**THE INFLUENCE OF LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE AT *UNITED AFRICA COMPANY PLC (UACN)***

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# ABSTRACT

Leadership contributes significantly to the management and profitability of an organization. The concept of proper leadership in any organization has been gaining popularity in most management research. Leadership entails a process of influencing others to achieve a common objective or goal. Due to increased competition resulting from globalization, firms should harness the power of effective leadership to gain and sustain competitive advantage. Good leadership provides a platform that motivates and empowers their workers to increase productivity, efficiency and service quality. While leadership has been a well understood concept, a lot of debate on traits, behaviors and the best leadership strategy still ranges on. Current leadership theory indicates that firms use transformational, transactional and *lassiez* *faire* leadership strategies. These studies do not indicate the best leadership style to use. Most of the leadership studies have not focused on Africa and most of them are generalizations from many companies. It is therefore important to carry out research on specific company and determine the impacts that leadership on organization performance. This study investigated the impacts of leadership on employee performance and perception at United African Company of Nigeria. A case study of this company was conducted using quantitative research methods. Samples of 150 employees were selected using simple stratified sampling and invited to participate in a survey. A close ended questionnaire was designed from validated tools on leadership such as Simon Oates, Podsakoff and Haris –Fomburn tools. The results indicate that UACN had adopted transactional leadership style as there system of leadership was based on reward, punishment and workers were required to focus on completing the rules and procedures given to them. The subordinates work relationship with their superiors was poor and this did not allow them to become innovative and improve their work. As such, there was no relationship between leadership and employee performance. In addition, the workers had developed a poor working relationship with the company and most had poor perception about the firm. The study found out transactional leadership style affected the workers perception about UACN. In culmination, leaders at UACN need to change their current style and adopt transformational leadership style.

# CHAPTER ONE

# INTRODUCTION

## 1.1 BACKGROUND OF THE STUDY

Leadership has been defined, constructed and explained in numerous ways. Northouse (2010, p3) defines leadership “*a process whereby an individual influences a group of individuals to achieve a common goal’.* It is also defined as the process of influencing others to understand what need to be done, how to do it and obtain commitment from employees on how to use collective efforts to achieve the shared organizational objectives (Yukl, 2006). Kotter (2012) on the other hand states that leadership is a change process through which people possessing the right traits create systems in organizations that are subsequently used by managers to advance the company.

 The concept of leadership is hard to understand and define clearly with most authors adopting different positions and arguments. Northhouse (2010) definition identifies four main leadership areas, these are (i) leadership as a process, (ii) ability to influence others to follow your idea, (iii) entails group context and lastly (iv), it leads to attainment of the stipulated goals. Northhouse (2010) definition therefore implies that leadership is a process which results to attainment of the intended goals. Though Northhouse definition is good and based on a review of various publications, it does not cover all attributes of leadership. Yukl (2006) defines leadership as the social influence process exercised by an individual to a group of people in order to structure their activities and relationships so as to achieve the intended goal. This definition reveals the need for a social process and its application in developing the structure activities and relationship among the group (Yukl, 2006).

Organizations are social units or groups devoted to the attainment of specific goals. They are necessarily bureaucratic in nature for the purpose of achieving orderliness and efficiency thereby encompassing all human behavior that is socially regulated (Grint, 2001). Elementary principles of organizing suggest that the members of a social group must adopt structures, processes and regulations to achieve its set goals. In the absence of these structures, they may fail to operate or fail to achieve the objectives for which the members or group came together in the first place (Smith and GJ Cronje, 2002).

Organizations require both leaders and managers for them to operate effectively. Scholars differentiate managerial role to those of leaders and emphasize that the distinction is imperative in achieving performance and efficiency in the firm. While leaders form the vision and strategy, managers make plans and budget as well as allocate resources. Whilst leaders align employees to the firm’s goals, managers organize and staff departments in accordance to policies (Northouse, 2010). While leaders inspire and motivate workers, managers control them and solve their problems. While leaders make changes, managers produces order and schedules which lead to consistency.

 With increased competition due to globalization and liberalization of most markets, the promotion of efficiency and good decision making process is imperative to the overall success of any firm (Bass and Bass, 2008). A large number of management scholars state that effective management of employee is imperative in enabling organizations meet their current and future functional requirement and satisfy customers (Patiar and Mia, 2009; Avolio et al., 2002; Wang et al., 2005). Leaders must therefore motivate, empower and lead their subordinates in order to increase productivity, efficiency and service quality to satisfy customers and meet the current market demands.

Modern leadership theories such as transactional and transformational leadership have direct impact on employee’s performance and the general productivity of a firm. Both transformation and transactional methods are significantly different but managers may use both. While transformation leaders are concerned with values, beliefs and ethics, transactional methods deal with power, position and politics (Bass and Bass, 2008). Transactional methods deals with short terms goals and focus on tactical issues while transformation deals with long term aspects and focus on mission and strategies. Transformation methods determine ways of developing new talents and redesigning jobs to improve them while the other form depends on human interaction and strive to fulfill employee expectation. While transactional leaders strive to maximize the return on investments and achieve effectiveness by getting the job done, the other form aligns the organizational structure to attain long term goals (Northouse, 2010).

Most studies documents that leadership style strongly correlates with a firm productivity, employee satisfaction as well as other non-financial benefits (Avolio et al., 2002; Wang et al., 2005). For example, studies by Detelin (2002) and Walumbwa et al. (2008) document that firms that use transformational leadership resulted to increased financial benefits, worker empowerment among other benefits. These studies also document that firms using transactional and Laissez-Faire leadership styles have low productivity, employee and customer satisfaction as compared to those using transformational leadership. However, the exact relationship between these factors still remains contentious among many scholars. While transformational leadership encourages employee empowerment, training and decision making, transactional methods are always inherent since organizations must have rules, rewards and punishment (Kotter (2012; Walumbwa et al. (2008). It is therefore imperative to conduct a detailed research on a specific industry to determine the type of leadership and how it moderates the firm and employee performance.

## 1.2 STATEMENT OF THE PROBLEM

 With the rapid increase in competition due to globalization and market liberalization, firms must adopt good leadership strategies that empower employees, increase their productivity and the company profitability. It is therefore imperative to study the current leadership styles and determine their actual relationship to performance and profitability. Previous literature indicates that both transactional and transformational leadership are favored by most managers (Northhouse 2010; Bass & Bass, 2008; Herold et al., 2008 and Patiar & Mia, 2009). Previous literature documents the importance and repercussion of both transformational and transactional leadership style. Transactional leadership is associated with reduced benefits, increased punishment and workers perform the job according to strict rules and procedures with reduced innovation and job improvement (Bass & Bass, 2008 and Northouse, 2010). Transformational leadership on the other had is touted to improve productivity (Arham and Muenjohn, 2012), job effectiveness (Gilley et al. (2009), financial and non-financial performance improvement (Gilley et al., 2009) and employee productivity (Avolio et al., 2002). While transformational style focuses on belief, values, motivations and ethics, transactional methods focus on getting the job done by stipulating rules, rewards and punishment. Most managers are unaware of the method to adopt and the expected benefits. Therefore, more research must be done to determine the current leadership strategy in organizations and its impacts to performance. Scholars and managers are unable to determine the most effective leadership method to apply.

While previous studies document the importance of adopting a good leadership style to increasing employee and organizational performance, few studies focus on African companies. Furthermore, most studies reviewed are generalizations from numerous companies. It is therefore imperative to carry out an in depth study on a selected company to determine leadership styles prevalent in African companies and their impacts on performance, employee empowerment and productivity.

## 1.3 OBJECTIVE OF THE STUDY

The main objective of this study is to evaluate the type of leadership style adopted by UACN and how this impacts on the employee performance, perception about UACN and productivity. The study will determine if the current leadership style affects the workers attitudes and how this impacts on performance. The specific objectives of this study are

1. To determine the current leadership style at UACN plc
2. To determine whether the leadership style at UACN affects employee performance, morale and empowerment
3. To determine the impact of leadership style at UACN on perceived organization reputation by employees

## 1.4 RESEARCH QUESTIONS

The following will serve as our research questions;

1. What is the leadership style at UACN plc (*transformational, transactional and Laissez-Faire*). The purpose of this study is to determine the impact of leadership style on employee performance. Therefore, it is imperative to determine the kind of leadership style adopted by UACN and subsequently, its impacts on employee performance.
2. Does leadership style affect employee’s performance, productivity, morale and empowerment in UACN plc? This research question determines the role of leadership style on employee performance and empowerment.
3. Does leadership style affect the perceived employee reputation of UACN plc? The perception of employee is imperative in determining their trust, morale, productivity and labor turnover. Employees with high regard about their company are likely to perform well. In this research, the reputation employee is affected by leadership style which in turn affects performance and productivity.

## 1.5 STATEMENT OF HYPOTHESIS

**HYPOTHESIS 1**

**HO:** Leadership style moderates employee’s performance, morale and empowerment in UACN plc. From the literature review, studies in other countries show a link between the type of leadership style on employee performance and motivation. This research investigates this concept at a more detailed level and focuses on a company located in Africa.

**H1:** Leadership styles do not moderate employee’s productivity, morale and empowerment at UACN plc

**HYPOTHESIS 2**

**HO:** Leadership style affects the employee’s reputation about the company Previous studies document the moderating role of leadership style in building employees trust and enabling them envision their future in the company. This research hypothesis will test whether leadership style at UACN affect their attitudes and perception.

**H1:** Leadership style does not affect the employee’s reputation about the company

## 1.6 SIGNIFICANCE OF THE STUDY

 The current study determines the type of leadership style adopted by a selected African company and how this affects employee performance. The results obtained in this study will be useful to corporate heads who can improve the current style so as to satisfy employee, reduce labor turnover and increase their productivity. The research will therefore enlighten managers on good leadership styles that improve employee’s productivity.

With increased competition for the current market, there is need to increase productivity and profitability. By determining the current leadership style at UACN and the causal link between leadership and a firm performance, managers will be enlightened on areas to make changes and the best leadership style to adopt.

## 1.7 SCOPE AND LIMITATIONS OF THE STUDY

This scope of this study will cover the leadership styles employed in an organization using UACN as a case study. It will determine the impact of leadership style at UACN on employee performance. The limitation of this study will be dictated by the availability of the material, money and time frame.

## 1.8 DEFINITION OF SOME CONCEPTS

**LEADERS: -** Are people that assume the position of leading others, he/she sets the pace while others follow (Business dictionary, 2015).

**ORGANIZATION: -** This is any organized body set up to achieve a planned objective (Business dictionary, 2015).

**INDUSTRIAL: -**This is associated with large production or mass production (Bruce, 2011)

**MOTIVATION: -** This is the process of inducing people i.e. workers, to perform better than they are already doing (Bruce, 2011).

WELFARE SERVICE: - They are incentives meant to gear up the worker, apart from the agreed sum (wage, salary) (Bruce, 2011).

# CHAPTER TWO

# LITERATURE REVIEW

## 2.1 LEADERSHIP IN ORGANIZATION

The concept of leadership is difficult and complex to define with many authors having contentions on the current definitions. Despite numerous studies based on leadership, its exact meaning and impacts on the organization still remains unclear. Grit (2004), states that leadership concept has four unclear issues. First is the process problem where scholars disagree on whether leadership traits are gained through study, social process and experience or they occur as personal traits that individuals are born with. Secondly, they disagree about the position problem where scholars argue on whether the leader plays managerial role or leads the team. Thirdly, scholars disagree on whether leaders exercise intentional and causal influence on other individuals or, they act on the prevailing situation. Lastly, researchers seem to disagree on whether leadership is an individual trait or possessed by a group. It is imperative to understand these concepts through practical evaluation of leadership style and its impacts to an organization. The current study seeks to enlighten the researchers and audience on the nature of leadership styles applied in UACN.

Though leadership is an intricate issue where researchers have different conceptualizations and perspectives, a number of themes are common to all. First and foremost, all scholars agree on two fundamental concepts; leadership as a process of influencing others and, leadership arise in groups and results to achievement of the shared goals and perspectives. This leads to five perspectives; (a) leadership as a process, (b) the ability to influence others, (c) leadership occur in a group, (d) leadership results to achievement of set goals and (e) goals and objectives are shared between group and leaders (Northhouse, 2010; Yukl, 2006 and Kelloway and Barling, 2010 ).

In terms of process, leadership is an interactive event through which people in positions of power systematically influence others to follow them. Though leadership is not preserved to those in managerial positions and can be exercised by any individuals, it is mainly exercised by those at positions of influence in an organization (Kelloway and Barling, 2010). The fact that leadership is a process means that everyone can access it and is not a preserve for those who are born with such traits. In terms of influence, leaders play an imperative role in directing others to achieve the organizational goals. Bosses must influence employee and peers. Influence is therefore a fundamental tenet to leadership (Northhouse, 2010). In terms of group, leadership works in clusters engaged in a common goal. For example, a leader may be in charge of 500 workers who he controls. Leadership leads to attainment of the set goals. They direct employees or groups to work and achieve the objective of the organization. For example, a football coach will lead players to achieve a trophy while an organization leader will guide employees to making the company more profitable. Leaders and their followers must share common objectives or goals. Lack of shared vision will definitely results to unfulfilled expectations.

## 2.2 LEADERSHIP CONCEPTS

**Leadership and management**

Leadership and management are two conflicting terms that have bugged scholars for a long time. Managers and leaders especially play different roles but there are obvious similarities. Though some researchers show obvious differences between leading and management, others have argued that this distinction is misleading.

Northouse (2010) argues that though both leadership and management influence employees towards meeting the organizational goals. Some aspects of management such as planning and staffing are obviously none leadership roles. Kotter (2012), in his pioneering work on differences between the two concepts noted that leadership copes with change while management copes with complexity. Kotter (2012), notes that these two phrases differ but complement each other. According to Kotter (2012), companies with poor leadership and strong management or those with good management and poor leadership will fail and this underscores the need for both aspects. Leaders create the strategic vision and goals for a firm, align employees to the strategic goals and vision as well as inspire workers to attaining these set objectives (Northouse, 2010).

Rowe (2001) states that managers make decisions that are predetermined by the organization and are deterministic during the decision making process while leaders make their own choices and believe that these choices will affect the firm positively. Managers are therefore seen as implementers rather that developers of strategies and objectives.

While leaders form the vision and strategy, managers make plans and budget as well as allocate resources. Whilst leaders align employees to the firm’s goals, managers organize and staff departments in accordance to policies (Northouse, 2010). While leaders inspire and motivate workers, managers control them and solve their problems. While leaders make changes, managers produces order and schedules which lead to consistency.

Researchers however point out that bipolar representation of people as managers and leadership is confusing (Mintzberg, 2004). Leaders when formulating their objectives must check whether there are people and systems to implement these goals. In addition, most leaders are in managerial positions and exercise power on employees. Mintzberg (2011) list the major roles of a manager, of which, leadership is one of the critical role. He states that scholars should not entirely focus on leadership and forget the imperative management role.

## 2.3 LEADERSHIP THEORIES AND CONCEPTS

Leadership theories have played an important role in shaping the current education and practical approach to leadership. Whilst this dissertation investigates the impacts of leadership in an organization, it is imperative to note the foundations of the leadership concept which act as a guiding principle in linking performance to leadership. These theories formed an important part in understanding the current leadership strategy and it moderating factor of performance. These theories were also used to determine the different leadership construct during the survey. There is a chronological order in development of these concepts but most are still relevant in modern time. These main theories include:

***Leadership trait theory***

This was the first theory developed in 1940 and 1950’s. It presumes that leaders have certain inherent traits and characteristics which distinguish them from others. Reviews have been conducted on numerous studies on leadership traits between 1970 to date. These studies document characteristics of effective leaders and therefore form the basis of establishing good leadership traits (Northouse, 2010). These include: responsibility, task completion, good interpersonal skills, self-confidence, determination to achieve the expected outcome, copping with failure, problem solving, personal identity, accountability for actions taken and personality traits. Yukl (2010) argues that while this theory is applicable, it is oversimplified and based on reductionist philosophy. The fact that an individual has the necessary traits does not mean that they will use them in different areas. In addition, no study has formulated a set of universal traits for leaders (Yukl, 2010).

***Behavioral theory***

This was developed in 1950’s as an improvement to the trait theory. It is based on behaviors and actions that leaders should have (Den Hartog and Koopman, 2001). This theory purports that there are two types of behaviors that manager’s exhibit. Task and human behavior centered leaders. First, leaders may develop good relationships and two way communication with employees. On the contrary, leaders who exhibit initiating structure behavior focus on planning and allocating roles to workers. Task based leaders have a negative view of employees and believe in coercion and control for work to be done. Leaders must balance the two behaviors. The main limitation for this theory is that its lacks to identify the relationship between work, behavior and tasks. This theory also states that task and relationship centered leaders are most effective. However, leaders who center more on employee’s satisfaction cannot push them to meet deadlines (Bass and Bass, 2008). For complex tasks, leaders must provide task direction and be supportive to them. However, simple tasks don’t require leadership roles (Northhouse, 2010)

**Contingency theory**

They comprise a number of theories developed in 1960 and 1970’s. These theory purport that leadership is a context based phenomena and different styles are required for varying situations (Yukl, 2010). The two main theories in this category are least preferred coworker contingency (LPC) and path –goal theory. LPC deals with leader behavior in three different situations, leader –member relations, task structure and position power. Three different situations, classified in terms of favorableness arise. (i) favorable- where tasks are well defined and leaders have great power, (ii) moderate favorable-where there is low task structure and positional authority or vice versa and (iii) unfavorable situation- where there are poor leadership to worker relation, total lack of task structure and weak positional authority (Northouse, 2010). The path –goal theory on the other hand focuses on way through which a leader influences. Leaders play an important role in motivating the supporting the employee. Based on this theory, an individual level of effort depends on the possibility that the task will be successful and little negative consequences are expected. Based on the path goal theory, Yukl (2010) defines four types of leadership, (i)supportive leadership where leaders show concern to employees welfare, (ii)directive leadership where leaders schedule and organize task to employee and expect them follow guidelines and rules to accomplish them,(iii) participative leadership where leaders consult with workers in decision making process and (iv) achievement based leadership where high performance standards are set and subordinate achieve them(Yukl, 2010). This theory is imperative in understanding how leaders behave in different situations. However in an intricate and fast paced business world, it is impossible for managers to determine which method to apply.

***Power influence theories***

These theories evaluate how leaders influence their employees. Northhouse (2010) documents two main theories in this category: transformational and transactional leadership.

Transformational leadership entails way through which leaders and employees work with one another and build high motivation and morality levels. Using this model, leaders inspire workers. This model transforms peoples mind, heart, vision and understanding in relation to beliefs and values of the organization so as to bring change. Bass and Bass (2008) study asked 70 senior managers to identify way which a leader had inspired them. The results indicate four main classes of this type of leadership; these are influence, individual consideration, motivation and intellectual stimulation. These factors manifest themselves in terms of motivating employees to attain their goals, encouraging employees to be innovative and discover new ways, articulating the mission and vision to employees so that they follow them and ability of leaders to listen and act on subordinate need (Bass and Bass, 2008).

 Transactional leadership, on the other hand deals with three main aspects; reward, passive and active management by exception. In the reward system, leaders and their employees agree on the work package, expected compensation and reward system if the workers perform exceptionally (Bass and Bass, 2008). Punishments are also defined for failure to meet required expectations. Management by exception determines the extent to which a leader intervenes in order to correct a given situation. Active management entails monitoring workers to ensure that they adhere with standards and rules. Passive methods are more reactive and involve leaders intervening when a problem has already occurred.

Both transformation and transactional methods are significantly different but managers may have both traits. While transformation leaders are concerned with values, beliefs and ethics, transactional methods deal with power, position and politics. Transactional methods deals with short terms goals and focus on tactical issues while transformation deals with long term aspects and focus on mission and strategies. Transformation methods determine ways of developing new talents and redesigning jobs to improve them while the other form depends on human interaction and strive to fulfill employee expectation. While transactional leaders strive to maximize the return on investments and achieve effectiveness by getting the job done, the other form aligns the organizational structure to attain long term goals.

## 2.4 TYPES OF LEADERSHIP STYLES

 Different types of leadership styles have continued to emerge since 1940 when leadership style theories were proposed in university of Ohio. An analysis of literature reveals the main styles as

***Autocratic leadership style***

 This type of leadership method focuses on getting the job done and has limited emphasis on the people. According to Bass and Bass (2008), this type of leadership is authoritarian in nature and a leader assumes that workers are lazy, not responsible and cannot be trusted. These leaders cannot leave employees to handle delicate company tasks such as planning, organizing and controlling. The leaders depend on power and position at the company to force employees to perform duties. It is centered on already established systems, structures and procedures that must be followed to the letter. This method is good for employees who require close supervision.

***Participative leadership***

 This is a leadership style where views and input from subordinates are valued. According to Choi (2007), this type of leadership is democratic and results to sharing of ideas and greater interaction. Such leaders believe that employees can be trusted and are self-motivated. Researchers indicate that this type of leadership promotes the employee morale, increases productivity, satisfaction and cooperation among the staff. However, other researchers argue that this style of leadership result to lengthy debates especially from subordinates who may be unqualified (Denhardt and Denhardt, 2003).

**Laissez-Faire leadership**

 This is a type of leadership where performance and people are not the main issues. The leader assumes that employees are unpredictable and not controllable. Goals and objectives are established when required. Roles are assigned to subordinates who are deemed by the leader as being capable of handling that task. There is greater supervision which increases cost as well as lack of general planning and production control.

***Transactional leadership***

 The leadership is based on rewards and punishment. This is discussed in the leadership theories section.

***Transformational leadership***

 This type of leadership depends on the management and employees working together to achieve the required goals. This style is discussed under leadership theories section.

## 2.5 IMPACTS OF LEADERSHIP ON ORGANIZATION PERFORMANCE

Many scholars underscore the role of leadership in enabling the organizations attain the set objectives. It is one of the most researched issues in business studies. With the rapid changing world, increased competition and globalization, organizations must adopt good and effective leadership methods to achieve the set goals and objectives. Various authors document that leadership is not only imperative to organizations and individuals but also to nations and economic regions.

Various constructs are used by researchers to investigate the role of leadership on performance. At an individual level, good leaderships are increased productivity, increased employee competencies and skills, increased self-awareness and communication as well as strategic thinking. At a group level, there is change in productivity, increased motivation and team work. Other measures at a group level include reduced labor turnover – number of employees leaving the organization, increased employee participation and accountability. The third level entails organization level where impacts such as increased profits, reduction in wastage, customer satisfaction, new product and service development, employee satisfaction level, supplier satisfaction among other measures.

Herold et al.(2008) examined the role of transformational leadership in implementing change in an organization. This study found out that this type of leadership had great impact on change process as compared to change specific leadership methods. Gilley et al. (2009) documents that effective leadership is positively associated with organization change. In their study, a number of variables were used to assess the effectiveness of a leader and how this relates to motivation and commitment to change among employees.

While Gilley et al.(2009) and Herold et al.(2008) researches underscores the role of leadership on change, they fail to articulate other roles of leadership in facilitating this change. For workers to adopt to change, they must be motivated and have trust in the company. The current research therefore seeks to understand the impact of leadership on employee reputation which in turn enables them trust their leadership and become motivated to perform better and effect positive change. Arham and Muenjohn (2012) examined the relationship between leadership behavior and an organizations performance in small and medium enterprises (SME). The results show that both transactional and transformative behaviors have different outcomes on the company performance (Arham and Muenjohn, 2012). In addition, the study found out that entrepreneurial orientation mediated the type of leadership behavior which in turn affected performance. While this study shows the relationship between leadership style and company performance, it does not show the role of employees in influencing the overall performance of the company. For a company to perform well, the human labor must be effectively managed and this call for effective leadership. This research therefore assumes the moderating role of employee’s performance to achieving the final goal of the company. This current research sought to bridge the gap in this study by determining the role leadership on employee’s performance.

Patiar and Mia (2009) examined the role of transformational leadership style to performance of luxury hotel in Australia. To measure performance, both financial and non-financial factors, market competition and other factors were used to evaluate the hotel performance. A survey was used to collect data from managers in 56 hotels. The results indicate that transformative leadership was strongly correlated to non-financial performance which in turn affected the financial performance while there was no relation between market competition and leadership style. This research documents a cohort study in many hotels that results to generalizations. While such generalizations are useful in development of a theory, they may fail to apply to individual companies. The current research investigates the impacts of leadership style on employee performance at a specific company.

Most studies on organizational performance and productivity indicate that there exists a positive correlation between the two. These studies are however carried out in a number of organization and do not capture the impact on a specific company. The reviewed studies do not link factors which affect short and long term growth of company and most dwell on performance and productivity.

## 2.6 IMPACT OF LEADERSHIP ON EMPLOYEE PRODUCTIVITY, CREATIVITY AND SATISFACTION

 Avolio et al. (2002) examined the impact of transformational leadership style on the subordinate development and performance. One group of 54 leaders was trained while the control group was not. The trained leaders had 90 direct and 724 indirect employees. The results indicate that there was a great positive impact on direct and indirect employee’s performance as compared to the control group. The main limitations of this research are that it focuses on transformational leadership construct and suppresses transactional leadership traits that may exist in the group. The research was done after the training on transformational leadership and may therefore not yield conclusive results. Transactional leadership style may have positive impacts in some cases since it focuses on getting the job done. Therefore, positive performance by employees is not fully linked to transformational leadership style.

Menges, et al. (2011) study examined the role of transformational leadership style in enhancing task performance, creating a trust climate and creating citizen behavior among subordinates. The study carried out a survey on 18, 094 employees drawn from 158 companies. The results show that transformational leadership moderated the impact of employee productivity, created a high trust climate and indirectly modulated workers citizen behavior. While this research provides a generalization due to correcting data from diverse sources; there is need to perform a case study on specific company so as to get in depth understanding on the role of leadership on employee performance. The study did not have a control group and did not compare the employee performance in companies using transactional and *Laissez-Faire* leadership style.Therefore, the current research will establish the type of leadership style and impacts of employee performance and perception at a specific company. The current research will therefore provide a more practical and rich source of information as compared to the current study.

 Somech (2006) investigated the role of leadership style on performance and innovation in heterogeneous teams. The study comprised of 136 primary care teams. The study found out that participative leadership was positively associated with increased innovation among the team but this type of leadership is associated with reduce role performance.

Detelin (2002) conducted a comparative analysis on the impact of transformational and transactional leadership behaviors on employee performance in Russian companies. The results indicate that transformational leadership played a great role in moderating employee’s performance and innovation as compared to transactional leadership. Transformational leadership was also found to positively affect team work and cohesiveness. Detelin (2002) study investigated the impacts of power influence theory from a broad perspective as data is collected from many firms. The main limitation of this study was that it focused on a particular country and the results cannot be generalized. This study also singles out on performance and precludes other aspects such as trust, employee perception and attitudes towards the firm.

Another study to compare these two types of leadership was carried out by Judge and Piccolo (2004). In this study, a meta-analyses of transformational, transactional and laissez –faire leadership were investigated with a sample of 626 employees from 87 different sources. The reward style was ranked first with a correlation of 0.39 followed by laissez- faire (0.37). Transformational leadership was found to have strong correlation with reward system (0.80) while laissez-faire leadership had a negative correlation (-0.65). The study indicates that transformational leadership style had strong moderating factor on reward system. The main limitations of this study is the focus on not on determining the impacts of leadership style but rather, the effects of leadership on reward system. while the study shows a positive relationship between transformational and transactional leadership on motivation, it does not link these styles to performance and attitudes that workers have.

Walumbwa et al. (2008) examined how transformational leadership directly or indirectly affects supervisor’s performance. The study involved 437 participants from six banking institutions. The results indicate that this type of leadership affect performance and is moderated by self-efficacy. While this study adopted a more holistic view of the problem in many organizations, the current research singled out one company and yielded more conclusive results.

Clark, Hartline and Jones (2008) investigated the effects of the leadership style on the frontline employee’s performance. The research showed that managers with good service quality inspired their workers and created a transformation culture in the firm. This enabled the employees to understand organization values and culture get satisfied with their jobs and satisfy hotel customers. However, this research fails to identify other pertinent issues such as employee’s attitudes, trust and labor turnover. The current study addressed these issues.

 Another similar study was conducted by Gong et al (2009) who examined the relationship between employees’ creativity and transformational leadership. This study links the impacts of transformational leadership in promoting employees to study, become creative and achieve self-efficacy. The results indicate that managers using this type of leadership motivated employees to learn and this subsequently resulted to increased employee creativity as well as better management strategies. While this research is informative, it does not investigate the role of leadership style in fostering high employee’s performance and creating a good reputation of the firm by employees.

Gumusluoglu and Arzu (2009) examined the role of transformational leadership in increasing the subordinate innovation and creativity at an individual level. They conducted a survey with 163 research and design personnel drawn from 43 small and micro enterprises (SME), the regression analysis results show that strong positive relation between this type of leadership and creativity. A study conducted by Zhang and Bartol (2010) used a questionnaire to collect data from a large information technology firm. This study sought to link the impact of leader’s empowerment role on employee creativity. These researchers found out that empowerment role moderated the relationship between empowerment leadership and psychological employee behavior. The study also found out that leaders who encourage their employees boost their performance and creativity (Zhang and Bartol, 2010). Most studies investigated the role of leadership in four main level of creativity, these are (i) the role of leaders in ensuring creativity at an individual level and their relationship with other workers (Shin and Zhou, 2003), (ii) the role of leaders in promoting the creativity at a group level and lastly, (iii), at an organizational level (Avolio et al. 2002). These studies show the close positive relationship between type of leadership style and employee performance, but fail to link with other leadership styles. These studies document the positive aspects of transformational leadership styles and fail to consider other firms that operate using other styles. In addition, the concept of employee trust and perception about the firm is not well elaborated. Generally, when employees have good perception about the current and future prospects of the company, they are likely to work hard, establish their careers around the company and reduce the labor turnover. This study focused on two main issues; employees’ performance and perception about the company

Wang et al. (2005) examined the relationship between transformation leadership and worker performance as well as citizen behavior. Samples of 162 respondents were selected from firms operating in China. The results indicate that this type of leadership style mediated employee performance and also motivated them to adopt good organizational culture. Neubert et al. (2008) investigated the relationship between leadership and employee performance. This study used a national sample of 250 employees who were invited to fill questionnaires two times. The first instance investigated the role of initiating structure leadership on performance while the second survey determined the role of servant leadership on performance. The results indicate that different leadership styles resulted to disparate results from these employees.

Another study focused on determining the effects of self-management and dispersed leadership on improving employee creativity and productivity. A total of 104 questionnaires were issued to employees involved in self-management activities. Regression and correlation studies were then carried out on the corrected data. The results showed that leader plays an imperative role in providing a context for creativity and productivity and that dispersed leadership was important in creating and atmosphere for productivity (Politis, 2005).

Leadership was also found to significantly affect job satisfaction among employees. Chang (2007) examined the relation between leadership and promotion of a good corporate culture that leads to job satisfaction. A total of 1000 questionnaires were analyzed from the study. The findings indicate that different leadership styles influenced the culture which subsequently affected learning and job satisfaction. These results are similar to a study conducted by Cummings et al. (2010) who investigated the role of different leadership styles on creating a good working environment among the nursing fraternity. A systematic literature review of 53 articles was done. The study showed that employee centered leadership increased nurse satisfaction and was common in most healthcare facilities. In addition, 10 cases were also identified to have task related leadership, that is dissonant and management by exception methods. In cases where task centered leadership was common, poor nurse satisfaction level were observed. The study shows that transformational leadership was imperative in order to improve nurse’s satisfaction.

## 2.7 LITERATURE REVIEW SUMMARY AND CONCLUSIONS

 From the literature review, it can be seen that leadership plays an important role in the strategic management of an organization. Leadership is the process of influencing others to follow an individual’s dream and achieve the goals and objectives of the company. Effective leadership in a company must therefore be portrayed by the ability of individuals to influence employees to work towards the realization of the intended goals.

 Leadership has been studied by numerous scholars and this resulted to the development of theories to explain these concepts. Most of these theories are arranged in chronological order with most of the older theories be improved to develop the current theories. The first theories emphasized on the role of traits and behaviors in identifying leaders. Current theories of transformation and transactional leadership deal with how leaders control employees and tasks to be done. Most of the reviewed literature does not indicate the best theory that leaders can adopt. In addition, different firms have produced varying reports on success and failures when using constructs of a particular theory. From the literature review, both transformational and transactional leadership are the most common modern day theories. While most researchers underscore the importance of using transformational leadership styles, they are silent about task allocation or “*getting the job done*”. Some scholars argue that too much concern for employee may result to managers being unable to compel subordinates to complete a given task-reward and punishment. On the other hand, participative leadership is important in inspiring employees by involving them in decision making process. It is therefore impossible to state that one theory is enough to describe leadership. For example, a transformative manager must outline the rewards and punishment methods even though he effectively interacts with employees. This study did not assume that one leadership style is better than the other, rather, the current type of leadership was determined and the impact it has on output and employee performance.

An analysis of the impacts on leadership on company growth shows that there exists positive correlation between the type of leadership and the organization performance. Most of the studies reviewed in the literature investigate this aspect from a number of organization rather than focusing on one company. This generalization may not yield conclusive results. This research will therefore focus on one company so as to effectively study the impact of leadership style and its benefits. In addition, few studies have presented numerical data on actual impacts of leadership on financial and non-financial performance indicators.

Most of the reviewed studies document the role of leadership style in improving employee performance. These studies fail to link leadership style to other aspects such as their perception and attitudes. When employee have a positive attitude towards a company, they are likely to perform well and also stay longer. Employee perception about the firm is also affected by issues such as profitability, leadership, management, culture among others. This study will therefore focus on determining whether leadership style affects employee performance.

Most of the reviewed researches focus on identifying the link between transformational or transactional leadership and an organization performance. These studies do not take to account that some firms have a combination of different leadership styles. These studies test whether transformational or transactional leadership have impacts on performance. This study will first determine the leadership traits that UACN plc leaders have and their influence on the organization performance. Using this strategy, the researcher was able to understand the nature of the current leadership style in UACN and then determined its impacts on the productivity, performance and employee perception. Instead of assuming that the organization has a particular leadership style and investigating it impacts on performance, this work first investigated the leadership style of UACN plc and later, the impacts of the current style on performance. In addition, this research also investigated the role of leadership in managing change and growth within an organization.

Unlike other studies, this research also promoted managers and leaders to indicate the best practices which can improve the organization. This was imperative in determining the leadership qualities that managers should possess.

 From the literature review, numerous studies show the moderating role of leadership in fostering employee motivation and empowerment. Most of these studies are cohort in nature and data comes from many organizations. In addition, few studies have focused on African companies such as UACN. The current study therefore sought to determine whether the type of leadership style affects performance and employees perception within a specific company in Africa. Studying the issue of leadership within a specific company will reveal practical data on this issue and shed new light on ways of leading workers. While many reviewed studies investigated few constructs such as creativity, innovations, performance and empowerment, few studies document the link between employee performance and leadership style.

# CHAPTER THREE

# RESEARCH METHODOLOGY

## 3.1 INTRODUCTION

This section of the dissertation presents a detailed description of the adopted research methodology. The major aim of this work was to determine the leadership styles at UACN plc and how these affect the organization and employee performance. This chapter discusses the adopted research method, research design, data collection instruments, validation process, sampling methods, data analysis process and lastly, the inherent limitations experienced during the study.

## 3.2 RESEARCH METHODOLOGY

A research method can be regarded as approach used to perform a particular research. There are two main methods, quantitative and qualitative research methods. This research used a survey which falls under quantitative research methods. Creswell (2003) describes quantitative method as “*A quantitative approach is one in which the investigator primarily uses post-positivist claims for developing knowledge (that is, cause and effect thinking, reduction to specific variables, hypothesis and questions, use of measurement and observations, and the test of theories)” (Creswell, 2003, p.19).*

This research used quantitative research since mathematical and statistical analysis were used to support or reject the hypothesis. Unlike qualitative research which focuses on interpreting non mathematical data, the current research generates tables and figures from questionnaires which were used to address the current research objectives.

This research method is based on post positivism research theory. Positivism entails the use of scientific methods, statistics and mathematical manipulations to generate data. This theory states that there are some universal truths and researchers just need to identify them through research. Unlike qualitative research method which develops knowledge through meanings that people bring about a given concept and is based on constructivist perspectives, quantitative methods assume that actual facts exists and researchers just need to determine them. The method starts with a hypothesis which is tested using statistical measures and is either accepted or rejected (Creswell, 2009). When using this method, mathematical manipulations are used to address the initial objectives of the study. This method is used when conducting surveys, numerical analysis and structured interviews. The data is presented in a mathematical manner and is analyzed using statistical tools to either approve or reject the given hypothesis (Jackson, 2008).

## 3.3 RESEARCH DESIGN

The current study used a case study research design. According to Yin (2003), a case study is an empirical investigation of a given issue within the boundaries of a real life context. In this study a detailed investigation of the impact of leadership on the performance of UACN plc was done. A case study allows the researcher to narrow down on a particular issue and then obtain in-depth information about the issue. Yin (2003), states that a case study is useful when testing theories, studying complex social issues and collecting large and intricate information from a specific bounded system. A case study was therefore the most preferable research design since it focused on detailed investigation of intricate issues surrounding leadership methods at UACN and their influence on employee and the organization in general. Unlike studies documented in the literature review that focus on leadership from a broad perceptive, this study narrowed down to one firm with the aim of drawing more realistic and practical inferences on the role of leadership in fostering organizational growth, productivity and employee performance. Through the case study, data from multiple sources was collected, critically examines against published literature and used to draw imperative decisions which would improve the current leadership methods.

Under the ambit of quantitative research method and case study, the researcher used a survey to collect data from the respondents. A survey essentially collects information from people through questions (Fowler, 2013,). These questions may be in form of interviews and questionnaires. For this study, the casual relationship between leadership style and productivity was investigated and this necessitated the use of structured questionnaires administered to managers and employees of UACN plc.

The survey process entailed, the collection of data from respondents using the developed tool, organization of the data into tables and records, determination of a measure to analyze the data and statistical analysis of the collected information.

## 3.4 SAMPLING

***Sampling frame characteristics***

The sampling frame describes the entire population where data can be collected. This comprised of all managers and employees of UACN. The sampling frame consists of all managers (senior and middle level) as well as employees of the organization (Wiersma and Stephen, 2008).

***Sampling method and process***

The sampling method can be regarded as the method of choosing a subset of respondents from the entire population. Since it is impossible to issue questionnaires to all respondents, a small sample is selected to represent the total population. There are two basic methods; probability and non-probability methods.

 This study utilized simple stratified random sampling in selecting the respondents. The data was first grouped into divisions or strata’s and respondents were then selected from each group. This was done to ensure that senior managers, managers and employees participated in filling the questionnaires. In total, 10 senior managers, 20 middle level managers/ supervisor and 150 employees were used in this study. To select the sample, a list of the whole workforce was selected and grouped into three groups. Respondents from each of these groups were picked using random sampling. This process ensured that all respondent ranging from managers, supervisors and employees were included in the study and also ensured that there was no bias during the selection of the sample (Jackson, 2008).

## 3.5 DATA COLLECTION PROCESS AND INSTRUMENTS

***Data collection method***

A primary data collection method was used to collect first-hand information from managers and employees of UACN plc. This data was obtained from structured questionnaires administered at UACN. The main advantages of collecting primary data as opposed to secondary data were; (i) need to obtain first-hand information from the source,(ii) the data was accurate and reliable, (iii)the researcher was able to customize the question and collect data that specifically addressed the current research hypothesis and questions, and (vi), the data was up to date and accurate. Secondary data is collected from already published materials and was not used in this study as it is not up to date, not customized to address the current study prepositions and lacks the required accuracy and reliability. Despite of the advantageous of primary data collection method, it had limitations of excessive time utilization and increased expenses.

***Data collection instrument***

As aforementioned, the questionnaire was chosen as the primary data collection instrument for this survey. A structured questionnaire was physically administered to managers and employees of UACN. This questionnaire is attached at the appendix of this report. The respondents were given 30 minutes to fill in the tool. After filling, the questionnaires was collected and analyzed

This survey instrument was chosen to interviews because (i) it was possible to correct large amount of information within a short time, (ii) the tool gave the respondent privacy when filling and thus, the respondents were more open and accurate in their responses, (iii) the tool collected data with great reliability and validity, (vi) the tool allowed the customization of questions to specifically address the current study objectives, (v) By using the likert scale and close ended questions, the data collected was easily translated to mathematical data which was easier to analyze.

The survey instrument was developed after critical analysis from various tools that have been used in the past with great reliability. These tools include leadership behavior descriptive questionnaire developed by Stogdill in 1963, Simon Oates tool and Podsakoff tool (Oates, 2010 and Podsakoff et al., 1990). To measure transformational and transactional leadership styles, the tool developed by Podsakoff, et al. (1990) and Simon Oates (2010) tools were incorporated due to their strong validity and reliability in previous studies. The tool used measured six items of transformational leadership with 22 questions while transactional leadership is determined using five items. Previous studies show that this scale has a reliability of 95 as compared to Stogdill’s 90 (Spreitzer et al., 2005).

The company performance was determined by examining its performance records for the last fifteen years. This was done by checking the sales, profits and, employee turnover. To determine employee’s empowerment, a number of tools were combined. These include Chiles and Zorn(1995) and Spreitzer et al., (2005). To determine the employee’s attitude towards UACN Company, the Haris –Fomburn corporate reputation quotient was determined (Fombrun et al., 2000). This tool has been validated in a number of studies and has a reliability of 96.

The main sections of the questionnaire were

* Part 1 – introduction and informed consent, this section contained an introduction letter that described the current research aim and invited respondents to fill in the questionnaire.
* Part 2- this part collected demographic information such as age, gender, managerial position, education, employee role, income and years that one has worked.
* Part 3 – collected information on leadership style based on the managers responses and used the Simon Oates and Podsakoff tools.
* Part 4 – this section collected information about employee’s empowerment levels using a combination of tools.
* Part 5 – this part investigated the employee attitude and perception to management using the Haris –Fomburn tool.

***Data collection process***

The United Africa Company was selected as the location for the study. The researcher wrote a letter to the company chief executive to ask for permission to administer questionnaire to the staff members. The questionnaires were then issued and the staff given 30 minutes to fill the questionnaires. The process took one week as some managers and employees selected for the study were not available. Any respondent who declined to fill the questionnaires was delisted and others selected to replace them. The questionnaires were inspected immediately after the exercise to ensure that they were completely and accurately filled. Any wrongly filled questionnaire was discarded and another respondent selected randomly.

## 3.6 DATA AND INSTRUMENT VALIDATION

Before the date of filling the questionnaire, a pre-survey was carried out using 10 respondents selected randomly. This was used to validate the survey tool. Through this pre-survey, the ten employees and managers were asked to fill the questionnaire and give their opinions on the nature of questions, whether some questions were ambiguous, whether some were wrongly phrased among other issues. The opinions were used to improve the survey tool prior to the actual data collection process.

## 3.6 ETHICAL CONSIDERATION

The researcher obtained written permission from the management which officiated and allowed the research to be done. Prior to filling the questionnaires, the respondents were educated on what the research entailed and were also assured of anonymity. The first part of the questionnaires informed the respondents on nature of the survey and invited them to fill them. Those who signed the informed consent form were allowed to fill the questionnaire. The respondents were free to pull out from the process at any stage. The respondents were identified using numbers so as to guarantee anonymity.

## 3.7 DATA ANALYSIS

The data collected from the questionnaire was subjected to statistical analysis using SPSS software. First descriptive statistics were used to describe the characteristics of the selected sample in terms of age, income, gender, years of experiences etc. The data from the questionnaires was cross tabulated and graphs drawn for the different responses that respondents gave. A Likert scale with five levels was used to analyze the questions. For example; for the question “*the manger provides me with information on how to handle complex task*” the respondents either ticks strongly disagree, disagree, neutral, agree and strongly agree. Under each section, the number of respondents who ticked each group was tabulated in these cross tabulation.

Pearson correlation coefficient was then used to determine the correlation between each of the phrases with the construct under investigation. For example, the construct “leadership style” had 22 phrases or questions. The relationship of these phrases to the construct was determined using Pearson coefficient. The person correlation coefficient determines the relationship between different variables by calculating the r value. The r value varies from zero to one. When close to one and positive, it indicates strong positive relationship while negative values indicate strong opposite relationships. Values close to zero indicate weak correlation. For this study, the r value was determined at a confidence level of 95% (=0.05).

The most important ratings were then obtained using the weighed mean. In the case, the data was corded such that strongly disagree = 1, disagree = 2, don’t know = 3, agree =4 and strongly disagree = 5. The obtained responses were corded in the SPSS using these numerals. Cell extensions were calculated as follows (5-1=4) and (4/5 = 0.8) this means that the Likert scale extensions were

* Between 1 and less than 1.80 represent strongly disagree
* Between 1.8 and less than 2.6 represent disagree
* Between 2.6 and less than 3.4 represent do not know or neutral
* Between 3.4 and less than 4.2 represent agree
* Above 4.2 to less than 5 indicate strongly agree

These values were determined by taking the weighted mean which was found by

(Number of responses per question × weight)/ total number of responses.

In addition, frequencies and percentages were also used to draw conclusions on leadership styles.

Cronbach’s Alpha tests were used to determine the internal consistency of the questions. A value above 0.7 is acceptable in most of the social science studies and indicates that there is internal consistency in the questions.

# CHAPTER FOUR

# RESULTS

## 4.1 INTRODUCTION

 This chapter presents the results that were obtained after collecting the data. Cross tabulations, graphs, descriptive statistics and other statistical measures were used to analyze the data. Further discussions of these results are presented in chapter five of this dissertation.

## 4.2 RESPONDENTS DEMOGRAPHIC DATA

***4.2.1 Age and gender distribution***

 In total 150 respondents accurately filled the questionnaires. As aforementioned, wrongly filled questionnaires were replaced with other respondents. In terms of age, the mean age was 38.39 with a standard deviation of 9.876. In terms of gender, 64% of the respondents were males while 36 % were females. Table 1 shows these results.

| **Table 1: GENDER** |
| --- |
|  |  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Male | 96 | 64.0 | 64.0 | 64.0 |
| female | 54 | 36.0 | 36.0 | 100.0 |
| Total | 150 | 100.0 | 100.0 |  |

***4.2.2. Education level***

 Table 2 and figure 1 below shows the education level of the sample. From the table, 2.7% of the workers were untrained, 11.3% had attained high school education. Most of the respondents (56.7%) had diplomas while 26.7% were graduates and 3.3% had attained masters. In terms of education, most of the respondents were well educated.

| **Table 2: EDUCATION** |
| --- |
|  |  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Untrained worker | 4 | 2.7 | 2.7 | 2.7 |
| High school | 17 | 11.3 | 11.3 | 14.0 |
| Diploma | 84 | 56.0 | 56.0 | 70.0 |
| Bachelor Degree | 40 | 26.7 | 26.7 | 96.7 |
| Masters Degree | 5 | 3.3 | 3.3 | 100.0 |
| Total | 150 | 100.0 | 100.0 |  |



Figure 2: Education level statistics for the respondents

***4.2.3 Position of employee at the company***

 Table 3 below shows the position that different employees hold at UACN. The distribution indicates that 124 of the respondents were ordinary workers, 17 were supervisors, 6 were assistant managers and 3 were senior managers.

| **Table 3: JOB POSITION AT UAC** |
| --- |
|  |  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Employee | 124 | 82.7 | 82.7 | 82.7 |
| Supervisor | 17 | 11.3 | 11.3 | 94.0 |
| Middle level manager | 6 | 4.0 | 4.0 | 98.0 |
| Senior manager | 3 | 2.0 | 2.0 | 100.0 |
| Total | 150 | 100.0 | 100.0 |  |

***4.2.4 Experience of employee***

Table 4 and figure 2 below shows the number of years that the survey respondents had worked at UACN. 28 of the respondent were newly employed at the company, 39 employees had worked between 1 to 5 years, 56 had worked between 6-10 years, 16 had worked from 11 to 15 years, 8 had worked for 16-20 years and lastly 3 people had worked for more than 20 years.

| **TABLE 4 RESPONDENTS EXPERIENCE** |
| --- |
|  |  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | less than one year | 28 | 18.7 | 18.7 | 18.7 |
| 1-5 Years | 39 | 26.0 | 26.0 | 44.7 |
| 6-10 years | 56 | 37.3 | 37.3 | 82.0 |
| 11-15 years | 16 | 10.7 | 10.7 | 92.7 |
| 16-20 years | 8 | 5.3 | 5.3 | 98.0 |
| above 20 years | 3 | 2.0 | 2.0 | 100.0 |
| Total | 150 | 100.0 | 100.0 |  |

******

Figure 2: Experience for workers

***4.2.5 Skills of the employees***

The Skills of the employees who participated in the survey are tabulated in table 5 below. 44 % of were technical staff, 28% worked in offices, 16 were academic professionals with degrees, 6.7% were manual workers 3.3% were managers while 2% were directors.

| **TABLE 5 EMPLOYEE SKILLS** |
| --- |
|  |  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Manual/ unskilled | 10 | 6.7 | 6.7 | 6.7 |
| Office worker | 42 | 28.0 | 28.0 | 34.7 |
| Technician | 66 | 44.0 | 44.0 | 78.7 |
| Academic professional but not a manager | 24 | 16.0 | 16.0 | 94.7 |
| Manager of a group of employees | 5 | 3.3 | 3.3 | 98.0 |
| Manager of other managers / director | 3 | 2.0 | 2.0 | 100.0 |
| Total | 150 | 100.0 | 100.0 |  |

## 4.3 TRANSFORMATION LEADERSHIP STYLE

 Part C of the questionnaires investigated whether the company adopted transformational leadership style. A total of 21 questions were used for the study. These questions had a five point Likert scale. These questions were grouped into six subgroups that included (i) creating a vision among employees ,(ii) Leadership through example, (iii) encouraging teamwork, (iv) expectations from employees, (v) Employee support from managers and, (vi) intellectual motivation**.**

**4.3.1 Creating a vision among employees**

 A total of five questions were used to investigate whether leaders at UACN created a vision and communicated it to the employees. Table A1, A2, A3, A4 and A5 in the appendix section show these results. Table 6 is a cross tabulation of the results from these questions

|  |
| --- |
| Table 6: creating a vision among employee |
|   | Strongly disagree | Disagree | Do not know  | Agree  | Strongly Agree |
|   | Frequency | %  | Frequency | Percent  | Frequency | Percent  | Frequency | Percent  | Frequency | Percent  |
| Our leaders are always looking for new products and businesses | 32 | 20.9 | 55 | 35.9 | 33 | 21.6 | 23 | 15 | 7 | 4.7 |
| Our Managers are very positive about the future of UACN  | 16 | 10.7 | 24 | 16 | 9 | 6 | 74 | 49.3 | 27 | 18 |
| Our managers always understand what goes on in our department  | 23 | 15.3 | 12 | 8 | 12 | 8 | 69 | 46 | 34 | 22.7 |
| Managers inspire me and other colleagues about future prospects  | 33 | 22 | 18 | 12 | 14 | 9.3 | 76 | 50.7 | 9 | 6 |
| Managers are committed to achieving their plans about the future of UACN | 15 | 10 | 31 | 20.7 | 37 | 24.7 | 43 | 28.7 | 24 | 16 |

From table six, the first question investigated whether leaders at UACN were looking for new ventures to benefit the company and employees, 32 employees (20.9%), strongly disagreed, 55 (35.9%) percent disagreed, 33(21.6%) employees were neutral while 23(15%) agreed. Only 7 respondents strongly agreed. The second question investigated the mood of managers about the future of UACN. The results indicate that most employees agreed with this phrase (49.3% agree and 18% for strongly disagree). Only 26.7% of the respondents disagreed with this statement. When asked if managers were in close supervision of what happens at the departments, 15.3% of the employees strongly disagreed, 8% disagreed, 8 % were neutral, 46% agreed while 22.7% strongly agreed. When employees were asked if managers inspired them with future prospect of the firm, 22% strongly disagreed, 12% disagreed, 9.3 % were neutral, 50.7% agreed while 6 % strongly agreed. Lastly, employees were asked if managers were committed to achieving the plans, 28 % agreed while 16% strongly agreed with this statement. Most respondents were however not aware if managers would effectively implement their plans.

**4.3.2. Leadership through example**

Transformational managers lead by example, to investigate this construct, three questions were used. These results obtained are tabulated in table 7, 8 and 9 below

| **Table 7: Our managers always shows us how to do things**  |
| --- |
|  |  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 60 | 40 | 40 | 40.0 |
| Disagree | 42 | 28 | 28 | 68.0 |
| Do not know | 5 | 3.3 | 3.3 | 71.3 |
| Agree | 30 | 20 | 20 | 91.3 |
| Strongly Agree | 13 | 8.7 | 8.7 | 100.0 |
| Total | 150 | 100.0 | 100.0 |  |
| **Table 8: Our managers provide a good example for us and are role models**  |
|  |  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 36 | 24.0 | 24.0 | 24.0 |
| Disagree | 77 | 51.3 | 51.3 | 75.3 |
| Do not know | 4 | 2.67 | 2.67 | 77.97 |
| Agree | 15 | 10.0 | 10.0 | 87.97 |
| Strongly Agree | 18 | 12.03 | 12.03 | 100.0 |
|  |  |  |  |  |
| Total | 150 | 100.0 | 100.0 |  |

| **Table 9: Our managers lead by example**  |
| --- |
|  |  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Strongly disagree | 37 | 24.6 | 8.0 | 24.6 |
| Disagree | 76 | 50.7 | 50.7 | 75.3 |
| Do not know | 15 | 10 | 10.0 | 85.3 |
| Agree | 14 | 9.3 | 9.3 | 94.6 |
| Strongly Agree | 8 | 5.4 | 5.4 | 100.0 |
| Total | 150 | 100.0 | 100.0 |  |

**4.3.3. Encouraging collaboration and teamwork**

The next four questions investigated the role that managers play in encouraging teamwork among subordinates. This is an important element of transformational leadership. The summary of these results are tabulated in table 10 below while figure 3, 4, 5 and 6 show individual responses.

|  |
| --- |
| Table 10: Encouraging collaboration and teamwork |
|  | Strongly disagree | Disagree | Do not Know  | Agree  | Strongly Agree |
|  | Frequency | Percent  | Frequency | Percent  | Frequency | Percent  | Frequency | Percent  | Frequency | Percent  |
| Our managers encourage teamwork  | 23 | 15.3 | 68 | 45.3 | 31 | 20.7 | 23 | 15.3 | 5 | 3.3 |
| Our Managers encourage the group to work towards a common goal  | 18 | 12 | 78 | 52 | 28 | 18.7 | 21 | 14 | 5 | 3.3 |
| Our Managers encourage collaboration among groups  | 58 | 38.7 | 56 | 37.3 | 19 | 12.7 | 14 | 9.3 | 3 | 2 |
| Our manager encourage team spirit among employees  | 46 | 30.7 | 74 | 49.3 | 15 | 10 | 12 | 8 | 3 | 2 |

#

 Figure 3 Figure 4

 

 Figure 5 Figure 6

**4.3.4. Expectations from employees**

Questions 13, 14 and 15 investigated whether leaders at UACN had strong expectations from their employees. The results frequencies and percentages from the respondents are tabulated in table 11 below

|  |
| --- |
| Table 11: managers expectations from employees |
|  | Strongly disagree | Disagree | Do not Know  | Agree  | Strongly Agree |
|   | Frequency | Percent  | Frequency | Percent  | Frequency | Percent  | Frequency | Percent  | Frequency | Percent  |
| Managers always tell us that they expect a lot from us  | 68 | 14 | 29 | 19.3 | 11 | 7.3 | 21 | 45.3 | 21 | 14 |
| Manager always expect top performance from us  | 88 | 6.7 | 18 | 12 | 6 | 4 | 28 | 18.7 | 10 | 58.7 |
| Our managers accept partial performance  | 53 | 6.7 | 66 | 11.3 | 5 | 3.3 | 17 | 44 | 9 | 34.7 |

**4.3.5. Support of employees by managers**

In transformational leadership, employees are always supported by leaders in order to achieve functional objectives. Questions 16, 17 and 18, investigated whether employees received the support they required from the managers. These results are tabulated on table 12.

|  |
| --- |
| Table 12: support of employees by leaders |
|  | Strongly disagree | Disagree | Do not Know  | Agree  | Strongly Agree |
|  | Frequency | Percent  | Frequency | Percent  | Frequency | Percent  | Frequency | Percent  | Frequency | Percent  |
| Our leaders do not consider my feelings when acting or assigning duties  | 41 | 4 | 98 | 2.7 | 1 | 0.7 | 4 | 65.3 | 6 | 27.3 |
| Our managers always respect our feelings  | **89** | **59.3** | **22** | **14.7** | **0** | **0** | **39** | **26** | **0** | **0** |
| Our managers always consider our personal needs  | **65** | **43.3** | **52** | **34.7** | **0** | **0** | **33** | **22** | **0** | **0** |

**4.3.6. Intellectual motivation**

Questions 19, 20 and 21 investigated the role of leaders in motivating their subordinates to innovate and develop solutions. The outcome of these questions are tabulated in table 13 below

|  |
| --- |
| Table 13: intellectual motivation |
|  | Strongly disagree | Disagree | Do not Know  | Agree  | Strongly Agree |
|  | Frequency | Percent  | Frequency | Percent  | Frequency | Percent  | Frequency | Percent  | Frequency | Percent  |
| Our managers always come up with new ways of solving issues that puzzle me  | 30 | 20 | 25 | 16.7 | 65 | 43.3 | 28 | 18.7 | 2 | 1.3 |
| Our managers’ actions force me to rethink of my decisions and actions so that I improve them  | 55 | 36.7 | 34 | 22.7 | 29 | 19.3 | 24 | 16 | 8 | 5.3 |
| Our managers’ action has stimulated me to rethink my old ideas and change them  | 42 | 28 | 69 | 46 | 10 | 6.7 | 24 | 16 | 5 | 3.3 |

## 4.4 TRANSACTIONAL LEADERSHIP STYLE

 This part of the questionnaire determined whether managers used transactional leadership style which is based on reward and punishment as the means to motivate workers. This construct was investigated using five phrases and the results are tabulated in table 14 below.

|  |
| --- |
| Table 14: Transactional leadership style |
|   | **Strongly disagree** | **Disagree** | **Do not Know**  | **Agree**  | **Strongly Agree** |
|   | Frequency | Percent  | Frequency | Percent  | Frequency | Percent  | Frequency | Percent  | Frequency | Percent  |
| Our managers give me positive feedback when I perform well  | 16 | 10.7 | 33 | 22 | 4 | 2.7 | 65 | 43.3 | 32 | 21.3 |
| Our managers give employees special recognition when we perform well  | 14 | 9.3 | 74 | 49.3 | 6 | 4 | 32 | 21.3 | 24 | 16 |
| Managers punishes us when we perform poorly  | 9 | 6 | 26 | 17.3 | 1 | 0.7 | 65 | 43.3 | 49 | 32.7 |
| Our duties and responsibilities are clearly spelled out | 1 | 0.7 | 14 | 9.3 | 1 | 0.7 | 70 | 46.7 | 64 | 42.7 |
| Our managers expect us to innovate or develop new solutions at workplace  | 16 | 10.67 | 9 | 6 | 2 | 1.3 | 67 | 44.6 | 56 | 37.3 |

## 4.5 EMPLOYEE EMPOWERMENT

The type of leadership style affects employee empowerment, motivation and performance. This section of the questionnaire investigated in UACN employees are motivated by the current leadership style.

**4.5.1 Employee motivation and competency**

The results for questions 27, 28 and 29 that investigated if employees are competent and well trained are tabulated in table 15 below.

|  |
| --- |
| Table 15 Employee motivation and competency |
|   | Strongly disagree | Disagree | Do not Know  | Agree  | Strongly Agree |
|   | Frequency | Percent  | Frequency | Percent  | Frequency | Percent  | Frequency | Percent  | Frequency | Percent  |
| I feel competent to handle the work assigned to me  | 27 | 18 | 47 | 31 | 1 | 0.7 | 67 | 44.7 | 8 | 5.37 |
| I have the skills to accomplish the job am given  | 4 | 2.7 | 4 | 2.7 | 0 | 0 | 91 | 60.7 | 51 | 34 |
| I am confident about my skills and abilities  | 6 | 4 | 40 | 26.67 | 33 | 22 | 64 | 42.7 | 7 | 4.67 |

**4.5.2 Control and authority**

 The phrases in this construct investigated whether employees at UACN were allowed to make decisions. The results are tabulated in table 16 below

|  |
| --- |
| Table 16: control and authority among UACN employees |
|   | **Strongly disagree** | **Disagree** | **Do not Know**  | **Agree**  | **Strongly Agree** |
|   | Frequency | Percent  | Frequency | Percent  | Frequency | Percent  | Frequency | Percent  | Frequency | Percent  |
| Am given a chance to make decisions that can improve my performance at the firm  | 58 | 38.7 | 64 | 42.7 | 8 | 5.3 | 15 | 10 | 5 | 3.3 |
| Managers trust employees to make decisions  | 33 | 22 | 102 | 68 | 5 | 3.3 | 9 | 6 | 1 | 0.7 |
| I have autonomy to make decisions on how to perform the roles given to me | 118 | 78.7 | 25 | 16.7 | 2 | 1.3 | 2 | 1.3 | 3 | 2 |

## 4.6 REPUTATION OF THE ORGANIZATION AMONG EMPLOYEES

 Part E of the questionnaire determined the perception of employees towards the company. Leadership style affects the employee’s attitudes towards the company and this can ultimately affect their performance and turnover ratio. These results are presented on table 17 and 18 below

|  |
| --- |
| Table 17 perceived organizational performance |
|   | Strongly disagree | Disagree | Do not Know  | Agree  | Strongly Agree |
| ***Emotional aspects***  | k | % | k | % | k | % | k | % | k | % |
| I feel good working at UACN  | 19 | 12.67 | 93 | 62 | 9 | 6 | 19 | 12.7 | 10 | 6.67 |
| I admire and respect UACN  | 16 | 10.7 | 102 | 68 | 8 | 5.3 | 10 | 6.67 | 14 | 9.3 |
| UACN is one company which I can trust  | 42 | 28 | 71 | 47.3 | 8 | 5.3 | 21 | 14 | 8 | 5.3 |
| **Perception about products and services**  |   |   |   |   |   |   |   |   |   |   |
| UACN sells high quality products and has excellent services  | 7 | 4.7 | 31 | 20.7 | 7 | 4.7 | 87 | 58 | 18 | 12 |
| UACN is innovative when making their products and giving service  | 6 | 4 | 28 | 18.7 | 29 | 19.3 | 70 | 46.7 | 17 | 11.3 |
| ***Financial performance***  |   |   |   |   |   |   |   |   |   |   |
| I am very happy with UACN profitability  | 10 | 6.7 | 32 | 21.3 | 16 | 10.7 | 57 | 38 | 35 | 23.3 |
|  I believe that UACN will continue to grow in the future  | 20 | 13.3 | 39 | 26 | 12 | 8 | 51 | 34 | 28 | 18.7 |
| UACN will definitely perform better as compared to its competitors  | 2 | 1.3 | 79 | 52.67 | 7 | 4.7 | 39 | 26 | 23 | 15.3 |
| UACN has a good vision for the future  | 2 | 1.3 | 34 | 22.7 | 5 | 3.3 | 47 | 31.3 | 62 | 41.3 |
| UACN is a market leader in the industry  | 16 | 10.7 | 20 | 13.3 | 69 | 46 | 15 | 10 | 30 | 20 |

|  |
| --- |
| Table 18: Perceived employee reputation |
|  | Strongly disagree | Disagree | Do not Know  | Agree  | Strongly Agree |
| ***Work environment***  | k | % | k | % | k | % | k | % | k | % |
| UACN is a good place to work in  | 56 | 37.3 | 44 | 29.3 | 2 | 1.3 | 15 | 10 | 33 | 22 |
| UACN has good employee who we interact and collaborate  | 34 | 22.67 | 85 | 56.67 | 1 | 0.7 | 13 | 8.67 | 17 | 11.3 |
| UACN reward employees very well  | 35 | 23.33 | 86 | 57.3 | 1 | 0.7 | 16 | 10.7 | 12 | 8 |
| ***Social responsibility***  |   |   |   |   |   |   |   |   |   |   |
| UACN support social activities and environmental conservation  | 6 | 4 | 34 | 22.7 | 1 | 0.7 | 72 | 48 | 37 | 24.7 |
| UACN supports community activities  | 3 | 2 | 31 | 20.7 | 0 | 0 | 60 | 40 | 56 | 37.3 |

## 4.7 CRONBACH'S ALPHA TESTS FOR INTERNAL RELIABILITY

The Cronbach's alpha tests were then carried out to determine the internal consistency of the questionnaire questions. Since the research used Likert scale questions, it was important to determine that these questions are unidimensional and that the scale is reliable. The acceptance scale was that the alpha value must be greater than 0.7. Values greater than 0.7 in social studies indicate that the results are reliable. The tests for each section of the questionnaire are tabulated below

Table 19 shows the Cronbach’s alpha for the 21 questions on transformational leadership. From the table, the alpha value was 0.928 which indicates that the questions have high reliability. Other reliability tests results are tabulated in table A5 in the appendix section.

| **Table 19 Reliability Statistics summary**  |
| --- |
| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
| .928 | .925 | 21 |

 Table 20 shows the results for transactional leadership questions. A total of five questions were used to test this construct. The reliability tests indicate that alpha value is 0.699 which indicates the scale is reliable. Other reliability results are tabulated on table A6 in appendix section.

| **Table 20 Reliability Statistics** |
| --- |
| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
| .699 | .653 | 5 |

 Table 21 shows the reliability tests for questions regarding employee empowerment, productivity and reputation for the company. The result shows that these questions have a reliability coefficient of 0.822 indicating that the questionnaire is highly reliable.

| **Table 21 Reliability Statistics** |
| --- |
| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
| .822 | .822 | 15 |

# CHAPTER 5

# DISCUSSION

## 5.1 DISCUSSION OF THE STUDY QUESTION

 As presented in the results section, the different aspect of leadership styles and employee productivity, as well as empowerment were investigated. Likert scale questions were used to determine the acceptance degree for each type of questions among the respondents. The criterion score was used to determine if the respondents agreed or disagreed with each statement. The analysis of these questions were as follows

Cell extensions were calculated using (5-1=4) and (4/5 = 0.8) this means that the likert scale extensions were

* Between 1 and less than 1.80 represent strongly disagree
* Between 1.8 and less than 2.6 represent disagree
* Between 2.6 and less than 3.4 represent do not know or neutral
* Between 3.4 and less than 4.2 represent agree
* Above 4.2 to less than 5 indicate strongly agree

These values were determined by taking the weighted mean which was found by

(*Number of responses per question × weight)/ total number of responses*.

## 5.2 TRANSFORMATIONAL LEADERSHIP ITEMS

 For transformational leadership questions, a total of 21 questions were used. These were grouped into six different constructs with each construct having a number of phrases. Table 22 below shows the constructs and the number of phrases

|  |
| --- |
| **Table 22** |
| **Construct**  | **Number of phrases**  |
| Creating a vision among employees  | 5 |
| Leadership through example | 3 |
| Encouraging teamwork | 4 |
| Expectations from employees | 3 |
| Employee support from managers | 3 |
| Intellectual motivation | 3 |
| **Total phrases**  | **21** |

**5.2.1 Creating a vision among employees**

The first phrase investigated whether managers created a vision among employees. Table 23 indicates

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|   | **Strongly disagree** | **Disagree** | **Do not Know**  | **Agree**  | **Strongly Agree** | **weighted score**  | **acceptance level**  |
|   | k | % | k | % | k | % | k | % | K | % |   |   |
| Our leaders are always looking for new products and businesses | 32 | 20.9 | 55 | 35.9 | 33 | 21.6 | 23 | 15 | 7 | 4.7 | 2.45 | disagree  |
| Our Managers are very positive about the future of UACN  | 16 | 10.7 | 24 | 16 | 9 | 6 | 74 | 49.3 | 27 | 18 | 3.48 | agree  |
| Our managers always understand what goes on in our department  | 23 | 15.3 | 12 | 8 | 12 | 8 | 69 | 46 | 34 | 22.7 | 3.53 | agree  |
| Managers inspire me and other colleagues about future prospects  | 33 | 22 | 18 | 12 | 14 | 9.3 | 76 | 50.7 | 9 | 6 | 3.07 | do not know  |
| Managers are commited to achieving their plans about the future of UACN | 15 | 10 | 31 | 20.7 | 37 | 24.7 | 43 | 28.7 | 24 | 16 | 3.2 | do not know  |
|   **Dimension general average**   | **3.146** | **Do not know**  |

The phrase “*Our leaders are always looking for new products and businesses*” investigated whether managers were keen identifying new products and services which could increase the profitability of the firm. The score for this phrase was 2.45 indicating that most respondents disagreed with this question. Previous studies show that transformational leaders are keen on implementing change in organization (Herold et al., 2008). These leaders also look for new solutions which results to better organizational performance (Arham and Muenjohn, 2012). The results therefore indicate that most UACN managers are not transformative leaders in this respect

 The second phrase “our Managers are very positive about the future of UACN”. Previous studies show that transformational leaders are innovative and create a positive environment which promotes innovation and better performance (Somech, 2006). The results of the phrase show that most employee agreed with this fact with a score of 3.48.

The third phrase “*our managers always understand what goes on in our department*” investigated if managers were aware of the duties and actions of employees at departmental level. The study shows that most respondents agreed with this fact. The average score was 3.53 out of five meaning that most employees agreed with this fact.

The fourth phrase “*Managers inspire me and other colleagues about future prospects*” investigated if UACN managers motivated and inspired employees. The weighted score was 3.07 out of five meaning that the score was neutral about this phrase. According to Bass and Bass (2008), leaders who adopt transformational leadership style are able build high motivation and morale among their subordinates and this increases their performance. Zhang and Bartol (2010) study also showed that transformational leaders empower and motivate a worker which increases their productivity. In this study, the employees are not well motivated and inspired by the leaders. This indicates that managers at UACN are mainly concerned with getting the job done but do not inspire and motivate employees. From this construct, managers can be deemed to use transactional leadership style as opposed to transformational leadership style.

The fifth phrase “*managers are committed to achieving their plans about the future of UACN”* determined if leaders were visionary. The results indicate a score of 3.2 out of five and this corresponds to a neutral position. The results indicate that managers have an average score in terms of visionary leadership. These leaders have therefore not adopted transformative leadership style. Northhouse (2010) study indicates that transformational leaders are visionary and articulate the firm’s vision, values, beliefs and future aspirations of the organization to their workers. The reason for this score was that the leaders at UACN have not fully adopted transformational leadership and use transactional leadership style.

In average score for the five questions was 3.1 out of 5 meaning that the employees were neutral on the role of managers creating a vision for the company. This indicates that managers are not very keen in creating a vision among employee which is a fundamental tenet in transformative leadership.

**5.2.2 Perceived Leadership through example**

 The next construct determined if managers at UACN lead employees through exemplification. The results are tabulated in table 24 below. The overall results indicate that the respondents disagreed with this fact (2.34 out of 5). This means that most managers at UACN stipulate work to their subordinate but do not guide them to achieving the intended goals. Therefore, these managers do not depict a transformational leadership style.

|  |
| --- |
| Table 24: Perceived leadership through example |
|   | Strongly disagree | Disagree | Do not Know  | Agree  | Strongly Agree | weighted score  | acceptance level  |
|   | k | % | k | % | K | % | k | % | K | % |   |   |
| Our managers always shows us how to do things  | 60 | 40 | 42 | 28 | 5 | 3.3 | 30 | 20 | 13 | 8.7 | 2.29 | disagree  |
| Our managers provide a good example for us and are role models  | 36 | 24 | 77 | 51.3 | 4 | 2.67 | 15 | 10 | 18 | 12 | 2.35 | disagree  |
| Our managers lead by example  | 37 | 24.6 | 76 | 50.7 | 15 | 10 | 14 | 9.3 | 13 | 8.7 | 2.37 | disagree  |
|   |   |   |   |   |   |   |   |   |   |   | 2.34 | disagree  |

**5.2.3 Encouraging teamwork**

|  |
| --- |
| Table 25 Encouraging Teamwork  |
|   | Strongly disagree | Disagree | Do not Know  | Agree  | Strongly Agree |  weighted score  |  acceptance level  |
|   | K | % | k | % | k | % | K | % | k | % |   |   |
| Our managers encourage teamwork  | 23 | 15.3 | 68 | 45.3 | 31 | 20.7 | 23 | 15.3 | 5 | 3.3 | 2.46 | disagree  |
| Our Managers encourage the group to work towards a common goal  | 18 | 12 | 78 | 52 | 28 | 18.7 | 21 | 14 | 5 | 3.3 | 2.45 | disagree  |
| Our Managers encourage collaboration among groups  | 58 | 38.7 | 56 | 37.3 | 19 | 12.7 | 14 | 9.3 | 3 | 2 | 1.99 | disagree  |
| Our manager encourage team spirit among employees  | 46 | 30.7 | 74 | 49.3 | 15 | 10 | 12 | 8 | 3 | 2 | 2.01 | disagree  |
|   **Dimension general average** | **2.2275** | **disagree**  |

The first phrase in the construct was “*Our managers encourage teamwork”*. The results show that respondents disagreed with this question. 15.3% of the respondents strongly disagreed, 45.8% agreed, 20.7% were neutral, 15.3% agreed while only 3.3 % strongly agreed. The total weighted score was 2.46 out of 5 meaning that most employees disagreed with this phrase. Transformational leaders encourage teamwork among subordinates and this leads to better individual and group performance. Researchers show that transformational leadership style increases collaboration among the employees (Detelin, 2002).

The second phrase investigated the role of managers in encouraging collaboration to achieve a common objective. The results show that most respondents disagreed with this fact (2.46 out of 5). Avolio et al.(2002) study states that transformational leaders results to group creativity and results to better collaboration among employees. The third phrase investigated whether managers encourage collaboration. The results show that most respondents disagreed with this fact (2.45 out of 5). These results show that UACN has not adopted transformative leadership style. The fourth question determined the role of managers in encouraging teamwork among their subordinates. The results indicate that most respondents disagreed (score of 2.01 out of 5). The average score for the dimension “encouraging teamwork” was therefore 2.2 out of 5. This indicates that UACN leaders do not encourage teamwork and are therefore not transformative in nature.

**5.2.4 Expectations from employees**

The next construct investigated whether managers expected high performance from employees as is the case with transformational leadership style. Three phrases were used. For the first phrase “*Managers always tell us that they expect a lot from us*” the respondents disagreed with this fact (2.32 out of 5). The second phrase investigated whether managers expected employee to perform at their level best. Most employees disagreed with this fact (2.03 out of 5). The last questions investigated whether managers accept partial performance. The results indicate that most employees disagreed with this fact (2.09 out of five). Overall, this construct had a score of 2.14 which indicates that most respondents disagreed. This means that unlike transformational leaders who empower employees and believe in them to perform sensitive work, UACN managers do not believe in letting employee handle sensitive work. However, managers expect employee to perform at their level best. These results are consistent with transactional rather than transformational leadership style. According to Bass and Bass (2008), transactional leaders assume that workers are lazy, not responsible and cannot be trusted. These leaders cannot leave employees to handle delicate company tasks such as planning, organizing and controlling.

|  |
| --- |
| Table 26 perceived managers expectation on employee performance |
|   | Strongly disagree | Disagree | Do not Know  | Agree  | Strongly Agree |  weighted score  |  acceptance level  |
|   | k | % | K | % | K | % | k | % | k | % |   |   |
| Managers always tell us that they expect a lot from us  | 68 | 14 | 29 | 19.3 | 11 | 7.3 | 21 | 45.3 | 21 | 14 | 2.32 | disagree  |
| Manager always expect top performance from us  | 88 | 6.7 | 18 | 12 | 6 | 4 | 28 | 18.7 | 10 | 58.7 | 2.03 | disagree  |
| Our managers accept partial performance  | 53 | 6.7 | 66 | 11.3 | 5 | 3.3 | 17 | 44 | 9 | 34.7 | 2.09 | disagree  |
|  **Average weighted score for all questions**   | **2.14** | **Disagree** |

**5.2.5 Perceived managers support for employees**

One outstanding role of transformational leadership is that these leaders are highly concerned with their employee’s issues and will do everything to support their performance. The results tabulated in table 27 indicate that most employees do not receive support from employees since the general score was 1.95 out of 5. When asked whether leaders consider employees feeling when assigning duties, the employees disagreed with this fact meaning that most managers do not actually care about subordinate social issues and are keener on getting the job done (score of 1.91 out of 5). When respondents asked if managers respect their feeling, most employees disagreed with this fact (1.93 out of 5). When asked is managers cared about their feelings, most employees disagreed with this fact (2.01 out of 5). In overall the construct that managers support employees had a score of 1.95 out of 5 meaning that most managers do not support their employees. These results are consistent with previous studies on transactional leadership that indicate that these type of leaders concentrate on getting the job done (Bass and Bass, 2008).

|  |
| --- |
| Table 27: Perceived managers support for employees |
|   | Strongly disagree | Disagree | Do not Know  | Agree  | Strongly Agree |  weighted score  |  acceptance level  |
|   | K | % | k | % | k | % | k | % | k | % |   |   |
| Our leaders consider my feelings when acting or assigning duties  | 41 | 4 | 98 | 2.7 | 1 | 0.7 | 4 | 65.3 | 6 | 27.3 | 1.91 | disagree  |
| Our managers always respect our feelings  | 89 | 59.3 | 22 | 14.7 | 0 | 0 | 39 | 26 | 0 | 0 | 1.93 | disagree  |
| Our managers always consider our personal needs  | 65 | 43.3 | 52 | 34.7 | 0 | 0 | 33 | 22 | 0 | 0 | 2.01 | disagree  |
| **Dimension general average** | **1.95** | **disagree**  |

**5.2.6 Perceived Intellectual motivation**

 The next construct investigated whether manager’s actions motivated employees to perform their roles differently. Transformational leadership style motivates employees through examples and their visionary leadership creates a morale that enables employees to change for the better. Table 28 shows the outcome of this construct. When asked if managers come up with new ways of solving problems, the employees neither agreed nor disagreed (2.65 out 5). When asked if managers actions make employees to rethink their decisions, the employees disagreed with this statement (2.31 out 5 ), when employees were asked if the managers inspired them to make a transformational change in their way of thinking and performing duties at the firm, the respondents disagreed with this statement (2.39 out of 5). The results therefore indicate that managers at UACN do not use transformational leadership style and focus on getting the job done. The results obtained differ from previous studies on transformational leadership. According to Gumusluoglu and Arzu (2009), transformational leaders inspire their employees to become innovative and creative in their work environment.

|  |
| --- |
| Table 28: Perceived intellectual motivation |
|   | Strongly disagree | Disagree | Do not Know  | Agree  | Strongly Agree |   |   |
|   | k | % | k | % | k | % | k | % | k | % |   |   |
| Our managers always come up with new ways of solving issues that puzzle me  | 30 | 20 | 25 | 16.7 | 65 | 43.3 | 28 | 18.7 | 2 | 1.3 | 2.65 | do not know  |
| Our managers’ actions force me to rethink of my decisions and actions so that I improve them  | 55 | 36.7 | 34 | 22.7 | 29 | 19.3 | 24 | 16 | 8 | 5.3 | 2.31 | disagree  |
| Our managers’ action has stimulated me to rethink my old ideas and change them  | 42 | 28 | 69 | 46 | 10 | 6.7 | 24 | 16 | 5 | 3.3 | 2.21 | disagree  |
|    **Dimension general average** | **2.39** | **disagree**  |

**5.2.7 Summary for transformational leadership style**

Table 29 shows the weighted score for all the 21 items used to study transformational leadership style. The average score for this type of leadership style was 2.43 indicating that most employees did not support that UACN managers used transformational leadership style. The score of 2.43 indicates that most employees disagreed with the whole construct that managers at UACN use transformational leadership style.

|  |
| --- |
| Table 29: summary |
| **Question number**  | **Weighted average**  |
| 1 | 2.45 |
| 2 | 3.48 |
| 3 | 3.53 |
| 4 | 3.07 |
| 5 | 3.2 |
| 6 | 2.29 |
| 7 | 2.35 |
| 8 | 2.37 |
| 9 | 2.46 |
| 10 | 2.45 |
| 11 | 1.99 |
| 12 | 2.01 |
| 13 | 2.32 |
| 14 | 2.03 |
| 15 | 2.09 |
| 16 | 1.91 |
| 17 | 1.93 |
| 18 | 2.01 |
| 19 | 2.65 |
| 20 | 2.31 |
| 21 | 2.21 |
|  **Average score**  | 2.43381 |

**5.3 Transactional leadership style**

 A total of five phrases were used to investigate if UACN managers used transactional leadership styles. The results are tabulated in table 30 below.

|  |
| --- |
| Table 30 transactional leadership style questions |
|   | Strongly disagree | Disagree | Do not Know  | Agree  | Strongly Agree |   |   |
|   | K | % | k | % | k | % | k | % | k | % |   |   |
| Our managers give me positive feedback when I perform well  | 16 | 10.7 | 33 | 22 | 4 | 2.7 | 65 | 43.3 | 32 | 21.3 | 3.43 | agree  |
| Our manager gives employees special recognition when we perform well  | 14 | 9.3 | 74 | 49.3 | 6 | 4 | 32 | 21.3 | 24 | 16 | 2.85 | do not know  |
| Managers punishes us when we perform poorly  | 9 | 6 | 26 | 17.3 | 1 | 0.7 | 65 | 43.3 | 49 | 32.7 | 3.79 | agree  |
| Our duties and responsibilities are clearly spelled out | 1 | 0.7 | 14 | 9.3 | 1 | 0.7 | 70 | 46.7 | 64 | 42.7 | 4.21 | strongly agree  |
| Our managers do not expect us to innovate or develop new solutions at workplace  | 16 | 10.67 | 9 | 6 | 2 | 1.3 | 67 | 44.6 | 56 | 37.3 | 3.92 | agree  |
|    **Dimension general average**   | **3.64** | **agree**  |

 From table 30 the first item investigated if managers give positive feedback for employees that perform well. The respondents agreed with this question (3.43 out of 5). The second phrase investigated if managers recognize employees that perform well, the average score was 2.85 which means employee neither agreed nor disagreed with this statement. The third question investigated whether leaders at UACN delegated roles and duties and that employee were supposed to follow them to the letter. The results indicate that most employees strongly agreed with this phrase (4.21 out of 5). The last question determined whether managers at UACN do not encourage employees to develop new solutions at their department. The results show that most employee agreed (3.92 out of 5). The overall score was 3.64 out 5 and this indicated that the respondents agreed with most of the constructs for transactional leadership style. According to Bass and Bass (2008), Transactional leadership deals with three main aspects; reward, passive and management by exception. These managers stipulate the benefits that employees receive as well as punishment that they get for non-performance. In this type of leadership style, role and duties are clearly formulated for each employee and they are supposed to follow these predetermined procedures. This type of leadership style does not promote employee empowerment and motivation at the workplace. Most employees are not motivated and only work for the rewards stipulated by managers.

## 5.4 ADOPTED LEADERSHIP STYLE AT UACN AND ITS IMPACTS ON EMPLOYEE PRODUCTIVITY

The first research objective for this study was to determine the type of leadership style adopted by UACN. This is expressed in the first research question “What is the leadership style at UACN plc. The type of leadership style affects performance of employee and their reputation about the firm. The main aspects of this leadership style are investigated in sections 5.2 (transformational leadership style aspects) and section 5.3 (transactional leadership style).The results indicate that UACN uses transactional leadership style though there are some few aspects of transformational leadership style. The results agree with most finding that African firms mainly focus on intrinsic rewards systems and are more keen to see employees perform the stipulated functions rather than empower them for future challenging goals. From the questions, it can be seen that most employees are less productive and only follow orders from their superiors. They are not allowed to make decisions or take actions that can improve the organization.

## 5.5 PERCEIVED EMPLOYEE EMPOWERMENT AND MOTIVATION

The second objective of this study was to determine whether leadership style affected employee motivation, empowerment and morale at UACN. The first hypothesis purports that leadership styles affects employee productivity and empowerment. Previous studies show that leadership style directly affects the employee motivation and empowerment. A total of six phrases were used to investigate this construct. The results are tabulated in table 31

|  |
| --- |
| Table 31 perceived employee empowerment |
|   | Strongly disagree | Disagree | Do not Know  | Agree  | Strongly Agree |   |   |
|   | k | % | K | % | k | % | k | % | K | % |   |   |
| I feel competent to handle the work assigned to me  | 27 | 18 | 47 | 31 | 1 | 0.7 | 67 | 44.7 | 8 | 5.37 | 2.88 | Do not know  |
| I have the skills to accomplish the job am given  | 4 | 2.7 | 4 | 2.7 | 0 | 0 | 91 | 60.7 | 51 | 34 | 4.21 | strongly disagree  |
| I am confident about my skills and abilities  | 6 | 4 | 40 | 26.67 | 33 | 22 | 64 | 42.7 | 7 | 4.67 | 3.17 | agree  |
| Am given a chance to make decisions that can improve my performance at the firm  | 58 | 38.7 | 64 | 42.7 | 8 | 5.3 | 15 | 10 | 5 | 3.3 | 1.97 | disagree  |
| Managers trust employees to make decisions  | 33 | 22 | 102 | 68 | 5 | 3.3 | 9 | 6 | 1 | 0.7 | 1.95 | disagree  |
| I have autonomy to make decisions on how to perform the roles given to me | 118 | 78.7 | 25 | 16.7 | 2 | 1.3 | 2 | 1.3 | 3 | 2 | 1.31 | strongly disagree  |
|   **Dimension general average** | **2.58** | **disagree**  |

The first question tested if employees were competent to handle the roles assigned to them. The employees neither agreed nor disagreed (2.88 out of 5). The second question investigated whether employees had the skills required to accomplish the task given to them, the employees strongly agreed (4.21 out of 5). This is because most workers are employed based on the skills they have and are further trained on specific work at the company. When asked if they were confident about their skills and abilities, the employees agreed about this (3.17 out of 5). When asked if they are given a chance to make decisions at the firm, the employees disagreed with this phrase (1.97 out of 5). In terms of trust, most employees disagreed that managers trust them to make decisions. When asked if they have the freedom to make choices and decisions, employees strongly disagreed with this phrase (1.31 out of 5).

 In general, the employees disagreed with this construct (2.58 out of 5). This shows that leaders at UACN have not empowered employees at the organization. From the results, it can be seen that UACN leadership style does not play an imperative role in increasing the employees performance and empowerment. Though leadership style plays an imperative role in empowering workers, this has not been done. Previous studies document the impact of leadership style on employee empowerment. Zhang and Bartol (2010) study showed that leaders who empower employees motivate them to work hard, make decisions on methods of improving their performance and increases their creativity. Avolio et al. (2002) study document that employee empowerment is imperative in improving their performance at a group level. The low level of empowerment at UACN can be attributed to the type of leadership style which is autocratic and transactional rather than being transformational. With respect to the second objective of this study, employees at UACN are not empowered to perform optimally at the organization.

Therefore, the hypothesis “Leadership style moderates employee’s productivity, morale and empowerment in UACN plc” was rejected and the alternative hypothesis “Leadership styles do not moderate employee’s productivity, morale and empowerment at UACN plc” was accepted. This means that, at UACN, the worker performance and empowerment is not influenced by the management. This is attributed to most employees following strict procedures and rules, rather than be motivated to perform better through good management strategies.

## 5.6 IMPACT OF LEADERSHIP STYLE ON PERCEIVED ORGANIZATIONAL REPUTATION BY EMPLOYEES

The next objective of this study was determined if leadership style affects employee reputation at the company. This is articulated in the second hypothesis “*Leadership style affects the employee’s reputation about the company*”. Transformational leadership style enables employees to trust and develop a good reputation about the organization. Transformational leaders are open to employees and this creates trust, job satisfaction and a good working environment. On the other hand, lassiez faire and transactional leadership style create an environment where employees work for the money and do not care about the organizational performance in the future. Table 32 shows the outcome for this study.

 The first construct investigated the employee’s attitude towards UACN. The overall score shows that most employees did not have a good attitude towards the firm (2.32 out of 5). When asked if they felt good working at the firm, the employees disagreed and this means that they are not empowered and only work to get the salary (2.39 out of 5). When asked if they respect the company, the score shows that employee disagreed (2.36 out of 5). When asked if they trust the firm, the employee disagreed with this phrase (2.21 out of 5). This shows that employees were not fully satisfied with the organization and this can be attributed to factors such as poor leadership, pay and management method.

 The second construct investigated is the employee perceived that the organization had good products. The results show that employees agreed with this fact (3.47 out of 5).

The employees were then asked to rate the financial performance of UACN. The results indicate that employees neither agree nor disagree about the firm financial position and future prospects. Within this construct, it was noted that employees were sure that the firm has a vision and will continue to grow in future (3.89 out of 5). This can be attributed to the fact that the firm has existed for many years.

 In terms of work environment, workers disagree that the company has a good work environment and this is attributed to poor leadership which does not motivate employees (2.34 out of 5). Lastly, the firm scored highly in terms of social responsibility to the environment (3.75 out of 5)

|  |
| --- |
| Table 32: perceived organizational reputation |
|   | Strongly disagree | Disagree | Do not Know  | Agree  | Strongly Agree |   |   |
| ***Emotional aspects***  | k | % | k | % | k | % | K | % | k | % |   |   |
| I feel good working at UACN  | 19 | 12.67 | 93 | 62 | 9 | 6 | 19 | 12.7 | 10 | 6.67 | 2.39 | disagree  |
| I admire and respect UACN  | 16 | 10.7 | 102 | 68 | 8 | 5.3 | 10 | 6.67 | 14 | 9.3 | 2.36 | disagree  |
| UACN is one company which I can trust  | 42 | 28 | 71 | 47.3 | 8 | 5.3 | 21 | 14 | 8 | 5.3 | 2.21 | disagree  |
|  **Dimension Average**  | **2.32** | **disagree**  |
| **Perception about products and services**  |   |   |   |   |   |   |   |   |   |   |   |   |
| UACN sells high quality products and has excellent services  | 7 | 4.7 | 31 | 20.7 | 7 | 4.7 | 87 | 58 | 18 | 12 | 3.52 | agree  |
| UACN is innovative when making their products and giving service  | 6 | 4 | 28 | 18.7 | 29 | 19.3 | 70 | 46.7 | 17 | 11.3 | 3.43 | agree  |
|  **Dimension Average**   | **3.475** | **agree**  |
| ***Financial performance***  |   |   |   |   |   |   |   |   |   |   | 0 |   |
| I am very happy with UACN profitability  | 10 | 6.7 | 32 | 21.3 | 16 | 10.7 | 57 | 38 | 35 | 23.3 | 3.5 | agree  |
|  I believe that UACN will continue to grow in the future  | 20 | 13.3 | 39 | 26 | 12 | 8 | 51 | 34 | 28 | 18.7 | 3.19 | do not know  |
| UACN will definitely perform better as compared to its competitors  | 2 | 1.3 | 79 | 52.67 | 7 | 4.7 | 39 | 26 | 23 | 15.3 | 3.01 | do not know  |
| UACN has a good vision for the future  | 2 | 1.3 | 34 | 22.7 | 5 | 3.3 | 47 | 31.3 | 62 | 41.3 | 3.89 | agree  |
| UACN is a market leader in the industry  | 16 | 10.7 | 20 | 13.3 | 69 | 46 | 15 | 10 | 30 | 20 | 3.15 | do not know  |
|  **Dimension average**  | 3.348 | do not know  |
| ***Work environment***  |   |   |   |   |   |   |   |   |   |   |   |   |
| UACN is a good place to work in  | 56 | 37.3 | 44 | 29.3 | 2 | 1.3 | 15 | 10 | 33 | 22 | 2.5 | disagree  |
| UACN has good employee who we interact and collaborate  | 34 | 22.67 | 85 | 56.67 | 1 | 0.7 | 13 | 8.67 | 17 | 11.3 | 2.29 | disagree  |
| UACN reward employees very well  | 35 | 23.33 | 86 | 57.3 | 1 | 0.7 | 16 | 10.7 | 12 | 8 | 2.23 | disagree  |
|  **Dimension average**  | **2.34** | **disagree**  |
| ***Social responsibility***  |   |   |   |   |   |   |   |   |   |   | 0 |   |
| UACN support social activities and environmental conservation  | 6 | 4 | 34 | 22.7 | 1 | 0.7 | 72 | 48 | 37 | 24.7 | 3.67 | agree  |
| UACN supports community activities  | 3 | 2 | 31 | 20.7 | 0 | 0 | 60 | 40 | 56 | 37.3 | 3.9 | agree  |
| **average**  |   |   |   |   |   |   |   |   |   |   | 3.785 | agree  |

The second hypothesis investigated whether the type of leadership style affected employees reputation. This null hypothesis was “***HO:*** *Leadership style affects the employee’s reputation about the company*”. The results and discussion above show that most employees did not like the working conditions and did not have a good reputation about the company. However, he employees were also happy with financial performance and future of the company since the firm has a long history. Based on the results, the null hypothesis was accepted in that most employees seem to have a poor attitude and perception to UACN due to its leadership style.

# CONCLUSIONS AND RECOMMENDATIONS

Leadership is an imperative component in the management and running of any organization. Leadership can be broadly defined as ability to influence others to achieve a common goal. Due to the rising competition and globalization, there is increased need for good decision making. With a large portion of management literature advocating for good leadership to improve employee performance, trust and reputation about the company, there is need to do more research on this area. The current leaders are faced with the problem of identifying the right leadership style –transformational or transactional leadership style as well as determining the impacts of these styles on performance.

This study investigated the role of leadership style in promoting employee performance, empowerment and productivity at UACN. The Main aim of the study was to determine whether leadership style affects employee’s performance and perception. An analysis of previous literature shows that transformational, transactional and laissez faire leadership styles are most common. These different leadership styles affect employee’s performance as well as the general profitability of any company. This study investigated the role of leadership style in modulating the performance, productivity and empowerment of employees at UACN. The research used quantitative research method and a questionnaire was used to collect data from 150 employees at UACN. The results indicate that UACN uses transactional leadership style and this reduces the employee performance, productivity and empowerment.

From the study, it was found out that UACN managers used transactional as opposed to transformational leadership style. The managers were keen on allocating specific role to employees and ensuring that these are finished. Most of the aspects of transformational leadership such as articulating the company vision among employees, encouraging teamwork, guiding subordinates to achieve intended roles were not done as employees disagreed with these statements. On the other hand, most transactional leadership aspects such as spelling out roles and duties for each employees, punishing non performing workers, giving rewards and general lack of innovativeness among employees were prevalent. Therefore, UACN uses transactional leadership style as opposed to transformational style.

This research also investigated the role leadership style at UACN on improving employee performance. The results show that leadership style does not improve employee performance since the firm uses transactional leadership style. Firms using transformational style are not keen on empowering and motivating subordinates to perform exemplary and beyond the normal duties at the firm. The general lack of relationship between their performance and leadership style means that the firm should change its leadership style.

The second hypothesis investigated whether leadership style influences the employee perception about the company. The results indicate that leadership style at UACN has created a negative attitude among the employees at UACN. This can be attributed to use of transactional leadership style.

It is recommended that managers at UACN need to improve their leadership strategies by adopting more transformational leadership aspects that motivate and empower employees. By adopting a better leadership style, workers will be motivated and empowered. This would subsequently improve their perception and performance in the long run. Future studies also need to be done among African nations to determine the leadership style and link this to organizational performance.

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