

# The Hierarchical Relationship as a Balance Between Authority, Trust, and Collaboration: A Strategic Lever for Organizational Performance

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**Abstract**— In contemporary organizations characterized by complexity, uncertainty, and continuous transformation, leadership can no longer be reduced to hierarchical authority or formal power. Instead, it emerges as a relational and interactive process in which authority, collaboration, trust, and professional rigor must coexist in a balanced manner. This article explores the central role of the leader–employee relationship as a fundamental driver of organizational performance, stability, and sustainability. The main research question guiding this study is: how can organizations establish and maintain an optimal balance between managerial authority and relational collaboration to enhance employee engagement and overall organizational performance? Drawing on theoretical foundations of leadership and management, and integrating recent empirical findings, this paper argues that an excessive emphasis on control generates resistance and disengagement, whereas excessive flexibility weakens structure, discipline, and accountability. Through a qualitative synthesis of the literature and a conceptual model, we demonstrate that a balanced leader–employee relationship—grounded in mutual trust, transparent communication, shared goals, and ethical conduct—generates not only economic value but also social and symbolic capital, thereby reinforcing cohesion, engagement, and resilience. The findings suggest that employees must be considered strategic partners rather than mere executors. By thoughtfully and ethically combining authority and collaboration, leaders can create a work environment conducive to sustainable performance, innovation, and long-term organizational development. This article contributes to leadership theory and offers practical implications for managers in small and medium-sized enterprises (SMEs) and beyond.

**Keywords**— Leader – employee – organization – hierarchical relationship – trust – collaboration – authority – SME leadership

## I. INTRODUCTION

Every organization, regardless of its size or sector, is built upon a structured human architecture organized around hierarchical relationships. At the heart of this architecture lies the relationship between the leader and their collaborators, which constitutes a major determinant of organizational performance, stability, and longevity. For a long time, this relationship was viewed strictly through the lens of authority and control. However, it is now undergoing profound change due to economic, social, and technological transformations [1]. Employee expectations have evolved, as have the demands placed on leaders, who are now expected to combine economic efficiency, social responsibility, and relational intelligence [2].

In this context, the hierarchical relationship can no longer be understood as a simple subordinate relationship. It now operates within a logic of interdependence, where the leader's formal authority must be articulated with trust, collaboration, and mutual recognition [3]. The quality of this relationship directly influences employee engagement, motivation, creativity, and ultimately, collective performance [4].

The central research question guiding this study is: how can organizations establish and maintain an optimal balance between managerial authority and relational collaboration to improve employee engagement and overall organizational performance? This question is particularly relevant in contexts where excessive control may generate resistance and disengagement, while excessive flexibility may weaken structure, discipline, and accountability [5].

Although previous research has examined leadership styles and employee outcomes separately, few studies have provided an integrated model of how authority, trust, and collaboration interact dynamically within the hierarchical relationship, especially in SMEs. This article addresses that gap by proposing a conceptual framework that articulates these three dimensions.

The article is structured as follows. Section 2 reviews the theoretical foundations of leadership and hierarchical relationships. Section 3 presents the conceptual model and methodological approach. Section 4 discusses the results and provides deeper interpretation. Section 5 concludes with theoretical contributions, practical implications, and future research directions.

## II. LITERATURE REVIEW AND THEORETICAL FOUNDATIONS

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### A. *The Role of the Leader in the Contemporary Organization*

The leader occupies a central position within the organization. They are both the guarantor of the strategic vision and the pilot of operational activities [6]. Their role consists of defining general orientations, making structuring decisions, and coordinating human and material resources to achieve set objectives. This decision-making function relies on analytical, anticipatory, and arbitration capabilities in an environment marked by uncertainty and complexity.

Beyond the strategic dimension, the leader is also a proximity actor, involved in the daily management of teams. They must ensure project follow-up, support collaborators, adapt the organization to technological changes, and respond to market constraints [7]. Their performance is inseparable from that of their employees: collective success determines the leader's individual success.

### B. *The Owner-Manager: A Distinct Figure of Leadership*

An important distinction must be made between the salaried manager and the owner-manager. The latter combines the roles of capital owner and operational manager, which gives their function increased complexity [8]. Very present in SMEs and entrepreneurial companies, the owner-manager engages both their financial resources, professional identity, and personal vision in the organizational project. This dual involvement requires a strong capacity for adaptation, constant vigilance regarding environmental changes, and intensive commitment to team management [9].

### C. *Essential Qualities and Skills of the Leader*

Effective leadership is not reduced to technical skills or a hierarchical position. It is based above all on human and ethical qualities that found the leader's legitimacy in the eyes of their collaborators [10]. Among these qualities are open-mindedness, which allows active listening and consideration of divergent points of view, as well as fair judgment, essential for establishing a climate of organizational justice. Tenacity and loyalty are also essential traits, particularly during periods of crisis or transformation [11]. Authenticity and benevolence reinforce leadership credibility by fostering sincere and respectful relationships with collaborators.

In addition to personal qualities, the leader must master a set of managerial skills to structure collective action. Human resource management, performance evaluation, strategic planning, and communication constitute the pillars of their action [12]. These skills are exercised in a logic of continuous support, based on observation, feedback, and progressive improvement of practices.

#### *D. Typology of Collaborators and Differentiated Management*

Collaborators do not form a homogeneous group. They differ in their attitudes, motivations, and behaviors toward authority [13]. Some adopt a constructive posture respectful of rules, while others show resistance, passivity, or sometimes aggressiveness. The leader is thus confronted with a plurality of profiles that they must identify and support.

Differentiated management consists of adapting managerial practices to the characteristics of each collaborator, without undermining organizational equity [14]. Valuing constructive profiles, firmly framing deviant behaviors, reassuring shy collaborators, or channeling dominant personalities are all daily challenges for the leader. This approach strengthens collective efficiency by limiting tensions and promoting complementarity of talents.

### III. CONCEPTUAL MODEL AND METHODOLOGY

#### *A. Proposed Conceptual Model*

Based on the literature reviewed in the previous section, we propose a conceptual model in which the leader–employee relationship is positioned as a mediating variable between leadership practices, specifically authority and collaboration, and key organizational outcomes, namely employee engagement and overall performance. Unlike traditional models that treat authority and collaboration as opposing or incompatible forces, our framework posits that they operate along a continuum and can be mutually reinforcing when mediated by an appropriate level of interpersonal trust. In this perspective, the leader–employee relationship is not merely a structural given but a dynamic and strategic lever that transforms managerial inputs into behavioral and performance-related outputs.

The first proposition of our model is that balanced authority, defined as a form of hierarchical power that is neither rigidly authoritarian nor completely absent, positively influences the development of trust between the leader and the employee. When authority is exercised with consistency, fairness, and transparency, employees perceive the leader as legitimate and predictable. This perception reduces uncertainty and fosters a sense of psychological safety, which is the primary condition for trust to emerge. In contrast, excessively rigid authority generates fear and resistance, while a complete lack of authority creates role ambiguity and relational chaos. In both extreme cases, trust cannot develop or sustain itself. Therefore, only a balanced form of authority—firm but fair, directive but open to dialogue—acts as a genuine antecedent to trust.

The second proposition of the model concerns the mediating role of trust in the relationship between authority and collaboration. Trust is not simply an outcome of balanced authority; it is the psychological mechanism through which authority becomes acceptable and even desirable to employees. When employees trust their leader, they no longer perceive authority as a threat to their autonomy but rather as a reliable framework within which they can act with confidence. This transformation is essential because collaboration requires voluntary engagement, information sharing, and mutual adjustment, none of which can be coerced through formal power alone. Trust thus mediates the transition from hierarchical authority to genuine collaboration. In other words, authority creates the conditions for trust, and trust enables collaboration to flourish.

Taken together, these four propositions form an integrated conceptual model in which the leader–employee relationship acts as the central mediating mechanism. Authority provides the structural foundation, trust serves as the relational bridge, and collaboration becomes the behavioral expression of a healthy hierarchy. Employee engagement and organizational performance are the ultimate outcomes, but they are not directly produced by authority or collaboration alone. Instead, they emerge from the quality of the relationship that connects them. This model has significant implications for both theory and practice, as it reframes leadership not as a set of isolated behaviors but as a relational process of continuous calibration between structure and flexibility, control and empowerment, direction and dialogue.

### B. Methodological Approach

This study adopts a qualitative synthesis approach combined with a conceptual development methodology. This hybrid approach is particularly appropriate for research questions that seek to integrate existing knowledge across disparate streams of literature while also generating new theoretical insights. Unlike purely empirical studies that collect primary data, our method focuses on the systematic extraction, comparison, and reinterpretation of findings from previously published research. The qualitative synthesis allows us to identify patterns, contradictions, and gaps that may not be visible within any single study, while the conceptual development component enables us to build an integrated model that addresses those gaps.

## IV. RESULTS AND DEEPER INTERPRETATION

### A. Key Findings from the Literature Synthesis

Our synthesis of recent studies (2015–2026) reveals several consistent findings:

TABLE I  
SYNTHESIS OF KEY FINDINGS FROM THE LITERATURE ON LEADER–EMPLOYEE RELATIONSHIPS (2015–2026)

Finding	Supporting Evidence	Interpretation
Authoritarian leadership reduces employee engagement	[5], [11], [16]	Control without trust generates resistance and turnover intention
Laissez-faire leadership leads to role ambiguity	[7], [14]	Lack of structure reduces accountability and performance
Trust mediates the authority–performance link	[3], [17], [18]	Authority is accepted when perceived as legitimate and consistent
Collaborative practices increase innovation	[4], [12], [19]	Psychological safety enables risk-taking and creativity
Owner-managers face unique relational challenges	[8], [9]	Identity fusion increases emotional intensity in conflicts

### B. The Dynamic Balance: Authority, Trust, and Collaboration

The results strongly suggest that the optimal leader–employee relationship is not a fixed state but a dynamic equilibrium. Figure 1 illustrates this equilibrium.

High authority + Low trust → Resistance, compliance without commitment

High authority + High trust → Engagement, discipline, respect

Low authority + High trust → Ambiguity, potential chaos

Low authority + Low trust → Anomie, disengagement, turnover

Fig. 1 Dynamic equilibrium model of the leader–employee relationship

The most effective zone is high authority combined with high trust, which corresponds to a “firm but fair” leadership style. In this zone, authority provides structure and direction, while trust provides psychological safety and motivation. Collaboration emerges naturally when both conditions are met.

### C. Deeper Interpretation: Why Balance Matters

The interaction between authority, trust, and collaboration can be understood through social exchange theory. Employees continuously evaluate the ratio between what they give (effort, loyalty, time) and what they receive (recognition, autonomy, fair treatment). When authority is exercised without trust, employees perceive an unbalanced exchange, leading to reduced effort or withdrawal. When trust is high but authority is weak, employees may feel unsupported or uncertain about expectations, which also reduces performance.

Moreover, our synthesis reveals that cultural and organizational context moderates this relationship. In SMEs, where owner-managers often have direct daily contact with employees, the relational dynamic is more intense and personal. This can amplify both positive and negative effects. In larger organizations, formal systems may partially compensate for relational deficits, but they cannot fully replace trust.

#### *D. Practical Results for Managers*

From a practical standpoint, the results of our conceptual model and literature synthesis indicate that leaders can significantly improve the quality of the hierarchical relationship by adopting a set of concrete, everyday behaviors. These behaviors are not abstract principles but actionable practices that directly address the three core dimensions of authority, trust, and collaboration. The following developments translate each of the five key recommendations into detailed managerial guidance.

First, leaders can improve the hierarchical relationship by clarifying expectations while remaining genuinely open to feedback. Clarity of expectations is a fundamental expression of balanced authority. When employees understand precisely what is expected of them in terms of objectives, procedures, and behavioral norms, they experience less role ambiguity and greater psychological safety. However, clarity must not become rigidity. Effective leaders present expectations as a clear framework, but they simultaneously invite employees to ask questions, express concerns, and suggest adjustments. This openness to feedback signals that authority is not arbitrary or unilateral but rather negotiated within boundaries. For example, a leader might define a sales target clearly but remain open to discussing the means and timeline with the team. This combination of clarity and receptivity reduces defensive behaviors and fosters a sense of mutual respect.

Second, leaders must enforce rules consistently without making arbitrary exceptions. Consistency is the behavioral cornerstone of trust. When employees observe that the same rule applies to everyone under the same circumstances, they perceive the leader as fair and predictable. Conversely, arbitrary exceptions—whether motivated by favoritism, mood, or convenience—destroy trust rapidly because they introduce unpredictability into the relationship. Consistent enforcement does not mean inflexibility; it means that any deviation from a rule must be justified by transparent, pre-established criteria and communicated clearly. For instance, if a deadline is relaxed for one employee due to a family emergency, the same accommodation should be available to others in comparable situations. Consistency transforms authority from a source of fear into a reliable structure that employees can navigate with confidence.

Third, leaders can strengthen the hierarchical relationship by recognizing contributions both publicly and privately. Recognition is one of the most powerful drivers of employee engagement because it satisfies the fundamental human need for appreciation and belonging. Public recognition, such as praising an employee during a team meeting or in a company-wide newsletter, validates the individual's contribution while also modeling desired behaviors for the entire team. Private recognition, such as a personalized thank-you note or a one-on-one acknowledgment, reinforces the relational bond without exposing the employee to potential peer jealousy. The key is sincerity and specificity. Generic praise like "good job" has little effect, whereas specific recognition such as "your analysis of the customer data allowed us to reduce response time by 20%" directly links contribution to impact. Leaders who recognize regularly and authentically build a reservoir of goodwill that sustains collaboration even during difficult periods.

Fourth, delegating meaningful tasks is a powerful way to signal trust and thereby reinforce the hierarchical relationship. Delegation is often misunderstood as simply offloading routine tasks. In reality, meaningful delegation involves entrusting employees with responsibilities that have genuine consequences for the team or organization. When a leader delegates a task that requires judgment, creativity, or accountability, they send an unmistakable signal: "I trust your competence and your integrity." This signal has a reciprocal effect. Employees who receive meaningful delegation tend to respond with increased effort, loyalty, and proactive behavior because they feel respected as partners rather than treated as mere executors. However, effective delegation requires preparation. The leader must provide the necessary resources, define the boundaries of decision-making authority, and offer support without micromanaging. Done well, delegation transforms the hierarchical relationship from one of supervision into one of enablement.

Fifth and finally, leaders can improve the hierarchical relationship by admitting their own mistakes openly. This behavior is often the most difficult for leaders because it requires vulnerability and a departure from the traditional image of the infallible manager. Yet admitting mistakes is one of the most effective ways to model

authenticity and psychological safety. When a leader says, "I made an error in that decision, and here is what I learned," they demonstrate that mistakes are not shameful failures but learning opportunities. This modeling has two powerful effects. First, it reduces employees' fear of making mistakes themselves, which in turn encourages innovation, experimentation, and honest reporting of problems. Second, it humanizes the leader, making them more approachable and trustworthy. Employees are far more willing to collaborate with a leader who acknowledges imperfection than with one who projects false certainty. Of course, mistake admission must be balanced with accountability. The leader should not use vulnerability as an excuse for repeated negligence. Instead, strategic and sincere admission of specific, consequential errors builds a culture where psychological safety and high standards coexist.

Taken together, these five practical behaviors form an integrated toolkit for leaders who wish to transform their hierarchical relationship from a source of tension into a strategic asset. Clarifying expectations provides structure. Consistent enforcement builds fairness. Recognition fuels motivation. Delegation signals trust. Admitting mistakes cultivates authenticity. None of these behaviors is difficult to understand, but all require consistent practice and emotional discipline. Leaders who master them will find that authority, trust, and collaboration no longer feel like competing demands but rather like mutually reinforcing dimensions of a healthy and high-performing organization.

## V. GENERAL CONTRIBUTIONS

### A. *Summary of Contributions*

In conclusion, the hierarchical relationship appears as a dynamic balance between authority, trust, and collaboration. Far from being contradictory, these dimensions mutually reinforce each other when articulated coherently and ethically. The leader, through their behavior, decisions, and management style, plays a determining role in the quality of this relationship.

This article makes three main contributions. First, it provides an integrated conceptual model that explicitly links authority, trust, and collaboration, whereas previous research often treated them separately. Second, it synthesizes recent empirical evidence (2015–2026) to show that balanced authority—neither rigid nor absent—maximizes employee engagement and performance. Third, it offers practical guidelines for owner-managers in SMEs, a context where hierarchical relationships are particularly impactful.

### B. *Generalizable Implications*

Considering collaborators as full partners, not merely as executors, constitutes an essential lever for sustainable performance. By establishing leadership based on recognition, responsibility, and dialogue, organizations can create an environment conducive to engagement, innovation, and long-term growth. These principles apply not only to SMEs but to any organization seeking to improve its human capital management.

### C. *Limitations and Future Research*

This study has limitations. The proposed model remains conceptual and requires empirical testing through quantitative surveys or longitudinal case studies. Future research should measure the three dimensions (authority, trust, collaboration) using validated scales and examine their interactions in different cultural and industrial contexts. Additionally, the specific role of digital transformation in reshaping hierarchical relationships warrants investigation.

### D. *Practical Recommendations*

Based on our findings, we recommend that organizations:

1. Train leaders in relational skills, not just technical management.
2. Implement regular trust audits (anonymous surveys on perceived fairness and psychological safety).
3. Design collaborative routines (daily stand-ups, retrospective meetings) that do not undermine clear authority structures.

4. For owner-managers: separate ownership identity from managerial authority to reduce emotional reactivity in conflicts.

## VI. CONCLUSIONS

This article set out to answer a central question: how can organizations establish and maintain an optimal balance between managerial authority and relational collaboration to enhance employee engagement and overall performance? Through a systematic synthesis of the literature published between 2015 and 2026 and the development of a conceptual model, we have shown that the leader–employee relationship is not a zero-sum game between control and freedom. Instead, it functions as a dynamic equilibrium in which authority, trust, and collaboration mutually reinforce each other when exercised with coherence, transparency, and ethical grounding.

The findings lead to several generalizable conclusions. First, authority is not inherently detrimental to collaboration. On the contrary, clearly structured and fairly exercised authority provides the psychological safety and role clarity necessary for trust to emerge. Second, trust acts as the critical mediator that transforms hierarchical power into legitimate influence. Without trust, authority generates compliance without commitment; with trust, authority becomes a foundation for empowerment. Third, collaboration is not the absence of hierarchy but its intelligent complement. It thrives when leaders set clear boundaries while actively inviting dialogue, recognition, and shared decision-making within those boundaries.

Finally, this research invites a paradigm shift: hierarchical relationships should no longer be viewed as structural constraints or necessary evils, but as strategic opportunities for building resilient, innovative, and humane organizations. When leaders treat employees as genuine partners in value creation, the hierarchical relationship becomes a source of sustainable competitive advantage.

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