise. *Journal of International Business Studies*, Vol. 45 (1), 8–37.
- Teece, D.J. (2023) The evolution of the dynamic capabilities framework. In: *Artificiality and Sustainability in Entrepreneurship*, ed. by R. Adams – D. Grichnik – A. Pundziene – C. Volkmann, 113–129. Springer International Publishing, Cham.
- Teece, D.J. – Pisano, G. – Shuen, A. (1997) Dynamic capabilities and strategic management. *Strategic Management Journal*, Vol. 18 (7), 509–533.
- Thanh, N.H. – Quang, N.V. (2022) Transformational, transactional, laissez-faire leadership styles and employee engagement: Evidence from Vietnam's public sector. *Sage Open*, Vol. 12 (2), 21582440221094606.

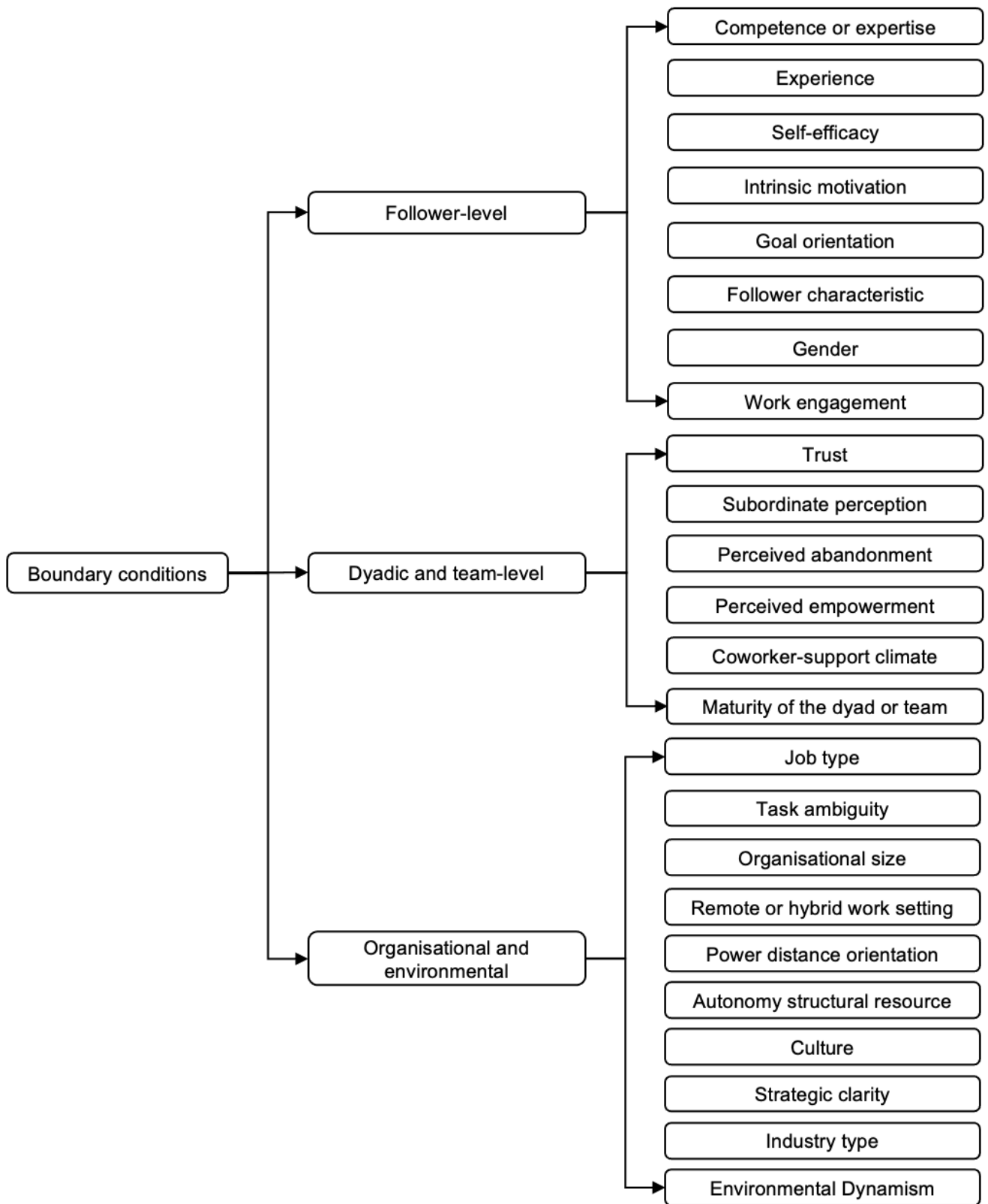
- Thanh, N.H. – Quang, N.V. – Anh, N.N. (2022) The relationship between leadership style and staff work engagement: An empirical analysis of the public sector in Vietnam. *Humanities and Social Sciences Communications*, Vol. 9 (1), 340.
- Timmermans, S. – Tavory, I. (2012) Theory construction in qualitative research: From grounded theory to abductive analysis. *Sociological Theory*, Vol. 30 (3), 167–186.
- Tranfield, D. – Denyer, D. – Smart, P. (2003) Towards a methodology for developing evidence-informed management knowledge by means of systematic review. *British Journal of Management*, Vol. 14 (3), 207–222.
- Tung, Y.-C. – Shih, C.-T. (2025) To lead or not? The role theory perspective on the moderating roles of transformational and laissez-faire leadership in shared leadership teams. *Asia Pacific Journal of Management*, Vol. 42 (2), 633–660.
- Vera, D. – Crossan, M. (2004) Strategic leadership and organisational learning. *The Academy of Management Review*, Vol. 29 (2), 222.
- Verhoef, P.C. – Broekhuizen, T. – Bart, Y. – Bhattacharya, A. – Qi Dong, J. – Fabian, N. – Haenlein, M. (2021) Digital transformation: A multidisciplinary reflection and research agenda. *Journal of Business Research*, Vol. 122, 889–901.
- Wamalwa, L.S. (2023) Transactional and transformational leadership styles, sensing, seizing, and configuration dynamic capabilities in Kenyan firms. *Journal of African Business*, Vol. 24 (3), 444–466.
- Wang, C.-H. – Liu, G.H.W. – Lee, N.C.-A. (2021) Effects of passive leadership in the digital age. *Frontiers in Psychology*, Vol. 12, 701047.
- Wang, Y. – Wang, X.-H. (Frank) – Guo, Z. (Alice) – Zhang, S. (Carrie) – Johnson, R.E. (2025) To be participative or laissez-faire? Supervisors' coping strategies to ego depletion depend on their power distance orientation. *Journal of Business Research*, Vol. 194, 115325.
- Webster, J. – Watson, R.T. (2002) Analyzing the past to prepare for the future: Writing a literature review. *MIS Quarterly*, Vol. 26 (2), xiii–xxiii.
- Weick, K.E. (1976) Educational organisations as loosely coupled systems. *Administrative Science Quarterly*, Vol. 21 (1), 1.
- Williams, R.I. – Clark, L.A. – Clark, W.R. – Raffo, D.M. (2021) Re-examining systematic literature review in management research: Additional benefits and execution protocols. *European Management Journal*, Vol. 39 (4), 521–533.
- Wilson, D.E. (2020) Moving toward democratic-transformational leadership in academic libraries. *Library Management*, Vol. 41 (8/9), 731–744.
- Winter, S.G. (2003) Understanding dynamic capabilities. *Strategic Management Journal*, Vol. 24 (10), 991–995.
- Wong, G. – Greenhalgh, T. – Westhorp, G. – Buckingham, J. – Pawson, R. (2013) RAMESES publication standards: Meta-narrative reviews. *BMC Medicine*, Vol. 11 (1), 20.
- Wong, S.I. – Giessner, S.R. (2018) The thin line between empowering and laissez-faire leadership: An expectancy-match perspective. *Journal of Management*, Vol. 44 (2), 757–783.
- Xiao, Y. – Watson, M. (2019) Guidance on conducting a systematic literature review. *Journal of Planning Education and Research*, Vol. 39 (1), 93–112.
- Xu, F. – Wang, X. (2019) Transactional leadership and dynamic capabilities: The mediating effect of regulatory focus. *Management Decision*, Vol. 57 (9), 2284–2306.
- Yan, Q. – Bligh, M.C. – Kohles, J.C. (2014) Absence makes the errors go longer: How leaders inhibit learning from errors. *Zeitschrift für Psychologie*, Vol. 222 (4), 233–245.
- Yang, I. (2015) Positive effects of laissez-faire leadership: Conceptual exploration. *Journal of Management Development*, Vol. 34 (10), 1246–1261.
- Yoon, J. – Jeong, Y. – Kim, M. (2023) Shared leadership, dynamic capability, and effectiveness in teams: The case of Korean firms. *Journal of Leadership Studies*, Vol. 16 (4), 4–21.

- Young, H.R. – Glerum, D.R. – Joseph, D.L. – McCord, M.A. (2021) A meta-analysis of transactional leadership and follower performance: Double-edged effects of LMX and empowerment. *Journal of Management*, Vol. 47 (5), 1255–1280.
- Yukl, G. – Mahsud, R. (2010) Why flexible and adaptive leadership is essential. *Consulting Psychology Journal: Practice and Research*, Vol. 62 (2), 81–93.
- Yun, S. – Cox, J. – Sims, H.P. (2006) The forgotten follower: A contingency model of leadership and follower self-leadership. *Journal of Managerial Psychology*, Vol. 21 (4), 374–388.
- Zabel, C. – O'Brien, D. (2024) Understanding dynamic capabilities in emerging technology markets: Antecedents, sequential nature, and impact on innovation performance in the extended reality industry. *European Journal of Innovation Management*, Vol. 27 (9), 305–336.
- Zaech, S. – Baldegger, U. (2017) Leadership in start-ups. *International Small Business Journal: Researching Entrepreneurship*, Vol. 35 (2), 157–177.
- Zhang, J. – Wang, Y. – Gao, F. (2023) The dark and bright side of laissez-faire leadership: Does subordinates' goal orientation make a difference? *Frontiers in Psychology*, Vol. 14, 1077357.
- Zheng, S. – Li, L. (2024) Navigating the double-edged sword: How and when laissez-faire leadership affects employees' challenging behaviour. *Acta Psychologica*, Vol. 250, 104549.
- Zhou, S.S. – Zhou, A.J. – Feng, J. – Jiang, S. (2019) Dynamic capabilities and organisational performance: The mediating role of innovation. *Journal of Management & Organization*, Vol. 25 (5), 731–747.
- Zhu, Y.-Q. – Kindarto, A. (2016) A garbage can model of government IT project failures in developing countries: The effects of leadership, decision structure and team competence. *Government Information Quarterly*, Vol. 33 (4), 629–637.
- Zollo, M. – Winter, S.G. (2002) Deliberate learning and the evolution of dynamic capabilities. *Organization Science*, Vol. 13 (3), 339–351.

Appendices

APPENDIX 1 CODING TREE





APPENDIX 2 CODE BOOK

Name	Sources	References
Boundary conditions	3	3
Dyadic and team level	0	0
Coworker-support climate	3	5
Maturity of the dyad or team or organisation	5	8
Perceived abandonment	4	5
Perceived empowerment or autonomy	10	11
Subordinate perception	17	26
Trust between subordinate and a leader	9	18
Follower-level	0	0
Competence or expertise	21	24
Experience	11	15
Follower characteristic	5	9
Gender	3	6
Goal orientation	4	9
Intrinsic Motivation	9	10
Self-efficacy	7	9
Work Engagement	2	3
Organisational and environmental	0	0
Autonomy structural resource	3	5
Culture	19	23
Environmental dynamism	5	7
Industry type	14	15
Job type	4	5
Organisational size	4	5
Power Distance Orientation (Value of decision)	1	1
Remote or hybrid work setting	1	1
Strategic clarity or goal clarity	4	7
Task ambiguity	6	9
Dynamic capabilities	6	8
Seizing	13	22
Enabled pathway	8	14
Mechanism	5	7
Null pathway	4	5
Suppressed pathway	12	14
Mechanism	8	10
Sensing	20	28
Enabled pathway	11	15
Mechanism	9	12
Null pathway	7	8
Suppressed pathway	14	16
Mechanism	10	14
Transforming	11	20
Enabled pathway	8	10
Mechanism	5	6
Null pathway	8	10
Suppressed pathway	11	19
Mechanism	8	13
Leadership form	7	10
Delegation	4	7
Dynamic approach to laissez-faire	13	20
Implications for the leader	5	11
Leadership withdrawal	6	10
MLQ passive laissez-faire	17	22
Nuanced view	26	41
Strategic non-intervention	24	37

APPENDIX 3 CLASSIFICATION MASTER SHEET

	Year	Method	Context	Country	Leadership operationalization	Level of analysis	DC mentioned	Direction of LFL finding	DC dimension informed
Abukhait et al. 2023	2023	Quantitative	Education	UAE	Passive-avoidant	Dyadic	No	Negative	Sensing
Afshar and Soltaninejad 2026	2026	Quantitative	Audit	Iran	MLQ	Individual	No	Conditional	SQ1 and boundary conditions
Al Balushi and Jamaludin 2025	2025	Quantitative	Mixed	Oman	MLQ	Individual	No	Positive	Sensing; Seizing
Alharthi 2026	2026	Quantitative	Education	Saudi Arabia	MLQ	Individual	No	Negative	Boundary conditions only
Alaro et al. 2025	2025	Mixed	Education	Ethiopia	LSQ	Individual	No	Positive	Sensing; Seizing
Ametefe et al. 2024	2024	Quantitative	SME	Nigeria	MLQ	Organisational	No	Null	Sensing; Seizing; Transforming
Arun 2017	2017	Quantitative	Manufacturing	Turkey	MLQ	Individual	No	Conditional	Sensing; Seizing
Awotunde and Aregbeshola 2025	2025	Mixed	SME	Nigeria	MLQ	Individual	No	Conditional	Boundary conditions only
Baig et al. 2021	2021	Quantitative	Textile	Pakistan	MLQ	Individual	No	Negative	Sensing
Bani-Melhem et al. 2025	2025	Quantitative	Public Sector	UAE	Passive-avoidant	Dyadic	No	Conditional	Sensing
Bani-Melhem 2020	2020	Quantitative	Hospitality	UAE	Passive-avoidant	Individual	No	Negative	Boundary conditions only
Bani-Melhem et al. 2022	2022	Quantitative	Public Sector	UAE	Passive-avoidant	Individual	No	Negative	Boundary conditions only
Bani-Melhem et al. 2024	2024	Quantitative	Hospitality	UAE	Passive-avoidant	Dyadic	No	Negative	Sensing
Berkovich 2024	2024	Quantitative	Education	Israel	MLQ	Individual	No	Positive	Sensing
Bernhard and O'Driscoll 2011	2011	Quantitative	Family business	German-speaking	MLQ	Individual	No	Negative	Seizing
Nielsen et al. 2016	2016	Quantitative	Petroleum	Norway	MLQ	Individual	No	Null	Sensing; Transforming
Bligh et al. 2018	2018	Quantitative	Mixed	Mixed	MLQ	Individual	No	Negative	Sensing; Transforming
Bohacova and Heide 2024	2024	Qualitative	Transportation	Sweden	Not Applicable	Individual	No	Positive	Seizing; Transforming
Bott 2015	2015	Qualitative	Mixed	Canada	Not Applicable	Dyadic	No	Positive	Seizing
Boukis et al. 2020	2020	Quantitative	Hospitality	UAE	Experimental scenario	Individual	No	Negative	SQ1 and boundary conditions

Briker et al. 2020	2020	Quantitative	Mixed	German-speaking	MLQ	Dyadic	No	Conditional	Sensing
Cardona-Cano et al. 2024	2024	Quantitative	Education	Colombia	MLQ	Team	No	Null	Sensing
Chen et al. 2021	2021	Mixed	Mixed	China	MLQ	Individual	No	Conditional	SQ1 only
Chênevert et al. 2015	2015	Quantitative	Healthcare	Canada	MLQ	Individual	No	Negative	Seizing
Desgourdes et al. 2024	2024	Quantitative	Mixed	France	MLQ	Individual	No	Positive	SQ1 only
Diebig et al. 2016	2016	Quantitative	Mixed	German-speaking	MLQ	Individual	No	Negative	Seizing
Ding et al. 2024	2024	Quantitative	POB	China	Strategic non-intervention	Individual	No	Conditional	Seizing
Dóci et al. 2015	2015	Conceptual	Not Applicable	Not Applicable	Not Applicable	Individual	No	Conceptual	SQ1 only
Donkor et al. 2021	2021	Quantitative	Governmental organisations	Ghana	MLQ	Individual	No	Positive	Seizing
Elgoibar et al. 2025	2025	Quantitative	Family business	Ecuador	MLQ	Individual	No	Positive	Transforming
Furtner et al. 2013	2013	Quantitative	Mixed	German-speaking	MLQ	Individual	No	Negative	SQ1 only
Glaas et al. 2025	2025	Quantitative	Mixed	Sweden	MLQ	Individual	No	Conditional	Sensing
Groulx et al. 2024	2024	Quantitative	Governmental organisations	Canada	MLQ	Team	No	Negative	Transforming
Thanh and Quang 2022a	2022	Quantitative	Public Sector	Vietnam	MLQ	Dyadic	No	Negative	Sensing; Seizing
Thanh et al. 2022b	2022	Quantitative	Public Sector	Vietnam	MLQ	Dyadic	No	Negative	Sensing; Seizing
Hasson et al. 2019	2019	Quantitative	Forestry	Sweden	MLQ	Dyadic	No	Conditional	Seizing
Hussain and Franken 2025	2025	Quantitative	Public Sector	Australia	MLQ	Individual	No	Conditional	Sensing
Iqbal et al. 2021	2021	Quantitative	Education	Pakistan	Strategic non-intervention	Individual	No	Conditional	Sensing
Itzkovich et al. 2020	2020	Conceptual	Not Applicable	Not Applicable	Strategic non-intervention	Organisational	Not Applicable	Positive	SQ1 only
Jelaca et al. 2020	2020	Quantitative	Not Applicable	Serbia	Not Applicable	Individual	No	Negative	Boundary conditions only
Jin and Men 2026	2026	Quantitative	Mixed	USA	Passive-avoidant	Individual	No	Negative	Sensing
Judge and Piccolo 2004	2004	Quantitative	Mixed	Not Applicable	Not Applicable	Organisational	No	Negative	SQ1 measurement critique
Kanwal et al. 2019	2019	Quantitative	Telecommunication	Pakistan	MLQ	Organisational	No	Negative	Sensing
Lee et al. 2023	2023	Quantitative	Mixed	Taiwan	MLQ	Individual	No	Conditional	SQ1 only

Leonelli 2024	2024	Quantitative	SME	Italy	MLQ	Individual	Yes	Positive	Seizing; Transforming
Luo et al. 2025	2025	Quantitative	AI	Mixed	MLQ	Individual	No	Negative	Sensing; Transforming
Ly and Ly 2024	2024	Quantitative	Public Sector	Cambodia	MLQ	Individual	No	Negative	Sensing; Transforming
Mubarak et al. 2021	2021	Quantitative	IT	Pakistan	MLQ	Dyadic	No	Negative	Sensing
Mubarak et al. 2023	2023	Quantitative	Project IT	Pakistan	MLQ	Team	No	Negative	Transforming
Mubarak et al. 2025	2025	Quantitative	Project IT	Pakistan	Passive-avoidant	Dyadic	No	Negative	Sensing; Seizing
Nazarian et al. 2021	2021	Quantitative	Hospitality	Iran	MLQ	Organisational	No	Positive	Transforming
Norris et al. 2021	2021	Quantitative	Healthcare	USA	MLQ	Dyadic	No	Null	Sensing
Ntalakos et al. 2026	2026	Quantitative	Hospitality	Greece	MLQ	Dyadic	No	Conditional	Seizing
Oprea et al. 2022	2022	Quantitative	Mixed	Romania	MLQ	Individual	No	Conditional	Sensing
Perkins et al. 2025	2025	Quantitative	Mixed	China	MLQ	Individual	No	Conditional	Sensing
Pham et al. 2025	2025	Quantitative	Start-up	Vietnam	MLQ	Organisational	No	Negative	Transforming
Raes et al. 2013	2013	Quantitative	Healthcare	Belgium	MLQ	Team	No	Positive	Sensing; Transforming
Rao et al. 2016	2016	Quantitative	Cross-border Aquisitions	India and China	MLQ	Organisational	No	Negative	Transforming
Ryan and Tipu 2013	2013	Quantitative	Mixed	Pakistan	MLQ	Individual	No	Positive	Sensing
Stenling et al. 2025	2025	Quantitative	Remote Work	Norway	MLQ	Individual	No	Positive	Sensing
Tung et al. 2025	2025	Quantitative	High Tech	Taiwan	MLQ	Team	No	Conditional	Transforming
Wang et al. 2021	2021	Quantitative	Social Media	Taiwan	MLQ	Dyadic	No	Negative	Seizing
Wang et al. 2025	2025	Quantitative	Mixed	China	MLQ	Dyadic	No	Negative	Seizing
Wong and Giessner 2018	2018	Quantitative	Manufacturing	Norway	MLQ	Dyadic	No	Conditional	Sensing; Seizing
Yan et al. 2014	2014	Quantitative	Mixed	USA	MLQ	Individual	No	Negative	Sensing
Yang 2015	2015	Conceptual	Not Applicable	Not Applicable	Strategic non- intervention	Organisational	No	Positive	Sensing; Seizing; Transforming
Zaech and Baldegger 2017	2016	Quantitative	Start-up	German- speaking	MLQ	Organisational	No	Positive	Seizing
Zhang et al. 2023	2023	Quantitative	Not Applicable	Not Applicable	MLQ	Individual	No	Conditional	Sensing
Zheng et al. 2024	2024	Quantitative	Hospitality	China	MLQ	Individual	No	Conditional	Sensing
Zhu et al. 2016	2016	Quantitative	IT	Indonesia	MLQ	Team	No	Negative	Sensing

APPENDIX 4 USE OF GENERATIVE ARTIFICIAL INTELLIGENCE

Declaration of the Use of Artificial Intelligence (AI)

In the creation of this thesis, I utilised generative artificial intelligence for several support tasks. The tools, their purpose, and the verification measures are detailed below. I confirm that I have used all AI tools with the necessary care and caution, have fully disclosed their use in accordance with university policy, and take full responsibility for all content presented in this thesis.

1. Tool: Scite AI (scite.ai)

Stage of Use: Ideation and Literature Review

Purpose of Use: I used Scite AI to explore how laissez-faire leadership and dynamic capabilities are discussed across the published literature, to support early ideation around the framing of the thesis, and as a referencing aid since DOIs are explicitly displayed alongside results.

Example Prompt (September 5, 2025): "How do recent studies conceptualise the laissez-faire leadership?"

Verification: Papers surfaced through Scite AI were retrieved in full, read independently, and assessed by me on their relevance to the theoretical background of the thesis. DOIs and citations were verified against the original source records before being added to the reference list. No text from the AI was used in the thesis itself.

2. Tool: Scopus AI (Elsevier)

Stage of Use: Ideation and Literature Search

Purpose of Use: I used Scopus AI to identify currently active research themes around laissez-faire leadership and dynamic capabilities, and to surface candidate research gaps that informed the framing of the research question.

Example Prompt (August 23, 2025): "What are currently discussed research themes in laissez-faire leadership, and where are the identified gaps?"

Verification: Suggested research gaps were treated as starting points only. Each candidate gap was tested through independent reading of the relevant literature; the gap that ultimately framed this thesis was identified and articulated through my own analysis of the corpus.

3. Tool: Anthropic Claude (Opus 4.6)

Stage of Use: Literature Review and Composition/Editing

Purpose of Use: I used Claude as an analytical sparring partner across the writing stage in four bounded ways: (a) feedback on logical flow within and between paragraphs in draft sections; (b) error finding in citations and the reference list, including authorship and year mismatches; (c) guidance on the structural logic of Boolean search strings used during corpus assembly; and (d) feedback on the visual representation of my figures, where the underlying theoretical architecture had been developed independently by me and Claude assisted only with how to display it more clearly.

Example Prompt (March 19, 2026): "Review this draft of Section 4.4 and flag paragraphs where the logical flow between ideas is weak."

Example Prompt (April 3, 2026): "Compare this list of in-text citations against this reference list and flag any mismatches in author names or year."

Example Prompt (March 29, 2026): "Here is my updated conceptual framework. Could you give me feedback as if you were a reader. Does it give you more understanding, and is the visual representation clear?"

Verification: All feedback was treated as input for my own judgement. Flow feedback was used to identify weak points in my own writing for me to revise and improve. Citation flags were verified against the original sources before any change was made. Boolean search strings were finalised by me to reflect the inclusion criteria documented in the methodology chapter. All figures in the thesis were created by me; visual feedback was evaluated against the underlying theoretical architecture, which originated with me, and suggestions that would have altered the substantive relationships between elements were rejected.