

# THE EFFECT OF TRANSFORMATIONAL LEADERSHIP ON EMPLOYEE PERFORMANCE IN CAMEROON

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**Abstract:** This study conducted the impact of transformational leadership on employee performance using quantitative data which was sourced from 335 employees of the Cameroonian banks. This study had conducted different analyses ranging from frequency analysis, factor analysis to regression analysis. The study had found to conclude that individualized consideration exhibits a positive impact and significant on employee performance and idealized influence showed that the employee performance would be positively impacted significantly when idealized influence increases. It was also concluded that intellectual stimulation exhibits a positive and significant impact on employee performance, and inspirational motivation exhibits a positive impact on employee performance though it was not significant.

**Keywords:** Transformational Style, Leadership, Employee Performance, and The Cameroonian Banks.

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## 1. INTRODUCTION

Leadership plays an important part in achieving organization goals and improving the morale of the employees to performing their work effectively and efficiently. Meanwhile, there are different forms of leadership styles that organization implement to achieve their stated objectives. Though no consensus that one form of leadership style is superior to other, but it depends on the structure and culture of such organization. Mullins (2000) described leadership style as the way leadership functions are done. Leadership style is the methods used to keep staff/members inspired. However, transformational style of leadership works to encourage and empower members to do whatever that initiates the shift in organizational members' behavioral circumstances but also with work fulfillment as the main target (Saleem, 2015). Abazeed (2018) described transformational leadership as the leadership that increases the degree of accomplishment and self-esteem, while fostering community and organizational growth. Transformational leaders strengthen the confidence of the followers by transmitting their expectations; improve the skills of the followers by providing positive input and guidance for their growth, inspire followers to apply innovative approaches to overcome their job issues, motivate followers by celebrating their abilities and efficiency (Zou, Zheng, & Liu, 2015). Employee performance is an association between encouragement and capability, where performance is an essential factor to help

accomplish organizational objectives. Great performance can be accomplished if the entity will inspire people within the company, promote an environment of cooperation between organizations and encourage innovation and initiative. Work life will boost total efficiency, both employee efficiency, performance of work groups and performance of agencies. Employee should not be segregated from the organizational leadership positions that occur. This is because leadership can drive organizational objectives, inspire behavior, and establish the corporate culture (Griffin 2002). Leadership is a major consideration for the corporation, since leaders may affect the productivity and job satisfaction of workers, health, efficiency and the level of performance of an enterprise (Jaya, Masdupi, & Marwan, 2018).

## 2. LITERATURE REVIEW

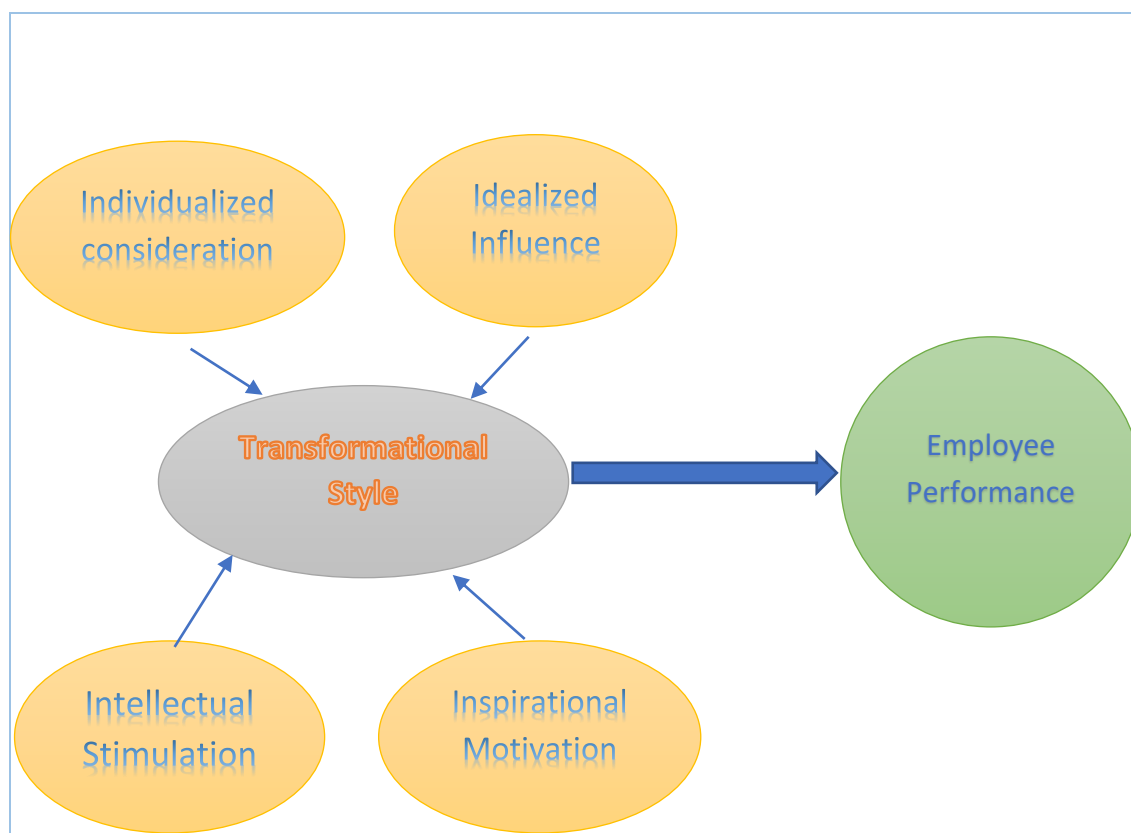
In a study conducted by Handoyo, Hamid, and Iqbal (2015) on leadership management and performance of the employee in Indonesia, they found that transformational leadership revealed insignificant on motivation and performance. Ali *et al.*, (2015) did a study on leadership style in connection with culture in Malaysia where qualitative technique was used and found that positive association exists between leadership and culture. Jyoti and Bhau (2015) examined the impact of transformational leadership on performance in India. They employed structural equation modeling and regression analysis and found that transformation leadership has a positive effect on performance. Lor and Hassan (2017) found that transformational leadership influences employees' efficiency. More so, Teymournejad and Elghaei (2017) wrote on transformational relation to employees' creativity in Iran using Kolmogorov-Smirnov analysis and they found that dimensions of transformational leadership have positive significant effect on employees' creativity. Safdar and Liu (2018) employed descriptive analysis and regression method to examine the relationship between transformational leadership and employee creativity in Pakistan. They found that managers can increase workplace imagination by tailoring innovative leadership styles. In Jordan, Abazeed (2018) wrote on transformational leadership on learning of the organization using descriptive analysis, factor analysis and regression method. The study found that the variables of transformational leadership impacted positively on learning of the organization. Muslichah (2018) did a survey on transformational leadership and job satisfaction in Indonesia using partial least square method and found that transformational leadership exhibited a positive significant impact on job satisfaction. Jaya, Masdupi, and Marwan (2018) used path analysis to examine the relationship between transformational leadership and motivation on performance in Indonesia. They found that transactional and transformational leaderships have positive impact on employee motivation and performance.

Continuously, Buila, Martínez, and Matute (2018) surveyed on transformational leadership and performance in Spain using partial regression and found that effective behavior enhances leadership's impact on reputation and interaction. Hian and Ling (2019) did a survey on the relationship between transformational leadership and employee behavior in Malaysia using correlation and regression analyses and found that motivation, inspiration and intellectual stimulation significantly influence employee behavior.

Nsom, Teih, and Sundjo (2019) studied the connection between transactional and transformational leadership on employee's conduct in Cameroon using percentage analysis. They reported that employees are either rewarded for hard work or fired for failure to achieve outcomes or exceeding standards as evidenced by 53 percent of those surveyed. Abuzaaid *et al.*, (2019) wrote on transformational leadership on effectiveness of decision making among Microfinance in Jordan. They employed descriptive analysis and found that positive connection exists between transformational style and decision-making strategy. Chandrasekara (2019) did a study on transformational leadership effect on satisfaction and performance in Sri Lanka. Correlation technique was used and reported that transformational style exhibited positive impact on performance. Chammas and Hernandez (2019) studied the connection between transformational leadership in Brazil using structural equation modeling and revealed that leader style influences employee performance. Mahar *et al.*, (2020) examined the relationship between transformational and transactional leaderships on employee performance in Pakistan using quantitative method. They found that positive correlation exists among transformational, transactional and performance of the employee.

### 3. METHODOLOGY

#### Variable Connection



**Source:** Bass and Riggio (2006)

#### Independent variables:

Transformational Leadership

- Individualized consideration
- Inspirational motivation
- Idealized influence
- Intellectual stimulation

#### Dependent Variable

Employee Performance

#### Hypotheses:

**Hypothesis 1:** There is positive association between leaders' individualized consideration and employees' performance.

**Hypothesis 2:** There is positive association between leaders' inspirational motivation and employees' performance.

**Hypothesis 3:** There is positive association between leaders' idealized influence and employees' performance.

**Hypothesis 4:** There is positive association between leaders' intellectual stimulation and employees' performance.

#### **Population and Sample**

The population consists of banks employees in Cameroon and the study conveniently sampled 335 employees working in the Cameroonian banks.

**Model Specification**

This study adapts a functional model which is presented as follows:

$$EMP = f(IC, IDI, IS, IM)$$

Where

EMP – Employees Performance

IC – Individualized Consideration

IDI – Idealized Influence

IS – Intellectual Stimulation

IM – Inspirational Motivation

**4. RESULT DISCUSSION****Reliability Test****Table 1: Reliability Statistics**

Cronbach's Alpha	N of Items
.969	27

Source: Author's analysis

To examine whether the items used in the questionnaire are reliable, the study established a Cronbach's Alpha test of reliability, and it was reported that the 27 items in the questionnaire reveals a Cronbach's Alpha value of 0.969, indicating that the items have 96percent reliability value.

**Factor Analysis****Table 2: Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	15.218	56.361	56.361	15.218	56.361	56.361
2	2.553	9.456	65.817	2.553	9.456	65.817
3	1.325	4.909	70.726	1.325	4.909	70.726
4	1.192	4.415	75.142	1.192	4.415	75.142
5	1.016	3.764	78.905	1.016	3.764	78.905
6	.898	3.324	82.229			
7	.671	2.487	84.716			
8	.491	1.820	86.535			
9	.468	1.735	88.270			
10	.433	1.604	89.874			
11	.384	1.423	91.297			
12	.293	1.083	92.380			
13	.280	1.039	93.419			
14	.235	.872	94.291			
15	.209	.776	95.066			
16	.185	.685	95.751			
17	.175	.649	96.400			
18	.163	.604	97.004			
19	.156	.576	97.580			
20	.134	.495	98.075			
21	.130	.483	98.558			

22	.086	.320	98.878		
23	.080	.295	99.173		
24	.069	.255	99.428		
25	.061	.226	99.654		
26	.053	.196	99.850		
27	.040	.150	100.000		

Extraction Method: Principal Component Analysis.

Source: Author's analysis

The report of the factor analysis through the variance explained of the items used to conduct the analysis and which were gathered from the target audience showed that, at component 1 of the items, there was a value of 56.361 while at component 5, there was a value of 78.905, indicating that at component 5, the variance explained of the items has 78percent.

### Regression Analysis

**Table 3: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.803	.645	.640	.357

Source: Author's analysis

The regression summary as presented in Table 3, showed the value R: 0.803, the R-square: 0.645, the adjusted R-square: 0.640 and the standard error: 0.357. this shows that the study regression is goodness of the fit, as a result of the R-square value, which is above average, that is the determination of the coefficient is sufficient.

### Analysis of Variance

**Table 4: ANOVA**

	Sum of Squares	df	Mean Square	F	Sig.
Regression	76.339	4	19.085	149.608	.000
Residual	42.096	330	.128		
Total	118.436	334			

Source: Author's analysis

The above table presents the analysis of variance of the data gathered. It was showed in the table that the sum of squares regression value was 76.339, the df was 4, mean square was 19.085, the F-stat value was 149.608 and the significance value was 0.000, implying that the independent variables can jointly impact the dependent variable.

### Coefficient

**Table 5: Coefficients**

DV: Employee Performance	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.342	.221		6.081	.000
Individualized Consideration	.230	.045	.271	5.178	.000
Idealized Influence	.392	.046	.415	8.582	.000
Intellectual Stimulation	.154	.043	.184	3.603	.000
Inspirational Motivation	.036	.024	.057	1.537	.125

Source: Author's analysis

The coefficient of the regression with the equation  $EMP = f(IC, IDI, IS, IM)$  displayed that:

At constant, the coefficient value of 1.342, with standard error value of 0.221, the t-stat value is 6.081 while the sig value is 0.000, implying that, if the independent variables are constant over time, employee performance will be positive and significant.

The first independent variable (individualized consideration) has the coefficient value 0.230, the std error value is 0.045, t-stat value is 5.178 and the sig value is 0.000, indicating that individualized consideration exhibits a positive impact and significant on employee performance.

Idealized influence showed the coefficient value of 0.392 with std error value of 0.046, t-stat value of 8.582 and significance value of 0.000, connoting that the employee performance would be positively impacted significant when idealized influence increases.

Intellectual stimulation has the coefficient value of 0.154 with std error value of 0.043, t-stat value of 3.603 with the sig value of 0.000, indicating that intellectual stimulation exhibits a positive and significant impact on employee performance.

Inspirational motivation coefficient value is 0.036 with std error value of 0.024, t-stat value of 1.537 and sig value of 0.125, implying that inspirational motivation exhibits a positive impact on employee performance though it was not significant due the significant value which was above 5% alpha level.

## 5. CONCLUSION

Different leadership styles required for different circumstances, and every leader required to decide when to use which one. Leaders must adapt their management style according to the situation and the people they are leading. Leadership is a relationship between leaders and workers in which the leader tries to persuade employee to achieve for a common purpose. To introduce a strong leadership style in an organization, leaders must first consider their place of supremacy, mission structure, and experience, as well as the leader-member relationship in general. Appropriate leadership is essential to the success in workforce planning and organizing since the effectiveness or failure of companies is often due to it. It is generally believed that leaders have a substantial influence on individual, team, and organization's goals.

However, this study concluded that individualized consideration exhibits a positive impact and significant on employee performance and Idealized influence showed that the employee performance would be positively impacted significantly when idealized influence increases. It was also concluded intellectual stimulation exhibits a positive and significant impact on employee performance, and inspirational motivation exhibits a positive impact on employee performance though it was not significant.

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