

EXAMINING LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE IN THE PUBLIC SECTOR OF GHANA

A CASE OF GHANA ATOMIC ENERGY COMMISSION

Ebenezer Malcalm Ph.D

emalcalm@gtuc.edu.gh

Stephen Tamatey

sptamatey@gmail.com

Abstract: This study examines leadership style on employee performance in the Public Sector of Ghana. The research used mixed method approach with descriptive linear regression method to determine the effect of leadership styles on employee performance. The full range leadership styles of transformational, transactional and laissez faire were considered with employee performance of In-Role Performance (IRP) and Organizational Citizenship Behavior (OCB). The population of the study is comprised of all the 921 staffs of the Ghana Atomic Energy Commission (GAEC). Simple random sampling as well as purposive and convenience sampling techniques were used in this research. Three questionnaires were used to collect data on leadership style and employee performance both quantitatively and qualitatively. SPSS software was used to calculate simple linear regressions to test the hypothesis. Themes were also developed from the interview transcriptions. The results from both analysis show that all the leadership styles do not have any effect on employee performance. However, the leaders were found to be exhibiting a mixture of transformational and transactional leadership attributes.

Keywords: Transformational Leadership, Transactional Leadership, Laissez Faire Leadership, In-role Performance, Organizational Citizenship Behaviour, Public Sector.

Introduction

In contemporary times, the employees of organizations are classified as the human capital, and are therefore the most important asset of every organization. The basic step that must be taken by any organization to meet its goals and accomplish its objectives is to maintain and cater for the needs of the human beings. Making the employee satisfied and fulfilled should be the most important objective of the organization. The management of an organization also plays a crucial role in human development and the organization achieving its objectives and goals.

History tells us that, all the major and significant developments and breakthroughs in science and technology, arts and industry were as a result of the presence of a leader (Shafie, Baghersalimi, and, Bargi, 2013). Vigoda-

Gadot (2006) opined that, leadership determines the extent of successes and failures of organizations. Charlton (2000) also argued that the performance of organizations and employees was as a result of positive influence through effective leadership. That is, effective leadership plays an instrumental role in ensuring that employees are attracted, maintained, trained and motivated to perform to accomplish the goals and objectives of the organization. The achievements and performance of the organization is eventually due to the collective performance of the employees.

Bass (1997) then opined that, for any organization to survive in a dynamic and competitive business environment, it has to adopt the best leadership styles. Because employees' perception of leadership style greatly affects the performance and commitment of the employee to achieving the organizations goals (Jaskyte, 2004). Thus, the leadership styles of the leaders and managers can either motivate the employees to increase and improve his/her performance or discourage employees from putting in their best. Due to this, Turner and Muller (2005) emphasized that for efficiency purposes, more emphasizes should be placed on an effective leadership style, one that positively affects employees' performances, effectiveness and productivity. Robbins (2003) then concluded that, the main role and responsibility of a leader is to develop the capacity to direct people with a shared vision to achieve common goals. The main objective of this study is to find the best leadership style that will lead to effective and efficient exploitation of resources so that the performance of the employees would be properly improved in order to achieve organizational goals.

Literature Review

There have been several assertions and propositions on leadership by various schools of thought. The subject leadership has evolve over the years with several literature in an attempt to find the best leadership style that lead to effective and efficient exploitation of resources so that the performance of the employees would be properly improved in order to achieve organizational goals. From the great man theory, through the traits, style, contingency and situational leadership theories, scholars have tried to give a definite definition and meaning to

the concept of Leadership. Jaques and Clement (1991) defined leadership as a procedure where the leader shows the way and carry the followers along with charisma, competence and productivity. Mcswain (2010) also defined leadership as a capacity, which means that the leader must have the capability to listen, observe and use his proficiency to motivate all the followers at the various levels of decision taking through constant dialogue, which will make the employees and followers feel valued and part of the system because their views, values, visions and opinions are factored into key decisions. In line with these definitions, Tandoh (2011) discovered that, the focus of current leadership theories has shifted from individualities to the situations whereby the leadership recognizes the importance and need to relate to the followers based on a particular situation and context. Schermerhorn, Hunt and Osborn (2000) also described leadership to be an interactive inspiration that get followers and subordinates to achieve the objectives and targets of the leader or the organization.

The current theory and study of the core concept in the field of leadership concentrates on transformational and transactional leadership. Burns in 1978 first introduced this concept and was later developed by Bass and Avolio to include the “full range model of leadership” (Burns, 1985; Bass and Avolio, 1993).

According to Burns (1978) the influence where by the leader creates a cost-benefit relations with his followers is called the transactional leadership and the influence where the leader maintains an emotional excitement with the followers is called the transformational leadership. The main trust of the full range of leadership theory is that, for any organization to attain its objectives, goals and vision, there must be a definite and mutually acceptable relationship between leaders and their followers.

Transformational Leadership style

Dvir, Dov, Avolio, and Shamir (2002) made it clear that the transformational leader employs more inspirational tactics to influence their follower’s goals and ambitions through providing them with self believe. Yulk (2006) also stated that, transformational leadership makes sure the relationship between the leader and the follower is mutually beneficial. Transformational leaders lead by example through showing their charismatic behavior which inspires, motivates, stimulates the intellectual capability and arouse the admiration of their

subordinates, as well as considering the needs of their followers individually. According to Bass and Avolio (1993), the behavioral traits exhibited by the transformational leader are classified into four characteristics. These behaviors are idealized influence followers, inspirational motivation, intellectual stimulation and individualized consideration.

Transactional Leadership style

Bass (1985) perceived the transactional approach as cost-benefit process between leaders and followers. Transactional leadership transpires when the leader depends on the appropriateness of the behavior or performance of the follower to either punish or reward him. The transactional leadership has three components, comprising of contingent reward, management by exception (active) and management by exception (passive).

Laissez faire Leadership style

Mullins (2006) described the laissez-faire style as a situation where the subordinates are left on their own to work. The leader does not interfere in the subordinates activities even though he makes himself available for consultation when the need be. According to Asare (2012) the leader delegates his responsibility to take decisions to the subordinates and also gives them all the authority and control to go about their actions and accomplishments.

Employee Performance

Tandoh (2011) asserted that, the performance of the employee is what leads to the survival and success of the organization. The study adapted the in-role performance and organizational citizenship behavior (OCB) as key indicators of the employee performance. MacKenzie, Podsakoff and Fetter, (1993); and Organ, (1988a) agreed that both in-role and organizational citizenship behavior are the ingredients of employee performance that influence organizational effectiveness.

Empirical Literature

In quite recent times, research studies conducted on the effect of leadership style on employee performance by (Sharfie, Baghersalimi and Barghi 2013; Puni, Ofei and Okoe, 2014) confirmed that employee performance is greatly influenced by leadership styles. Moreover, (Al-Hussami, 2008; Bin Ahmed & Sam, 2013; Bycio, Hackett & Allen, 1995; Chen & Chen, 2010; Dhammika, Emery & Baker, 2007; Vogoda-Gadot, 2007) further suggested that transformational leadership has a higher positive effect on employee job performance.

According to Duncan (2014) several researchers have found out that the blend of both the transformational and transactional leadership styles will be the best leadership style in today's ever changing world. Due to some dominant contextual operations, the kind of leadership style may differ in context. In this regard, this study focused on examining the leadership style on employee performance in the Public Sector of Ghana.

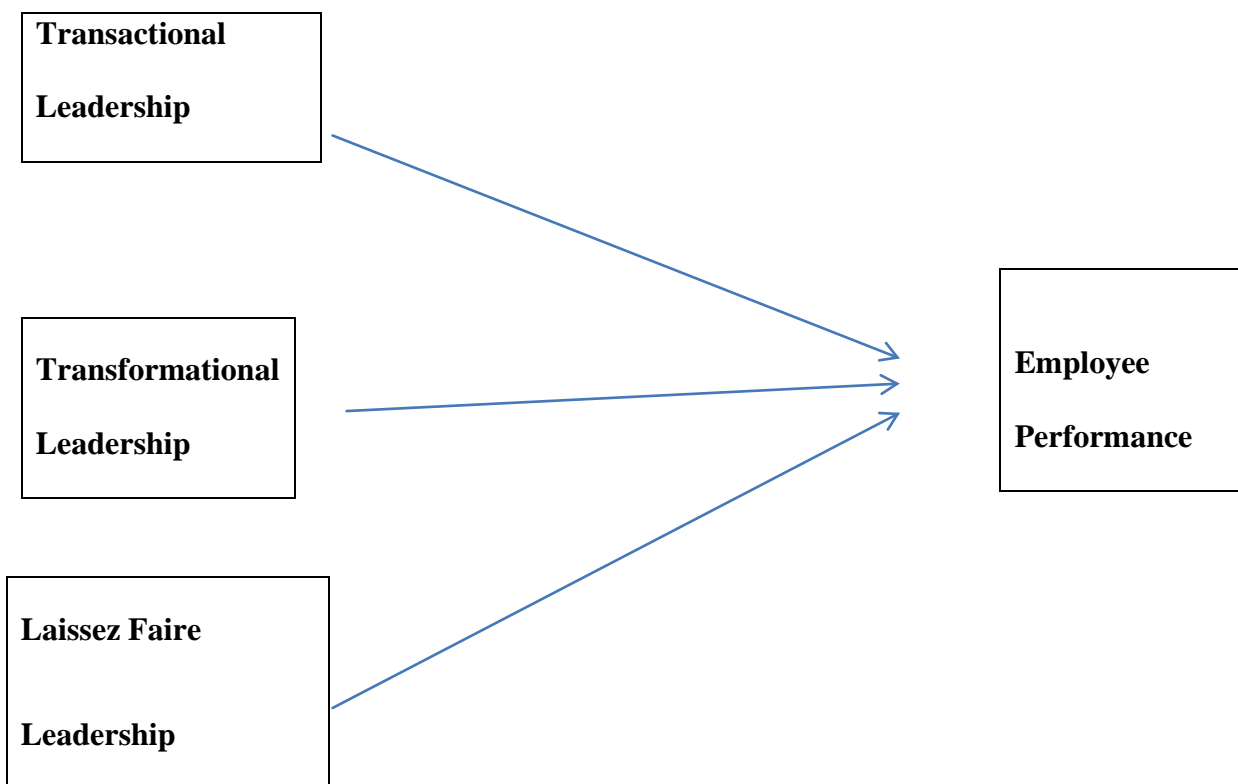


Figure 1. Conceptual Framework designed by the Researchers

Research Hypothesis

1. H_1 : Transformational leadership style has effect on employee performance at Ghana Atomic Energy Commission.
2. H_1 : Transactional leadership style has effect on employee performance at Ghana Atomic Energy Commission.
3. H_1 : Laissez faire leadership style has effect on employee performance at Ghana Atomic Energy Commission.

Methodology

Mixed method (quantitative and qualitative) design was utilized in this study. Descriptive regression method was used in this research to quantitatively determine the relationship and effect of the predictive variable (transformational, transactional and laissez faire leadership styles) on the dependent variable (employee performance). Themes were also developed from interviews of participants as qualitative basis and used to corroborate the quantitative results.

All the 921 staff at Ghana Atomic Energy Commission formed the population of the study. Out of this population 87 composed the leadership and 834 are subordinates. Both probability and non-probability sampling techniques were used to select the participants.

Simple random sampling was used to select 30 leaders that assessed the performance of their subordinates and 30 subordinates who also assessed the leadership style of their superiors. Convenience and purposive sampling strategies was used to select 5 leaders that were interviewed. These leaders are the Directors of the institutes.

The research instruments are three questionnaires;

1. Leadership Style questionnaire: The Multifactor Leadership Questionnaire (MLQ 5X) developed by Bass and Avolio was used. It is 45 questions measuring the transformational, transactional and laissez faire leadership styles. The questionnaire adapted the Likert 5-point scale of responses, which ranges from “not at all, to, frequently, if not always” (Bass and Avolio, 1995).
2. Employee Performance questionnaire: This questionnaire was developed by William and Anderson in 1991. The scale contains 21 questions describing the in-role performance and extra role performance (organizational Citizenship Behavior). A 5-point Likert scale ranging from “bad to excellent” was adapted.
3. Interview Questionnaire: This questionnaire is researcher made based on the key thematic areas of transformational, transactional and laissez faire leadership style and the in-role and organizational citizenship behavior for the employee performance assessment. The researcher used open ended questionnaire to gather more qualitative data that is used to corroborate the results that is obtained from the quantitative data.

Findings

The study sought to findout whether employee performance is affected by the leadership style of the leaders in the Public Sector of Ghana. The Statistical Package for Social Scientists (SPSS) version 23.0.0 was utilized to analyze the data. The analysis was done in two parts. The first part involved using simple linear regression test to analyze the quantitative data. And the second part involved using the themes developed to analyze the qualitative data.

Quantitative analysis;

Simple linear regression was of SPSS was used to determine the effect of the transformational, transactional and laissez faire leadership styles on employee performance. This was done by testing the hypothesis of the study.

1. H_1 : Transformational leadership style has effect on employee performance at Ghana Atomic Energy Commission.

Table 1

Model Summary for Transformational Leadership

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.173 ^a	.030	-.005	.59732

a. Predictors: (Constant), Transformational
 Source: Survey data 2016

Table 2

ANOVA for Transformational Leadership

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.310	1	.310	.869	.359 ^b
	Residual	9.990	28	.357		
	Total	10.300	29			

a. Dependent Variable: Performance

b. Predictors: (Constant), Transformational

Source: Survey data 2016.

Table 3

Coefficients for Transformational Leadership

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	2.073	.267		7.759	.000
	Transformational Leadership	.124	.133	.173	.932	.359

a. Dependent Variable: Performance

Source: Survey data 2016

From table 1 to table 3 above, the regression equation was not significant at ($F(1, 28) = 0.869, p > 0.05$) with an R^2 of 0.030. This means that transformational leadership style has no effect on employee performance in the Public Sector of Ghana. The significance level of the regression 0.173 is above 0.05 which is the significance benchmark. The null hypothesis is therefore accepted and the alternative hypothesis rejected. It further means that for every one good transformational behavior of the leader, employee performance will improve by only 12%.

2. H_1 : Transactional leadership style has effect on employee performance at Ghana Atomic Energy Commission.

Table 4

Model Summary for Transactional Leadership

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.094 ^a	.009	-.027	.60384

a. Predictors: (Constant), Transactional
 Source: Survey data 2016

Table 5

ANOVA for Transactional Leadership

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.091	1	.091	.248	.622 ^b
	Residual	10.209	28	.365		
	Total	10.300	29			

a. Dependent Variable: Performance
 b. Predictors: (Constant), Transactional

Source: Survey data 2016

Table 6

Coefficients for Transactional Leadership

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	2.155	.312		6.908	.000
	Transactional	.082	.165	.094	.498	.622

a. Dependent Variable: Performance

Source: Survey data 2016.

A simple linear regression calculated to determine the effect of transactional leadership style on employee performance indicated in Table 4 to table 6 below that, the regression equation was not significant with $(F(1, 28) = 0.248, p > 0.05)$ and an R^2 of 0.009. This means that the transactional leadership style has no effect on the employee performance in the Public Sector of Ghana. The regression of 0.94 has a significance level above the benchmark of 0.05. Based on this, the null hypothesis is accepted and the alternative hypothesis rejected. In this case, one transactional leadership trait that will be exhibited will result in only 16.5% improvement in employee performance.

3. H_1 : Laissez faire leadership style has effect on employee performance at
 Ghana Atomic Energy Commission

Table 7

Model Summary for Laissez Faire Leadership

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.236 ^a	.056	.022	.58941

a. Predictors: (Constant), Laissez Faire

Source: Survey data 2016

Table 8

ANOVA for Laissez Faire Leadership

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.573	1	.573	1.649	.210 ^b
	Residual	9.727	28	.347		
	Total	10.300	29			

a. Dependent Variable: Performance

b. Predictors: (Constant), Laissez Faire

Source: Survey data 2016

Table 9

Coefficients for Laissez Faire Leadership

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	T	
1	(Constant)	2.545	.219		11.603	.000
	Laissez Faire	-.136	.106	-.236	-1.284	.210

a. Dependent Variable: Performance

Source: Survey data 2016.

Table 7 to table 9 showed the regression equation calculated was not significant at (F (1, 28) = 0.248, $p > 0.05$) and an R^2 of 0.009. This means that there is no significant effect of laissez faire leadership style on employee

performance in the Public Sector of Ghana. Therefore the null hypothesis was therefore accepted and the alternative hypothesis rejected.

Qualitative analysis;

The leaders and their subordinates were interviewed. The interview was recorded, transcribed and themes were developed from the responses obtained. The questionnaire was self-developed by the researcher. The leadership style questions focused on the key thematic areas of transformational leadership (idealized influence, individualized consideration, inspirational motivation and intellectual stimulation), transactional leadership (Contingent reward and management by exception) and laissez faire leadership styles. The employee performance questions also were based on the in-role performance and organizational citizenship behavior. Five (5) leaders were interviewed to assess the performance of their subordinates and five (5) subordinates of the same leaders were also interviewed to assess the leadership style of their superiors. The themes are developed are shown in tables 10 and 11 below.

Table 10

Employee performance

Performance	Themes
In-Role Performance	Good performance, Expectations to excel, Average performance, No job descriptions, New evaluation modalities, They perform for appraisals They perform extra duties
Organizational Citizenship Behavior	No appraisal systems, They know the promotion criteria, Constant reminder circulars, No individual initiatives, Few team implementations, They work to rule,

Table 11
 Leadership Style

Style	Themes
Transformational	He believe in hard work, He believes God rewards, He has attitude of punctuality and time consciousness, He insists on meeting deadlines, He wants the best way of doing things, Am nice but strict at work time, He insists on good jobs to be done. He encourages us to work extra hard, We have one on one chats, He advices to be versatile and be innovative in job performance. He Focus on goals, He do not compromise on quality, He motivates and encourages us never to give up. He attends our social programs and activities, Personal financial support, We have informal discussions through his open door policy, He makes subordinates happy.

Transactional	He gives rewards and awards, Timeliness is his hall mark, He always gives best worker awards and promotions, He cannot be taken for granted, He gives cautions all the time, Contract terminations, Clear rules and self-correcting.
Laissez Faire	We always seek approval, His directives are taken serious, He does constant follow ups, He reprimands and quick corrections.

From the responses of the leaders interviewed, they confessed that the performance level of their subordinates is average. Moreover, the subordinates also indicated that their leaders exhibit more of the attributes of a transformational leader. However, it became clear that the leaders exhibit all of the attributes of transformational, transactional and laissez faire leadership styles.

The meaning is that, the leadership style of the leaders does not lead to the best performances from the employees. This therefore confirms the findings from the quantitative analysis that the leadership style has no effect on the performance of the employees in the Public Sector of Ghana.

Discussion

Indicating from the findings, quantitatively the independent variable (leadership) represented as transformational, transactional and laissez faire leadership styles have no effect on the performance of employees in the public sector of Ghana. This was further confirmed by results from the qualitative analysis. From the interview, the leaders indicated that the performance of their employees or subordinates is average or good. Summarily the finding shows that the leadership style has no effect on the performance of the employees in the Public Sector. However, the findings of this study do not support assertions of (Asare, 2012; Duncan, 2014; Vigodat-Gadot, 2006; Shafie, Bagersalimi and Barghi, 2013) in similar studies where they found out that leadership styles affect employee and organization performance.

It is believed that, every organization expects the best performance from its employees. Therefore this average performance could then be said to be unsatisfactory and more could be demanded from the employees. Moreover, from the analysis, the employees also indicated that their leaders exhibit the transformational and transactional leadership styles more often and the laissez faire less often. Quantitatively, each of the leadership styles has no effect on the performance of the employees. In addition, qualitatively, it became clear that the leaders don't exhibit each of these leadership styles exclusively but rather all the attributes of these leadership styles are exhibited comprehensively. Bass and Yammarino (1990) stated that both transformational and transactional leadership styles complement each other. The transformational and transactional leadership styles are regarded as the best, and the current trend of leadership styles that brings the best output from employees. This means that with the leaders exhibiting these leadership styles, the performance of the employees should be high and above average.

If the leaders are able to effectively exhibit all the attributes of the transformational, transactional and laissez faire leadership style, they will be able to persuade and convince their employees to put in much effort to produce higher outputs. This means the leader must convincingly be able to stimulate the intellectual capability of the employees, consider their needs individually, influence them individually, and motivate them inspirationally as well as reward and punish them where appropriate. Because the leaders are exhibiting all the attributes of transformational, transactional and laissez faire leadership styles, the performance of the employees is supposed to be higher but that is not the case from the findings of this study. This means that, the employees do not depend on the leader's style of leading in the performance of their duties. There could be other militating factors which contribute to the average performance of the employees. Some of these factors could be availability of resources, the culture of the people, the organizations culture and other external factors.

Conclusions and Recommendations

The study concludes that the leaders are exhibiting the right leadership styles even though it is not impacting the performance of the employees. The transformational and transactional leadership styles are complementary

leadership styles that when exhibited correctly should lead to the highest performance levels of employees. The employees do not necessarily rely so much on their leaders in performing their duties. The employees acknowledged the leaders style of leading but that does not influence translate and into perform higher. Implying that, there are other factors which needed to be considered in order to achieve the highest performances of the employees.

Due to these, the following suggestions were made;

1. The leaders should be trained on the right mix and application of the attributes transformational and transactional leadership styles. This will aid them to know when to apply a particular attribute that could stimulate the best outcome from their employees.
2. Secondly, the leaders should find out for other factors that hinder the performance of their employees. They could be applying the right leadership styles but without the necessary needed resources or inputs, the employees cannot do much. Other external factors like the environment and culture could possibly be considered. Since this study was conducted in the Public Sector, the work culture of the public sector might play a role in the low performance.

With this study as basis for future research, the following suggestions could be taken into consideration.

1. Intervening variables like culture and resource availability could be introduced into the topic for future studies to be conducted.
2. Also, this study was done using a scientific research based organization in the Public Sector as a case study. It is suggested that future studies should consider using different organizations and institutions in the Public Sector.
3. In addition, this study adopted the mixed method approach in collecting and analyzing data. This led to only a small sample size selected for the quantitative analysis. Future studies should focus on solely quantitative method so that the sample size could increase.

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