

**INFLUENCE OF LEADERSHIP STYLES ON PERFORMANCE OF  
INSURANCE PROJECTS: A CASE OF EAGLE AFRICA INSURANCE, KENYA**

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Award of Degree of Master of Arts in Project Planning and Management of the  
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## **DECLARATION**

I declare that the work contained in this research project is my original work and has not been presented in any other university for a degree.

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## **DEDICATION**

I dedicate this research study to my loving father, for always being with me throughout my academic journey. All that I am, I owe to you dad. Thank You. I also dedicate to my family for their constant encouragement and for being patient enough to see me go through my academic struggle thus realizing my long cherished dream.

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## TABLE OF CONTENTS

<b>DECLARATION.....</b>	<b>ii</b>
<b>DEDICATION.....</b>	<b>iii</b>
<b>ACKNOWLEDGEMENT.....</b>	<b>iv</b>
<b>TABLE OF CONTENTS .....</b>	<b>v</b>
<b>LIST OF FIGURES .....</b>	<b>x</b>
<b>ABSTRACT.....</b>	<b>xiv</b>
<b>CHAPTER ONE: INTRODUCTION.....</b>	<b>1</b>
1.1. Background to the Study.....	1
1.2. Problem Statement.....	3
1.3. Purpose of the Study .....	5
1.4. Objectives of the Study.....	5
1.5. Research Questions.....	6
1.6. Significance of the Study.....	6
1.7. Delimitation of the Study.....	7
1.8. Limitations of the Study.....	8
1.9. Assumptions of the Study.....	8
1.10. Definitions of Significant Terms .....	8
1.11. Organization of the Study .....	10

<b>CHAPTER TWO: LITERATURE REVIEW .....</b>	<b>11</b>
2.1. Introduction.....	11
2.2 Concept of Performance of Insurance Projects.....	11
2.3. Leadership Styles and Performance of Insurance Projects .....	13
2.3.1. Transformative leadership style and Performance of Insurance Projects .....	15
2.3.2. Autocratic leadership and Performance of Insurance Projects .....	18
2.3.3. Democratic Leadership and Performance of Insurance Projects .....	19
2.3.4. Permissive (Laissez Faire) leadership style and Performance of Insurance Projects.....	21
2.4. Theoretical Framework.....	23
2.4.1. Goal Leadership Theory .....	23
2.4.2. Resource Based View Theory.....	25
2.4.3. Contingency Theory.....	27
2.5. Conceptual framework.....	28
2.6. Gaps in Literature .....	31
2.6. Summary of the reviewed literature.....	33
<b>CHAPTER THREE: RESEARCH METHODOLOGY .....</b>	<b>34</b>
3.1. Introduction.....	34
3.2. Research Design.....	34
3.3 The Target Population.....	35
3.4 Sample Size and sampling Procedure .....	35

3.4.1 Sample Size.....	35
3.4.2 Sampling procedure .....	36
3.5 Research instruments .....	36
3.5.1. Questionnaire .....	37
3.5.2. Interview Guide .....	37
3.6. Pilot Study.....	38
3.6.1 Validity of the instruments.....	39
3.6.2. Reliability of the instruments.....	39
3.7 Data Collection Procedure .....	40
3.8 Data Analysis Technique .....	41
3.9 Ethical considerations .....	41
3.10 Operational definition of variables .....	42
<b>CHAPTER FOUR: DATA PRESENTATION, INTERPRETATION AND DISCUSSION .....</b>	<b>43</b>
<b>4.1 Introduction.....</b>	<b>43</b>
4.2 General Information.....	43
4.2.1 Gender of the respondents .....	43
4.2.2 Level of Education.....	44
4.2.3 Age bracket .....	45
4.2.4 Position in the organization .....	45
4.2.5 Years of working in project work .....	46

4.3 Transformative Leadership and Insurance Project Performance .....	47
4.3.1 Whether transformational leadership help .....	47
4.3.2 Extent to which aspects of transformational leadership affect project performance .....	47
4.4 Autocratic Leadership band Insurance Project Performance .....	49
4.4.1 Application of autocratic leadership to facilitate achievement of high project output .....	49
4.4.2 Time at which autocratic leadership is applied.....	50
4.4.3 Extent to which the aspects of autocratic leadership affect project performance ..	51
4.4.5 Autocratic leadership aim at setting High performance standards .....	52
4.5 Democratic Leadership and Insurance Project Performance .....	53
4.5.1 Leaders involve employees in management of the project .....	53
4.5.2 Extent to which the aspects of democratic leadership affect project performance	53
4.6 Permissive Leadership and Insurance Project Performance .....	55
4.6.1 Number of project team members conversant with permissive leadership .....	55
4.6.2 Extent to which the aspects of Permissive leadership affect project performance	56
4.7 Leadership Styles and Insurance Project Performance .....	58
4.7.1 The leadership Styles and Project Performance.....	58
4.7.2 Extent to which various types of leadership influence project performance .....	59
4.7.3 Effect of various types of leadership address project performance .....	60
4.8 Correlation analysis .....	62
4.9 Regression Analysis.....	64



4.10 Model Summary.....	64
4.11 Analysis of variance for the leadership role on performance of virtual team.....	65
4.12 Coefficients Estimate of the Variance .....	66
4.13 Discussion of Findings.....	67
<b>CHAPTER FIVE : SUMMARY, CONCLUSION AND RECOMMENDATION</b>	<b>72</b>
5.1 Introduction.....	72
5.2 Summary of Findings.....	72
5.2.1 Transformative Leadership and Insurance Project Performance .....	73
5.2.2 Autocratic Leadership band Insurance Project Performance .....	74
5.2.3 Democratic Leadership and Insurance Project Performance .....	75
5.2.4 Permissive (Laissez Faire) Leadership and Insurance Project Performance.....	75
5.3 Conclusion .....	76
5.4 Recommendations.....	76
5.5 Suggestion for further Studies. ....	78
<b>REFERENCES.....</b>	<b>80</b>
<b>APPENDICES .....</b>	<b>86</b>
APPENDIX I: INTRODUCTION LETTER .....	86
APPENDIX II: QUESTIONNAIRE FOR THE MIDDLE, AND LOWER LEVEL MANAGEMENT.....	87
APPENDIX III: INTERVIEW SHEDULE FOR THE TOP LEVEL MANAGEMENT .....	94

## LIST OF FIGURES

Figure 1: The Conceptual framework.....	30
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## LIST OF TABLES

Table 3. 1: Target Population.....	35
Table 3. 2 Sample Size.....	36
Table 3. 3: Reliability Results.....	40
Table 3. 4: Operational definition of variables .....	42
Table 4. 1: Gender of the respondents.....	44
Table 4. 2: Level of education.....	44
Table 4. 3: Age bracket .....	45
Table 4. 4: Position in the organization.....	45
Table 4. 5: Years of working in project work .....	46
Table 4. 6: Whether Transformational Leadership .....	47
Table 4. 7: Extent to which aspects of transformational leadership affect project performance.....	48
Table 4. 8: Application of Autocratic Leadership.....	49
Table 4. 9: Time at which autocratic leadership is applied.....	50
Table 4. 10: Autocratic Leadership Affect Project Performance .....	51
Table 4. 11: Autocratic leadership aim at setting High performance standards .....	52
Table 4. 12: Extent to which the aspects of democratic leadership affect project performance.....	54
Table 4. 13: Recognition of Permissive Leadership .....	55
Table 4.14: Extent to which the aspects of Permissive Laissez Faire) leadership affect project performance.....	57
Table 4. 15: Extent to Which Leadership Address Project Performance.....	58
Table 4. 16: Extent to which various types of leadership influence project performance .....	59
Table 4. 17: Effect of various types of leadership address project performance .....	60
Table 4. 18: Correlations Analysis.....	62
Table 4. 19: Model Summary.....	64

Table 4.20: ANOVA (b).....	65
Table 4. 21: Coefficients (a).....	66

## **ABBREVIATIONS AND ACRONYMS**

PMBOK	- Project Management Body of Knowledge
PMI	- Project Management Institute
PMO	- Project Management Organization
RBV	- Resource Based View
NACOSTI	- National Commission for Science, Technology and Innovation
SPSS	- Statistical Package for the Social Sciences

## ABSTRACT

The main aim of the study was to investigate the influence of project leadership styles on performance of insurance projects in Kenya A case of Eagle Africa Insurance Limited. The specific objectives were to determine the influence of Transformative leadership style on performance of Eagle Africa Insurance Limited, to examine the influence of Autocratic leadership style on performance of Eagle Africa Insurance Limited, to assess the influence of Democratic leadership style on performance of Eagle Africa Insurance Limited, and to establish the influence of Permissive leadership style on performance of Eagle Africa Insurance Limited. The research question for the study was what is the influence of project leadership styles on performance of insurance projects in Kenya? The study is significant as it serve as a source of policy guidance to the organization and provide necessary leadership incentive for increasing productivity. The study utilized descriptive research survey design. The sample size was 90 respondents. This study adapted the stratified sampling technique. The study utilized both the questionnaire and an interview guide to collect primary data. The data collected was sorted, keyed in and analyzed with the aid of Statistical Package for the Social Sciences. The Quantitative Data generated was subjected to the Descriptive Statistics feature in Statistical Package for the Social Sciences to generate mean, median, mode, standard deviation and variance, which was presented using tables, frequencies and percentages. The qualitative data was analyzed by grouping responses from respondents by categorizing and coding of the common responses and were presented as frequency distributions and percentages in thematic forms in line with research questions. Correlation analysis was used to establish the strength of association between variables. Further the data was regressed to determine the relationship between variables. The study established that there existed a significant positive relationship between Transformative leadership, democratic leadership and insurance project performance, In addition, the findings showed there exist of a significant and negative relationship between autocratic leadership and insurance project performance. The study also found that increased in permissive leadership had a significant positive impact on insurance project performance in insurance companies. From the findings, the study concluded that exist a significant positive relationship between Transformative leadership and insurance project performance that there is a weak and negative correlation between autocratic leadership and insurance project performance in insurance companies and a significant negative relationship between autocratic leadership and insurance project performance. Project management insurance project adopted democratic leadership where employees were involved in decision making, allowing consensus building in management of the project, consults the employees and encourages employee's feedback employees in management of the project to a great extent. There was increased permissive leadership which had a significant positive influence on performance of insurance companies. However the there is weak and positive relationship permissive leadership style and insurance project performance. The study recommend project management in insurance and other financial institutions should adopt transformative leadership to achieve project performance.

## **CHAPTER ONE: INTRODUCTION**

### **1.1. Background to the Study**

Project manager's role is recognized as a key determinant of project performance. Several studies (Higgs & Dulewicz, 2014) have theorized and tested the link between project manager's leadership style and project performance. For example, Keller (2012) found a link between project manager's transformational leadership style and project performance while Higgs and Dulewicz (2014) established a preference for transactional leadership style for simple projects and transformational leadership style for complex project. However, there are inconsistencies in the available literature on the choice of an appropriate leadership style that would result in high level of project performance.

Keegan and Den Hartog (2014) had predicted transformational leadership style to be appropriate for project managers. They however found no significant relationship between transformational leadership style and project management. Based on various studies (Dulewicz & Higgs, 2014) in general management that have shown a positive relationship between leadership style and organization performance, a key concern in project management is whether project manager's leadership style can help to resolve the issue of poor project performance. Consequently, one stream of research that is gaining prominence is on the impact of project manager's leadership style on project performance (Kendra & Taplan, 2014).

Extant literature, however shows that unlike in formal organizations, leadership in projects is complicated due to involvement of different experts from organizations with

diverse philosophies and practices, limited and predefined duration, individual project characteristics, conflict of interest and existence of temporary management structures that are formed to facilitate project execution. For instance, limited and predefined project duration hinders development of social relations such as teamwork which is critical in enhancing team cohesion. On the other hand, existence of heterogeneous work teams results in role ambiguity and this hinders achievement of project objectives due to lack of appropriate communication and coordination mechanism (Zaccaro, et al., 2013).

Project Management Institute (PMI, 2014) notes that a project is a temporary endeavour undertaken to create a unique product, service or results. Due to increased emphasis on projects and the fact that the utility of a project depends upon successful project completion, project management field of study has emerged as a distinct discipline from general management (Cleland & Ireland, 2012).

Chase *et al.* (2015) defines project management as the process of planning, directing, and controlling resources in order to ensure high level of project performance which is normally expressed in terms of time, cost, quality and stakeholder satisfaction perspectives. With the objective of enhancing project performance, the PMI has a Project Management Body of Knowledge (PMBOK) guide which documents processes, knowledge areas and best practices applicable in most projects. In the current PMBOK, five basic process groups and ten knowledge areas are documented with issues related to two of the areas namely time and cost management being the subject of this study (PMI, 2013). Despite the importance and emphasis on projects, the end results for most projects



have not been exciting with majority of projects across different countries, industries and sectors registering poor performance. Indeed, a review of extant literature shows that time and cost over-runs have become the norm rather than an exception (Jugdev & Muller 2015).

In addition, there is the issue of adversarial relationship between project teams and clients in that each have their own interest which at times might conflict with each other. Further, for insurance projects, which were subject of this study, there are additional complexities due to individual projects being tailor-made according to the needs of the client, non-transportable and assembled at the place of use (Fellows, et al., 2015). Thus, given the importance of various projects in the social-economic development of the country, the amounts of money being invested in these projects and the increased cases of poor project performance in Kenya informed the design of this study. Based on the aforementioned literature and due to lack of consensus on the impact of project manager's leadership style on project performance, the study will investigate the relationship between project manager's leadership style and project performance (Cleland & Ireland, 2012).

## **1.2. Problem Statement**

Leadership having been recognized as a key success factor in general management and the fact that leadership is positively related to teamwork in terms of team communication, collaboration and cohesiveness, it would be expected that project manager's leadership style should influence teamwork and project performance. In addition, based on contingency theory it is expected that project characteristics would influence leadership

style adopted within a project. Further, despite Yang, et al., (2014) findings that project characteristics moderates the relationship between teamwork and project performance, Gowan and Mathieu (2015) found that some project characteristics such as technical complexity and project size have no impact on project performance. This contradicts emerging literature which recognizes the need to adopt different project leadership styles based on project characteristics, technology in use and operating environment.

Many insurers in Kenya experience low penetration into the market as the companies experience failure in project success. Management in insurance companies have been found to exhibit different leadership styles in insurance project management in Kenya yet the companies experience low penetration of insurance products in Kenya Market. A study done in 2008 by PWC shows that the insurance projects failed to achieve success where the penetration level of insurance in Kenya was 2.9 % against a population of 42.4 million when compared to other countries like India where the insurance projects success had led to insurance penetration level of 3.7% against a population of 1 billion and South Africa which has the highest penetration level of 14% against a population of 44 million. The insurance project leadership plays a critical role in project success yet, the insurance companies projects failed to satisfy customers needs, failed to meet targets and reduces the profitability of projects. This motivate the current study in an effort to determine the influence of leadership styles of insurance project performance focusing on Eagle Africa Insurance project in Kenya.

Oke (2012) found that leadership of project managers in Nigeria Construction Industry affected success of the projects and that Autocratic leadership is popular with project managers since directing, controlling and coordinating groups is easier to achieve targets. However the study failed to indicate whether autocratic leadership predict significantly success of the projects. Locally studies focus on examining influence of human factors on project success. Kibuchi (2012) examined influence of human factors and project performance in construction projects in Kenya and revealed that human factors hinder success of projects. However, for most of the aforementioned studies, the relationship between project manager's leadership style and project performance has not been directly addressed especially in the insurance company. This study sought to examine influence of project leadership styles on performance of projects by Eagle Africa Insurance Limited Kenya?

### **1.3. Purpose of the Study**

The purpose of the study was to investigate on the influence of project leadership on performance of insurance projects in Kenya. A case of Eagle Africa Insurance Limited.

### **1.4. Objectives of the Study**

The study was guided by the following research objectives;

- i. To determine the influence of transformative leadership style on performance of insurance projects in Eagle Africa Insurance Limited
- ii. To examine the influence of autocratic leadership style on performance of insurance projects in Eagle Africa Insurance Limited

- iii. To assess the influence of democratic leadership style on performance of insurance projects in Eagle Africa Insurance Limited
- iv. To establish influence of permissive (laissez faire) leadership style on performance of insurance projects in Eagle Africa Insurance Limited

### **1.5. Research Questions**

The study sought to answer the following questions:

- i. What is the influence of Transformative leadership style on performance of insurance projects in Eagle Africa Insurance Limited?
- ii. In what ways does Autocratic leadership style influence on performance of insurance projects in Eagle Africa Insurance Limited?
- iii. What is the influence of Democratic leadership style on performance of insurance projects in Eagle Africa Insurance Limited?
- iv. How does Permissive (Laissez Faire) leadership style influence on performance of insurance projects in Eagle Africa Insurance Limited?

### **1.6. Significance of the Study**

Due to the unique problems and challenges in managing and leading projects and their teams, this research will aim at establishing ways in which project leaders could use the aspects of leadership to influence the performance of their projects. The unit of study will be projects by Eagle Africa Insurance Limited, which had not previously been studied.

This research study is significant in many aspects: To begin with:

The study might serve as a source of policy guidance to the organization and provide necessary leadership incentive for increasing productivity. Secondly, the study may be used to enlighten the management at Eagle Africa Insurance Limited on how project

teams can effectively use the aspect of leadership to influence the performance of their projects additionally, the research might particularly challenge both the management and the project teams at Eagle Africa Insurance Limited Kenya on the importance attached to organizational effectiveness, and enlighten the teams on their obligations to the leadership in the organization.

The study will serve as a partial fulfillment for the award of MA (PPM) and the work may be of immense benefits to researchers/practitioners and aid in future researcher on leadership in the performance of Insurance projects. The study is useful to students and future researchers, as it contributes to literature concerning leadership and project performance in Kenya. It enriches literature in leadership system solidity and individual company reliable strength in aiding project performance. That is information available at the given time about any particular company is authentic and data thereby collected is reliable for research purposes. The study is value-added to the existing body of knowledge as it recommends ways for improvement of project performance. Nevertheless, this study serves as a stepping stone for newer research on project performance.

### **1.7. Delimitation of the Study**

The study was limited to projects by Eagle Africa Insurance Limited. Only the four variables were focused on: Transformative leadership style, Autocratic leadership style, Democratic leadership style, and Permissive (Laissez Faire) leadership style. The

population for this study was top management, middle level management, and lower level management.

### **1.8. Limitations of the Study**

The researcher faced a number of challenges in the process of carrying out the study. Some respondents were not cooperative. The researcher assured them that the data collected would be for academic purposes only and confidentiality would be maintained. Time was also limiting factor in the sense that only a small population was studied and only one tool of data collection would have been used given the time available. The researcher employed on full time basis and this would limit him time to fully engage the respondents. The respondents would not have fully answered the questions in the questionnaire satisfactorily and this would have affected the analysis of data.

### **1.9. Assumptions of the Study**

The researcher made assumptions that the data collection instrument had validity and would measure the desired constructs; that the respondents would answer questions correctly and truthfully and that significant number of questionnaires would be returned being correctly filled and in due time.

### **1.10. Definitions of Significant Terms**

**Autocratic leadership-** is a leadership style characterized by individual control over all decisions and little input from group members. Autocratic leaders typically make choices based on their ideas and judgments and rarely accept advice from followers.

**Democratic leadership-** is a type of leadership style in which members of the group take a more participative role in the decision-making process. Everyone is given the opportunity to participate, ideas are exchanged freely, and discussion is encouraged.

**Leadership** - Ability to guide others without force into a direction or decision that leaves them feeling empowered and accomplished. It is about being open, authentic, lifting others up and working towards a common mission.

**Performance** - Actual output or results of an organization as measured against its intended outputs and it encompasses three specific areas of firm outcomes including financial performance, product market performance and shareholder return.

**Permissive (Laissez Faire) leadership-** is a type of leadership style in which leaders are hands-off and allow group members to make the decisions. Researchers have found that this is generally the leadership style that leads to the lowest productivity among group members.

**Project Management** - The discipline of carefully projecting, planning, organizing, motivating, directing and controlling resources to achieve specific goals and meet specific success criteria.

**Insurance Project-** is defines a insurance programmes unique set of co-ordinated activities, with definite starting and finishing point, undertaken by an insurance firm or firms to meet specific performance objectives within defined schedule, cost and performance parameters.

**Transformative leadership-** is a style of leadership where a leader works with subordinates to identify needed change, creating a vision to guide the change through inspiration, and executing the change in tandem with committed members of a group.

### **1.11. Organization of the Study**

This study is divided into five chapters. Chapter one covers introduction which includes background to the study, statement of the problem, purpose of the study, research objectives and research questions and the significance of the study, delimitation and limitation of the study assumptions of the study and definition of significant terms as used in the study. Chapter two provides the literature review of the study. It accounts for the previous research and what has been found out in the area of study. The other items under this chapter are the theoretical and conceptual frameworks, summary of literature and Research gaps. Chapter three is Research methodology presenting details on the research design, target population; methods of data collection and validity and reliability of data collection instruments, data analysis techniques, ethical considerations and operational definition of variables. Chapter four provide details of data presentation, interpretation of the findings and Discussion. Chapter five cover summary of findings, conclusions and recommendations. Suggestions for further studies are also presented.



## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1. Introduction**

This chapter provides the literature review of the study. It accounts for the previous research and what has been found out in the area of study. This chapter mainly focuses on the leadership styles and the relationship to the performance of projects. In addition the chapter presents the theoretical framework, conceptual framework, knowledge gap, and summary of literature.

### **2.2 Concept of Performance of Insurance Projects**

Insurance projects are usually unique and often are associated with unknowns, complexity, and uncertainty. Obviously, a project manager's role in insurance projects is more challenging than that of a typical, functional manager. In addition to working across functional and organizational environments traditionally designed to support functional managers the project manager has other challenges such as providing leadership without documented, formal authority, and working in matrix organizations where unity of command is an issue (Cleland, 2015). Consequently, project managers in insurance projects are perceived to be leading a diverse set of people with little direct control over the team members (Cleland and Ireland, 2012). Additionally, insurance projects are managed using teams in a work environment that is complex for two reasons: first, each project is unique, and second, conditions for team selection and motivation are often far from ideal (Smith, 2001) as a typical organization structure presents problems in team selection, and in many organizations a project manager may not have the discretion to

select the project team. Compounding the situation further, some of the project team members are engaged in more than one project.

Project performance in insurance projects is an important part of project and program management. It allows the project management organization and project manager to identify cost and schedule problems early and take steps for remedial action. It starts with setting the standards for the size of work packages, applying credit for work performed, and which earned value metrics to track, which should be included in the project's budget. Project performance of insurance projects provides the insurance company with a clear picture of the health of its projects and can instill confidence in the project teams. Additionally, these performance measures can help the PMO establish continuous improvement initiatives in areas where projects commonly perform at lower levels. The usefulness of measuring project performance is evident and as long as organizations do not become overwhelmed with them, these measures remained important contributors to organizational success.

Current literature highlights the importance of project portfolio management in evaluating, prioritizing, and identifying insurance projects in line with strategy (Archer and Ghasemzadeh, 2004). It is pre-eminent in choosing the right projects and therefore an important part of strategic management in organizations (Morris and Jamieson, 2005). According to Crawford (2002) project success is an important project management issue, it is one of the most frequently discussed topics and there is a lack of agreement concerning the yard sticks by which success is measured (Pinto and Slevin 1988). A

review of the literature further reveals that there is, in fact, a high level of agreement with the definition provided by Baker, Murphy, and Fisher (1988), that project success is an issue of perception and that a project will be most likely to be viewed to be an overall success if: the project meets the technical performance specifications and/or mission to be performed, and if there is a high level of satisfaction concerning the project outcome among key people on the project team, and key users or customers of the project effort. There is also a general agreement that although schedule and budget performance alone are considered inadequate as measurement of project success, they are still important components of the overall construct. Quality is intertwined with issues of technical performance, specifications, and achievement of functional objectives and its achievement against these criteria that will be most subject to variation in perception by multiple project stakeholders.

### **2.3. Leadership Styles and Performance of Insurance Projects**

Kerzner (2016) observed that projects fail to meet time and cost targets due to poor morale, lack of motivation, poor human relations, poor productivity, and lack of commitment from employees. It is evident from Kerzner's observation that people-related issues play a crucial role in project performance, underlining the importance of a project manager's management and leadership roles. It is important to understand the distinction between management and leadership, which is not always obvious. Management is usually focused on classical functions such as planning, organizing, and controlling. In general, management is concerned with making decisions about processes and functions in order to improve operational efficiency and effectiveness. Leadership,

on the other hand, is about motivating and guiding people to realize their potential and achieve tougher and challenging organizational goals. Among leadership styles, situational leaders focus on various tasks and relationship behaviors (Hersey and Blanchard, 2016), and transformational leaders may inspire followers, meet their developmental needs, and encourage new approaches and more effort toward problem solving.

One may argue that transactional leadership style, which is based on an exchange of reward and work, is more suited to organizational processes, whereas transformational leadership is useful when one is concerned with relations. Two factors linked with projects underline the importance of management and leadership roles in project performance. First, the project has to manage teams comprising of different disciplines, and second, projects are characterized with complexity, risk, unknowns, and uncertainties. Management functions such as organization, planning, and control are at the core of an efficient and effective use of resources in projects. Leadership assumes similar importance due to project team composition and challenges associated with it. Referring to other studies (Norrie and Walker, 2014) suggested that project management, by definition, is about implementing a change program. Consequently, leadership is considered a determinant of success as it provides vision and ability to cope with change.

As Turner and Müller (2015) observed, many research studies have discussed the importance and/or style of project leadership in determining project performance (Keegan and Den Hartog, 2014) however, there is no definitive skill and leadership style mix that

is appropriate for handling different types of projects, and project leadership orientation is not related to project structure (Lee-Kelly and Leong, 2003). Keegan and Hartog (2014), presenting a different perspective, concluded that there are no significant differences between perceived leadership styles of line managers and project managers in terms of their transformational leadership behavior. Keegan and Hartog suggested that new leadership theories are to be developed for new forms of organizing with multiple forms of governance, commonly associated with project management. The following are some of the leadership styles that influence project performance:

### **2.3.1. Transformative leadership style and Performance of Insurance Projects**

Miskel and Holy(2014) argue that transformative leaders are proactive, raises the awareness levels of followers on inspirational collective interests and helps followers achieve unusually high level of performance. Cole (2012) asserts that it is needed in situations where change is needed such as doing away with conflicts and strikes. Therefore this calls for leaders understanding of organization and its employees rather than on what needs to be done. It is also based on great conviction by the leader of the important issues, high ethical and moral standards, sharing of risks, setting and achieving goals while looking at welfare of the organization. According to Atwater and Bass (2014), followers are energized by projecting an attractive and optimistic vision of the organization which they believe is achievable. It has been observed that some project managers use transformative style to attain effective performance on its workforce and as years have passed it has registered weaknesses in attain its mission. It is not known to the

researcher when exactly transformative style affected performance of projects hence the need for carrying out this research.

Applying Anderson and Gysbers (2013) taxonomy, the researcher will organize various inter-related functions of leadership focusing on how organizations policies and procedures ensure that work is done in most positive and effective way to induce better performance. Questions like; what resources are needed to promote the smooth running of projects? Resources like adequate and reliable cars, availability of enough skilled and support staff, good office work place, good remuneration, employee retention and management policies, good reporting structures, reliable communication channels, work and family life balance, delegation of authority. Do policies, practices and procedures in the various projects promote positive engagement of the client in projects administration? Are services available in locations, at times and in the format requested by interested stakeholders? Intellectual stimulation is stimulated by the culture of questioning old assumptions, beliefs and traditions, reframing problems and approaching old situations in new ways (Avolio, 2014). In this way, new learning opportunities are created in a supportive climate while at the same time recognizing individual differences. Thus good leadership should develop people and build teams.

In a study of Australian managers Karpin (2015), noted that emerging forms of organizations which are more dynamic, unpredictable, global and competitive required new forms of leaderships by improving their interpersonal, entrepreneurial and strategic skills. The study reveals that it is not only who and the project management leaders are,

but how they lead, what kind of culture exists in their organizations and what kind of job outcomes that they and their staff are experiencing as the result, because all these are critical to the experiences at work as well. A research on effects of leadership styles on employee performance in City Council of Kampala found that transformative leadership affects individual performance in a way that compromised the efficiency to work, individual innovation and creativity (Kawooya Nuhu, 2014). He noted that despite being a contentious style in European Union and United states, it has been at the center stage of policy experiments in the last two decades in developing and transition economies of Latin America, Asia and Africa. However World bank has embraced this style in its major governance reform agendas since it enjoys transformative structures that promote governance and reduce free transition of power. This study also found that in an effort to reduce internal conflict and political tensions in Kampala Council, it adopted authoritative based management approach to service delivery and this approach did not improve collective employee performance in service delivery to the public (Maurick, 2013).

Research has shown that transformational leadership positively affects performance irrespective of whether it was conceptualized in terms of subjective or objective measures (Bass and Riggio, 2016). The effect of transformational leadership has been found to be relevant at different levels of the organizational hierarchy. Project team members and project managers constantly receive signals from portfolio managers regarding their expectation, particularly during project reviews. Such signals play a significant role in influencing performance. Scott and Bruce (2014) suggested that the quality of

relationship between employees and their managers influence their perception of the work environment as supportive of innovation and impact on their innovativeness. Similarly supervisors who are supportive and non-controlling help to create an environment conducive to enhanced employee creativity and performance (Shalley and Gilson, 2014). In a research done on Hong Kong construction industry found that, Project managers are generally relationship-oriented and socio-independent with less concern task accomplishment thus the transformational leadership applied is more about maintaining good working relationships between the project leader and subordinates in the construction sites (Rowlinson *et al.* 2013).

### **2.3.2. Autocratic leadership and Performance of Insurance Projects**

Autocratic leader is the one who commands and expects compliance. All decision making powers are centralized with the leader and there are no suggestions of initiatives entertained from subordinates (Wehrich and Koontz 2012). The leaders lead by the ability to give or withhold rewards and punishment. Lall and Lall (2015) argues that this type of leadership style has the advantage of having things done while the disadvantage is that , followers become dependent on the leader thus their personal developments are jeopardized. A leader with high technical competence and high performance goals exerts a lot of pressure on organization for high production and low costs by using procedures like tight budgets, budget cuts, personal targets, tightened standards to improve productivity and financial results in the short run. According to Uris (2014), staff in dictatorial systems showed signs of frustrations, behaved arrogantly, depended on the leader completely and no work went on when the leader is absent. The leader according



to Muzaazi (2012) determines the policies and assigns tasks to members without consulting them and they carry out tasks without questions.

Likert and Likert (2016), opines that a leader with technical competence and high performance goals exerts a lot of pressure on staff for high production at low costs. This is achieved through tight budgets across the board, budget cuts, personal ceilings and tightened standards to achieve impressive productivity and financial results in the short term. Caldwell and Sprinks (2013) argue that there is no room for an autocratic leader who is unwilling to empower others. The study of Charlton (2012) found that project managers who use strict control measures are faced with resistance, resentment, poor work output and high staff turnover as the staff protest against dictatorial tendencies. Autocratic leaders use force to get things done thus they are too strict and exert a lot of pressure that leads to low morale. A study on Nigerian construction industry done by Oke (2012) revealed that, project managers prefer exercising autocratic leadership and are task oriented with a strong bias to directing, controlling and coordinating a group of persons to achieve the desired goals. The study also highlighted that since a leader is characterized by a strong drive for responsibility and task completion; responsibility, authority and power are components for this leadership style.

### **2.3.3. Democratic Leadership and Performance of Insurance Projects**

Performance effectiveness derives from human aspirations and values that are invisible roots of the organizations thus the leaders task is to nature the roots of organization values which consists of nothing but basic human aspirations (Maurick, 2013). According to Mullins (2012), democratic leadership is exhibited where the focus of power is more

towards the group as a whole and where there is a greater interaction among the group. The manager lays the problem before subordinates and invites discussion where he allows the decision to emerge out of the group discussion instead of imposing it on the group as the Boss. Study on leadership styles done by Uris (2014), discovered that members got on well with others and felt free with the leader. This enabled them to serve projects better by making quick decisions and consulting whenever challenges came up making work efficient. Work progressed well in absence of leader, it's characterized by high productivity and consultations and consensus building where all members support the decisions.

According to research done by Rowlinson et al(2013) on leadership style of construction managers in Hong Kong showed that project managers preferred democratic leadership where they are trained to be sensitive to others feelings especially those they work with. This showed a clear distinction as compared to their western counterparts who preferred results oriented approach with no human feelings, thus Hong Kong leaders due to their culture are more relationship oriented maintaining good personal relationship and a harmonious working environment. A research on effects of Generation traits on project performance noted that most generation Y do not want to be micro managed to perform, but they need considerable freedom to complete their task, regular feedback and a guiding hand of a manager(D'Netto,2010). According to research done by Kristie (2012) in Hong Kong, 44% of the employees interviewed preferred a democratic leadership approach to project management.

A study by Horace Odour (2013) on effects leadership styles on generation traits in performance of staff in construction projects in Siaya County revealed that over 45% of the staff prefer working with a greater degree of freedom when performing their tasks. This explains the high rate of turnover of staff when they are micro managed. Connolly (2014) found that when project managers allow staff to make initiatives to effective management projects, most road construction projects were completed on time and schedule. This is achieved through encouraging teamwork, good cooperation, good remuneration of all staff and consultative decision making. Research on effects of leadership styles on employee performance in City Council of Kampala by Kawooya Nuhu (2014) noted that, the management was reluctant to practice democratic leadership because of the phobia for transparency, accountability, employee's empowerment and collegial relationship. This was noted to cause communication problems in delivery of services since there is no feedback mechanism, consultations and consensus on challenging aspect of the work in council leading to some projects stalling, not starting at all or extending contract periods at extra costs to the council.

#### **2.3.4. Permissive (Laissez Faire) leadership style and Performance of Insurance Projects**

Laissez fair are a French word meaning "let people do what they wish" (Muzaazi, 2012). There are no rulers and leadership grant complete freedom to group decision. The subordinates have a high degree of independence where they set their goals and means of achieving them. Contingency theories to leadership support a great deal of freedom to leadership. It emphasizes the importance of focusing on interpersonal relationships

between leader's style and the demand of various situations and employees. It argues that the most effective leadership styles depend on the ability to allow a certain degree of freedom in administering the leadership style. KawooyaNuhu (2014) on research on effects of leadership styles on employee performance in City Council of Kampala noted that in departments where employees enjoyed less authority from their supervisors, their quality of work was found to be poor.

Fisher (2015) noted that Laissez fair leadership has advantages both for employee and employer while engaging in performance schedules as long as both share equal responsibilities in meeting work requirements. However Fredrick Fiedler contingency theory suggests that effective group performance depends on the proper match between the leaders' style when interacting with subordinates and the degree to which the leader controls and influence situations. This leadership as observed by Miskel and Hoy (1998), avoids taking action on important issues, ignores responsibilities, provides no feedback and allows authority to remain dormant. They state that most projects run by Laissez fair leadership attract a lot of legal claims, cost overruns and exceed time frames set since delay in decision making greatly affects the projects. Quick and Marcik-Frey (2013), in article outlining the correspondence between individual performance and organization well-being, emphasizes that healthy organizations promoted quality connections to others through open and honest leadership, cohesiveness and shared vision.

Dutton and Heapy (2013), in their research found that positive relationships built on effective leadership in organizations promote sharing of information, development of organization identity, promote employees growth and learning in the organization. Members in this leadership style work haphazardly, take more time in arguments and discussions mostly purely on personal basis as concluded by Uris (2014). The project manager stays in his office and engages Head of Departments and subordinates as little as possible in the management of road construction projects. They leave everything to hands of staff that may not have skills or competence to execute the works and others may not want to work unless supervised affecting the delivery and completion of projects on time. Complete delegation of duties without follow up mechanisms creates target achievement problems, unproductive attitudes and disempowerment of subordinates thus affecting completion times of projects (Katz and Gurin, 2014).

## **2.4. Theoretical Framework**

Several theories exist that explains the relationship between leadership styles and project performance. These theories include Goal Leadership Theory, Resource Based View (RBV) theory, and contingency theory. A summary of these theories and their implications to this study are discussed in the sections that follow.

### **2.4.1. Goal Leadership Theory**

Goal Leadership Theory is a leadership theory developed by Robert House, an Ohio State University graduate, in 1971 and revised in 1996. The theory states that a leader's behavior is contingent to the satisfaction, motivation and performance of her or his

subordinates. The revised version also argues that the leader engages in behaviors that complement subordinate's abilities and compensate for deficiencies. According to Robert House and John Antonakis, Goal Leadership Theory can be classified as a form of instrumental leadership (Barney, et al., 2012). The theory is based on the premise that an employee's perception of expectancies between his effort and performance is greatly affected by a leader's behavior. The leaders help group members in attaining rewards by clarifying the paths to goals and removing obstacles to performance. They do so by providing the information, support, and other resources which are required by employees to complete the task. House's theory advocates servant leadership. As per servant leadership theory, leadership is not viewed as a position of power. Rather, leaders act as coaches and facilitators to their subordinates (Barney, et al., 2012).

According to House's path-goal theory, a leader's effectiveness depends on several employee and environmental contingent factors and certain leadership styles. The theory states that each of the leadership styles will be effective in some situations but not in others. It further states that the relationship between a leader's style and effectiveness is dependent on the following variables: Employee characteristics: These include factors such as employees' needs, locus of control, experience, perceived ability, satisfaction, willingness to leave the organization, and anxiety (Sausser, et al., 2012). For example, if followers are high inability, a directive style of leadership may be unnecessary; instead a supportive approach may be preferable. Characteristics of work environment: These include factors such as task structure and team dynamics that are outside the control of

the employee. For example, for employees performing simple and routine tasks, a supportive style is much effective than a directive one.

Similarly, the participative style works much better for non-routine tasks than routine ones. When team cohesiveness is low, a supportive leadership style must be used whereas in a situation where performance-oriented team norms exist, a directive style or possibly an achievement-oriented style works better. Leaders should apply directive style to counteract team norms that oppose the team's formal objectives (Jugdev & Mathur, 2016). The theory has been subjected to empirical testing in several studies and has received considerable research support. This theory consistently reminds the leaders that their main role as a leader is to assist the subordinates in defining their goals and then to assist them in accomplishing those goals in the most efficient and effective manner. This theory gives a guide map to the leaders about how to increase subordinates satisfaction and performance level.

#### **2.4.2. Resource Based View Theory**

RBV dates back to 1950's Penrose's view of an organization as a pool of resources and articulation of the same by Wernerfelt in 1984 (Wernerfelt, 1984). The RBV consider the resources of a firm as being fundamental determinants of competitive advantage and performance. Whereas resources can be categorized in different ways, for instance tangible and intangible, tangible resources facilitate execution of business process while the intangible resources are the ones that might result in competitive advantage by allowing organizations to incorporate unique and valuable practices (Ray, et al., 2014).

As noted by Barney (2012), RBV is based on two assumptions of resources being heterogeneously distributed across organizations and the non-transferability of productive resources from one organization to another without incurring cost. Thus, given the two assumptions, RBV holds that only an intangible resource that is valuable, rare, hard to imitate and without strategically equivalent substitutes is critical in sustaining a firm's competitiveness (Barney, 2012).

Within projects, RBV is critical in that project management practices are based on both tangible and intangible resources (Fernie, et al., 2013). For instance, tangible resources within project management include the use of codified methodologies, templates, tools and techniques that are readily available across the discipline (Jugdev & Mathur, 2016). On the other hand, project management intangible resources include leadership, teamwork, knowledge-based assets, tacit knowledge, and unique human capital practices between project manager and project team members such as mentoring, brainstorming and surveillance that might contribute towards competitive advantage (Killen, et al., 2012). Thus, given leadership and teamwork are valuable, rare, and imperfectly imitable resources, it is expected that these resources should have an impact on project performance. In terms of applicability, RBV is criticized due to lack of consensus in the uses of various definitional terms such as capabilities, assets, resources and competences. In addition, RBV is criticized on the basis of whether it can be tested due to lack of methodology to measure intangible resources (Barney, et al., 2012).



### **2.4.3. Contingency Theory**

The history of contingency theory can be traced back to the late 1950, in which Woodward (1958) argued that technologies determine differences in organizational features such as span of control, level of centralization of authority and formalization of rules and procedures. Thereafter, Burns and Stalker (1961) introduced the notion of mechanistic and organic organizations in which they proposed the use of organic organizations in turbulent environments. In addition, Lawrence and Lorsch (2013) investigated on how different rates of change can impact on organizations ability to cope. Although the theory was initially concerned with organization's structural issues, other aspects have been incorporated for instance Fiedler (2012) focused on leadership aspects while Doty and Delery (2016) have concentrated on human resource related issues. The classical contingency theory holds that organizational effectiveness is dependent on its ability to adjust or adapt to the environment (Sauser, et al., 2012). When applied to leadership, contingency theory holds that there is no best way to lead in that leadership is dependent upon the internal and external situational factors.

Fiedler (2012) noted the need for different leadership style based on three variables first, the relationship between team members and leader in terms of loyalty, trust and motivation. Second, the task structure in terms of clarity and attainability of goals, and third, position power in terms of authority to give direction, evaluate team performance and reward/punish based on performance. Within project management, contingency theory is used to identify the extent of fit or misfit between project characteristics and

project management approach being adopted. Based on the theory, project managers must understand the uniqueness of the project they are leading and avoid the temptation that all projects are alike and hence can be managed in the same way. This view is supported by Payne and Turner (2015) who found high level of project performance when specific project management approaches are used based on project characteristics.

In addition, PMI (2013) has documented the need for identification and application of unique and specific project management principles based on project types. Tyssen, et al., (2013) posit that leadership in projects is complicated by existence of loose authority on team members, temporary nature of the relationship between project team and project manager, uniqueness of tasks, and limited project duration. Arising from the contingency theory, project performance is dependent not only on the technical qualifications of the project manager but also on the characteristics of the project being undertaken. Thus, based on the above, it is expected that project characteristics should moderate the relationship between project manager's leadership style and project performance.

## **2.5. Conceptual framework**

The conceptual framework in Figure 2.1 demonstrates the relationships that exist between the dependent and independent variables under investigation. The dependent variable is project performances whose main indicators are project time and cost performance. The independent variables that were investigated to establish their level of influence on the dependent variable are: transformative leadership, autocratic leadership, democratic

leadership, and laissez fair leadership and how they influence the performance of projects. Also shown is the one moderating variable.

## Independent Variables

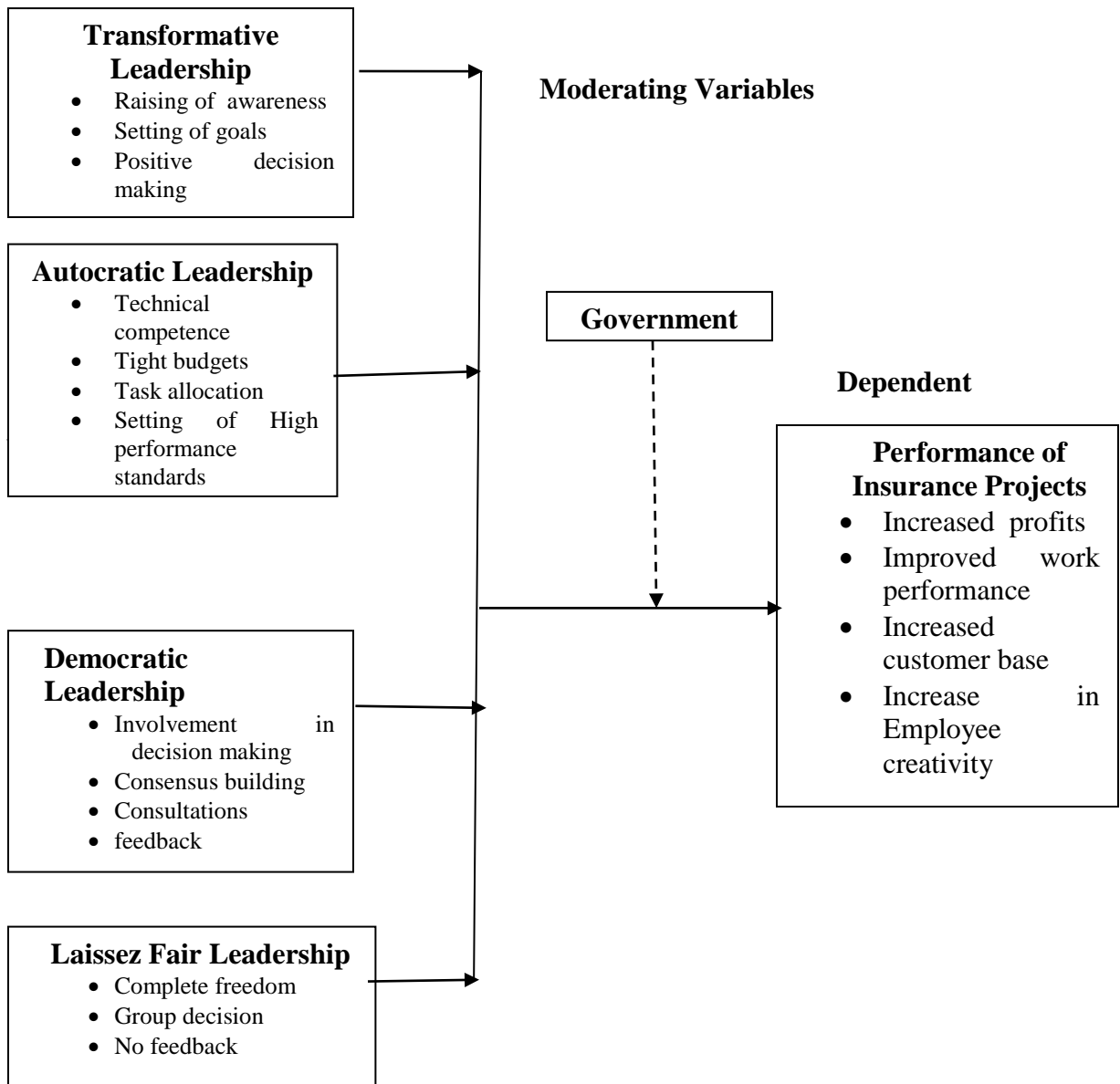


Figure 2: The Conceptual framework

## 2.6. Gaps in Literature

The review of literature exhibit mixed results on influence of project manager's leadership style on project performance. This section provide a summary of research gaps exhibited by reviewed studies through examining a relationship between project manager's leadership style and project performance.

**Table 2. 1: Gaps in Literature**

<b>Author</b>	<b>Title</b>	<b>Findings</b>
Scott et al (2013)	causes of delays in United Kingdom construction industry	The study established that poor coordination, poor record keeping on claims, quality, safety and efficiency, Communication Lapses between teams, inadequate project management training and order variations were all causes of delay in project completion. The study was limited to how participation of employees influences monitoring and evaluation and thus does not explain how it influences project success and as such project success is more critical than M&E from the researcher's point of view. This study will address how employee participation through good leadership influences the completion and success of the project.
Kawooya Nuhu (2014)	effects of leadership style on employee's performance in City of Kampala, Uganda	The study established that internal conflict, political tensions, lack of employee empowerment, lack of transparency and delay in decision making affected employee performance.

		The researcher will pick other factors that may influence employee performance in projects and describes the level of influence.
Oke (2012)	leadership of project managers in Nigeria Construction Industry	The study established that Autocratic leadership is popular with project managers since directing, controlling and coordinating groups is easier to achieve targets. The research was found not to substantially single out and exhaust how autocratic leadership influences project success. This research will particularly focus on autocratic leadership and other leadership styles on projects by Eagle Africa Insurance Limited Kenya.
Talukhaba (2014)	causes of cost and time over-runs in building project in Kenya	The study found that time and cost performance of construction project was poor to the extent that over 70 percent of the projects were likely to experience time over-run of more than 50 percent.
Kibuchi (2012)	The relationship between human factors and project performance in construction projects in Kenya	The study found a strong correlation between human factors and project performance

From the reviewed literature, it is evident that much research has been carried out leadership styles and project performance but not much attention to projects by Eagle Africa Insurance Limited Kenya. Additionally, the studies available do not clearly indicate the processes, the impact of, lack of or availability of transformative leadership in planning. Also, the studies in the literature review have limited information on the

extent to which autocratic leadership impacts success of projects. Lastly, it is evident that few organizations fully understand the use of democratic leadership in management of the projects,

## **2.6. Summary of the reviewed literature**

The literature has been reviewed further under the four themes which basically forms the basis of the study. On transformative leadership style and project performance, the studies available do not clearly indicate the processes the impact of lack of or availability of transformative leadership for project performance there is limited information on the extent to which autocratic leadership impacts effective projects performance. The literature review reviews that few organizations fully understand the use of leadership styles in the success of projects. Additionally, the studies do not indicate to what extent the lack of various leadership styles affects the effective project performance. Generally, the studies available shows that much research has been carried out for various projects but not much attention to projects by Eagle Africa Insurance Limited Kenya, for which this study will help provide more information about.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1. Introduction**

This chapter presents the research design, the target population, the sample size and sampling procedure, data collection instruments, techniques of data analysis, ethical considerations and operational definition of variables.

### **3.2. Research Design**

In order to plainly study the topic of research, descriptive research survey design was used. This method of research is preferred because the researcher is able to collect data to answer questions concerning the status of the subject of study. Descriptive research determines and reports the way things are done and also helps a researcher to describe a phenomenon in terms of attitude, values and characteristics (Mugenda & Mugenda, 2013). According to Orodho (2003), descriptive survey is a method of collecting information by interviewing or administering a questionnaire to a sample of individuals. This method was appropriate for the study in that it help in portraying the accuracy of peoples profile events and situations. A descriptive research design also allowed for in-depth analysis of variables and elements of the population to be studied and as well as collection of large amounts of data in a highly economical way. It enabled generation of factual information about the study. This is so because the descriptive design relies much on secondary data which helps in developing the case basing on facts, sustained by statistics and descriptive interpretations from archival materials and data.



### 3.3 The Target Population

Researchers must choose their target population from which they wish to collect data, and a sampling strategy to select a sample from that population. Further, population as all people or items (unit of analysis) with the characteristics that one wishes to study. The unit of analysis may be a person, group, organization, country, object, or any other entity that you wish to draw scientific inferences about (Bhattacharjee, 2012). The population for this study was 300 respondents who included the top project managers, project officers and operations officers who are involved in the succeed of projects in Eagle Africa Insurance Limited.

**Table 3. 1: Target Population**

<b>Population</b>	<b>Frequency</b>
Top project Managers	25
Project officers	81
Operations Officers	194
<b>Total</b>	<b>300</b>

**Source: Eagle Africa Insurance Limited (2017)**

### 3.4 Sample Size and sampling Procedure

This section describes the sample size, sampling technique and selection that was employed in the study.

#### 3.4.1 Sample Size

From the possible 300 target population, stratified random sampling was employed to select a total of 90 sample population. This was 30% of the total population. Mugenda

and Mugenda (2003) states that in stratified sampling where population within each strata is known, a sample of 10-30% is adequate representation for data collection.

**Table 3. 2 Sample Size**

<b>Population</b>	<b>Frequency</b>	<b>Sample Ratio</b>	<b>Sample size</b>
Top project Managers	25	0.3	8
Project officers	81	0.3	24
Operations Officers	194	0.3	58
<b>Total</b>	<b>300</b>	<b>0.3</b>	<b>90</b>

**Source: Eagle Africa Insurance Limited (2017)**

### **3.4.2 Sampling procedure**

Sampling is the process of selecting the people who participated in a study. This process was a representative of the whole population. Sampling is hence the procedure, process or technique of choosing a sub-group from a population to participate in the study (Ogula, 2005). This study adapted the stratified sampling technique. From the possible 300 target population, stratified random sampling was employed to select a total of 90 sample population.

### **3.5 Research instruments**

The study utilized both the questionnaire and an interview guide to collect primary data.

The instruments are discussed below:

### **3.5.1. Questionnaire**

A questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents (Mugenda & Mugenda, 2013). The questionnaire comprised of questions, which sought to answer questions related to the objectives of this study. The questions entailed both closed-ended to enhance uniformity and open ended to ensure maximum data collection and generation of qualitative and quantitative data. The questionnaire was divided into two sections, the background information section and the research questions section. Furthermore, the research questions section was divided to sections according to the research objectives. The questionnaires were administered to the project officers at Eagle Africa Insurance Limited.

### **3.5.2. Interview Guide**

An interview schedule is a set of questions along with their answers asked and filled in by the interviewer in a face to face meeting with interviewee (Rowley, 2012). An interview schedule is prepared with pre-coded questions to produce quick, cheap and easy qualitative data. It has two components: a set of questions designed to be asked exactly as worded, and instructions to the interviewer about how to proceed through the questions (Rowley, 2012). The questions appear in the order in which they are to be asked. The questions are designed so they can be administered verbatim, exactly as they are written. The researcher adopted the use of exploratory interview as a type of interview schedule. In the exploratory interview, the question areas are pre-determined but the respondents

are allowed some latitude to answer in their own way and the interviewer may probe for more information in promising areas. The study adopted the use of interviews for information gathering as they assist in making clarification where it's possible through a questionnaire besides obtaining accurate and detailed information. Interviews provide an opportunity for a personal contact between the investigator and the respondent and it can also be used for both the educated and uneducated respondents. The interview guide was for the top level management.

### **3.6. Pilot Study**

A pilot study is a preliminary test conducted before the final study to ensure that research instruments are working properly. Pilot testing of the tools was done immediately after training research assistants in order to make the instrument reliable. Moreover, a pilot study was done to assess the capability of the research instruments to collect required data for the research. Besides, it was essential to establish whether all the questions from the questionnaire was fully understood by the targeted respondents and hence rectifications done. Piloting is important as it helps in determining the reliability of the instrument. In this research, 9 (10% of the sample size) respondents was chosen to contribute and were not included in the sample chosen for the study. During piloting the researcher administered the questionnaire to a different set of respondents who are not part of the groups of sampled respondents, but similar in characteristics to those sampled for the study. The piloting process also plays the important role of checking the respondents for their suitability, clarity, relevance of information and appropriateness of the language used.

### **3.6.1 Validity of the instruments**

Validity is the degree to which an instrument measures what it purports to measure (Mugenda and Mugenda, 2003). It is the accuracy and meaningfulness of inferences, which are based on the research results. The researcher checked the instruments for content validity. This refers to the extent to which the research instrument measures what it purports to measure (Kothari, 2004). The validity of the research questions was ascertained by consultations with the university supervisors who guided the researcher on items to be corrected. The corrections on the identified questions were incorporated in the instrument to increase validity.

### **3.6.2. Reliability of the instruments**

Reliability refers to the consistency of data arising from the use of a particular research method. According to Gay and Artisian (2000), a test measures what it is measuring to the degree. This view is shared by Mugenda (2008), who states that reliability is the measure of the degree to which a research instrument yields the same result after repeated trials over a period. In this study, split-half reliability method was used to test the reliability. In split-half reliability, a test for a single research instrument is split into two parts and then both parts given to one group of respondents at the same time. The scores from both parts of the instruments are correlated. In this case the reliability was assessed by splitting the questionnaire items from the measurement procedure in half, and then calculate the scores for each half separately. The reliability of the instrument was estimated using Cronbach's Alpha Coefficient which is a measure of internal coefficient.

A reliability of at least 0.70 at  $\alpha=0.05$  significance level of confidence is acceptable (Gable & Wolf, 2003).

In this study, reliability was ensured through a piloted questionnaire that was subjected to a sample of 10 respondents. This represented 10% of the sample size. From the findings, the coefficient for transformative leadership was 0.81, cronbach's alpha coefficients for Autocratic leadership was 0.82, cronbach's alpha coefficients for democratic leadership was 0.84 while cronbach's alpha coefficients for permissive (Laissez Faire) leadership was 0.87 and that of project performance was 0.8452. These were greater than 0.7 threshold for this study.

**Table 3. 3: Reliability Results**

Variable	Cronbach's	No of Item
Transformative leadership	0.8137	5
Autocratic leadership	0.8234	5
Democratic leadership	0.8416	5
Permissive (Laissez Faire) leadership	0.8716	5
Project Performance	0.8452	5

### **3.7 Data Collection Procedure**

The procedure for data collection started when the researcher was given a letter of approval by the university to go to the field. In addition the researcher applied for permit from NACOSTI and the Eagle Africa Insurance Limited. Using the letter of approval, a permit to conduct the study was acquired. Afterwards, the District Commissioner was informed of the study and hence all the relevant stakeholders was informed as well.

### **3.8 Data Analysis Technique**

The results of the research were both qualitative and quantitative. The data collected was sorted, keyed in and analyzed with the aid of SPSS. The Quantitative Data generated was subjected to the Descriptive Statistics feature in SPSS to generate mean, median, mode, standard deviation and variance, which was presented using tables, frequencies and percentages. The qualitative data was analyzed by grouping responses from respondents by categorizing and coding of the common responses and were presented as frequency distributions and percentages in thematic forms in line with research questions. Further the data was regressed to obtain t - values, p-values, specific coefficients and intercepts, standard errors among other values at given significance levels which was less than 0.05. These values were used for further analysis. The inferential statistics comprised of multivariate regression analysis which was used to determine the relationship between the dependent and independent variables.

### **3.9 Ethical considerations**

To guarantee ethical standards, the researcher obtained informed consent from participants and ensured that all participated voluntarily. The participants were allowed to pull out of the study at any time without prior notice to the researcher. The respondents were not required to indicate their names on the questionnaire to ensure anonymity.

### 3.10 Operational definition of variables

The table below lists the definition of variable as was used in the research.

**Table 3. 4: Operational definition of variables**

Objective	Variable (IV)	Indicator(s)	Measurement scale	Data Analysis
To analyse the influence of project leadership on performance of insurance projects in Kenya. A case of Eagle Africa Insurance Limited.	performance of insurance projects	Increased profits Improved work performance Increased customer base Increase in Employee creativity	Ordinal	Descriptive statistics.
To analyze the influence of Transformative leadership style on performance of projects by Eagle Africa Insurance Limited Kenya	Transformative leadership	Raising of awareness Setting of goals Positive decision making	Ordinal	Descriptive statistics.
To examine the influence of Autocratic leadership style on performance of projects by Eagle Africa Insurance Limited Kenya	Autocratic leadership	Technical competence Tight budget High performance goals	Ordinal	Descriptive statistics.
To assess the influence of Democratic leadership style on performance of projects by Eagle Africa Insurance Limited Kenya	Democratic leadership	Involvement in decision making Quick decisions Consensus building Consultations	Ordinal	Descriptive statistics
To investigate the influence of Permissive (Laissez Faire) leadership style on performance of projects by Eagle Africa Insurance Limited Kenya	Permissive (Laissez Faire) leadership	Complete freedom Group decision No feedback	Ordinal	Descriptive statistics



## **CHAPTER FOUR: DATA PRESENTATION, INTERPRETATION AND DISCUSSION**

### **4.1 Introduction**

This chapter presents the data analysis of the study on the study was to determine the influence of project leadership on performance of insurance projects in Kenya. A case of Eagle Africa Insurance Limited. The respondents were from Eagle Africa Insurance Limited. Out of the total 90 questionnaires distributed to the respondents, a total of 78 questionnaires were filled and returned. This represented a response rate of 86%. Mugenda and Mugenda (2003) indicated that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and above is excellent. Therefore the response rate of 86% was excellent for the study.

### **4.2 General Information**

The study sought the general information on gender, age of the respondents, level of education, years of working in project work and position in the Eagle Africa Insurance Limited.

#### **4.2.1 Gender of the respondents**

The respondents were requested to indicate their gender and results presented in Table 4.1

**Table 4. 1: Gender of the respondents**

<b>Level of Education</b>	Frequency	Percentage
Male	53	67
Female	25	33
Total	78	100

From the findings, majority of the respondents (67%) were male while 33% of the respondents were female. This implied that most of the project management staff in Eagle Africa Insurance Limited projects were dominated by men.

#### **4.2.2 Level of Education**

The study sought the highest level of education attained by the respondents as presented in Table 4.2.

**Table 4. 2: Level of education**

<b>Level of Education</b>	Frequency	Percentage
University Degree	34	44
Post Graduate	24	31
Diploma	20	25
Total	78	100

From the findings, most of the respondents ( 44%) had attained university degree level of education, 31% of the respondents had attained post graduate level of education while 25% of the respondents had attained diploma of level of education. This implies that project management staff in Eagle Africa Insurance Limited projects were well educated and were in a position of offering information on how leadership influence project performance .

### 4.2.3 Age bracket

Respondents were requested to indicate the age bracket and findings presented in Table 4.3.

**Table 4. 3: Age bracket**

<b>Level of Education</b>	<b>Frequency</b>	<b>Percentage</b>
20-30 years	17	22
31-40 years	25	31
41-50 years	34	44
51-above years	3	3
Total	78	100

From the findings, most of the respondents 44% were in 41-50 years age bracket, 31% of the respondents were in 31-40 years age bracket, 22% of the respondents were in 20-30 years age bracket while 4% of the respondents were in 51 and above years age bracket.

This implies that the study relied on information given by staff who were mature as over 20 years.

### 4.2.4 Position in the organization

Respondents were requested to indicate their designation in the organization and results presented in Table 4.4.

**Table 4. 4: Position in the organization**

	<b>Frequency</b>	<b>Percentages</b>
Programs Officer	43	55
Project Manager	29	38
Executive Director/CEO	5	7

From the finding majority 55% of the respondents were programs officers 38% of the respondents were project managers while 7% of the respondents were Executive Director/CEO. This implies that data was collected from right project staff at Eagle Africa Insurance Limited who had information on matters concerning influence of project leadership on performance of insurance projects in Kenya.

#### **4.2.5 Years of working in project work**

The study sought the number of years the respondents had been working in project work and results presented in Table 4.5.

**Table 4. 5: Years of working in project work**

<b>Level of Education</b>	<b>Frequency</b>	<b>Percentage</b>
1 and less than a year	13	17
2-3 years	16	21
3-5 years	21	26
Over 5 years	28	36
Total	78	100

From the findings, most 36% of the respondents had been working in project work for over 5 years, 26% of the respondents had been working in project work for 3 to 4 years. The study further found that most 21% of the respondents had been working in project work for 1 to 2 years while 17% of the respondents said to have been working for less than a years. This implies that respondents had vast experience in terms of duration in their respective departments and therefore had reliable information on the influence of project leadership on performance of Eagle Africa Insurance Limited. projects in Kenya.

### **4.3 Transformative Leadership and Insurance Project Performance**

The respondents were requested to indicate on whether transformational leadership help in Eagle Africa Insurance Limited project performance in the organization and presented in Table 4.6.

#### **4.3.1 Whether transformational leadership help**

The respondents were requested to indicate on whether transformational leadership help improve project performance and presented in Table 4.6.

**Table 4. 6: Whether Transformational Leadership**

<b>Level of Education</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	13	87
No	16	13
Total	78	100

From the findings, majority 87% of the respondents indicated that transformational leadership help in project management while 13% of the respondents indicated otherwise. This clearly demonstrated that transformational leadership influence performance of insurance projects.

#### **4.3.2 Extent to which aspects of transformational leadership affect project performance**

The respondents were requested to indicate the extent to which aspects of transformational leadership affect Eagle Africa Insurance Limited project performance.

**Table 4. 7: Extent to which aspects of transformational leadership affect project performance**

Statements	Mean	Standard deviation
Project manager is friendly and approachable by all employees	4.50	0.38
The manager/supervisor encourages delegation of duties	4.62	0.58
The staffs dialogue with the supervisor on a daily basis on contentious issues on the various projects	4.36	0.56
Project manager consults a lot with staff members on project management decisions	4.45	0.45
Project manager encourages both Head of Departments and subordinate staff to do things in a creative and innovative ways	4.25	0.17
Project manager allows and encourage staff development	4.53	0.31

From the findings majority of the respondents indicated that manager/supervisor encourages delegation of duties, project manager allowing and encouraging project staff development and project manager being friendly and approachable by all employees influence insurance project performance to a very great extent as indicated by a mean of 4.62, 4.53 and 4.50 and standard deviation of 0.58, 0.31 and 0.38 respectively. The results indicated that Project managers consulting a lot with staff members on project management decisions and project staffs dialogue with the supervisor on a daily basis on contentious issues on the various projects influence insurance project performance to a great extent as indicated by a mean of 4.45 and 4.36 with standard deviation of 0.45 and 0.56 respectively. The results further indicated that project managers encourages both Head of Departments and subordinate staff to do things in a creative and innovative ways influence insurance project performance to a great extent as indicated by a mean of 4.25

supported by a standard deviation of 0.17. This implied that transformational leadership styles influence Eagle Africa Insurance Limited project performance to a great extent. The findings were supported by interviewees views that transformational leadership influence project success as leaders engage project teams in decision making, motivate project teams and rewards good performance. The findings are supported by Miskel and Holy(2014) who found that transformative leaders are proactive, raises the awareness levels of followers on inspirational collective interests and helps followers achieve unusually high level of performance.

#### **4.4 Autocratic Leadership band Insurance Project Performance**

The study sought the extent to which Autocratic Leadership influence Insurance Project Performance

##### **4.4.1 Application of autocratic leadership to facilitate achievement of high project output**

The respondents' response on whether Eagle Africa Insurance Limited apply autocratic leadership to facilitate achievement of high project output were presented in Table 4.8.

**Table 4. 8: Application of Autocratic Leadership**

<b>Responses on Application of autocratic leadership</b>	<b>Frequency</b>	<b>Percentages</b>
Yes	9	11
No	69	89
Total	78	100

From the findings, majority 89% of the respondents indicated that Eagle Africa Insurance Limited project management do not use autocratic leadership while 11% indicated otherwise. This demonstrated that Eagle Africa Insurance Limited project leaders do not apply autocratic leadership style in management of insurance projects.

#### **4.4.2 Time at which autocratic leadership is applied**

The respondents were requested to state the time at which autocratic leadership is applied in the organization and results presented in Table 4.9

**Table 4. 9: Time at which autocratic leadership is applied**

<b>Responses on Time at which autocratic leadership is applied</b>	<b>Frequency</b>	<b>Percent</b>
In most cases	6	7
Sometimes	67	88
All the time	3	3
Not at all	2	2
<b>Total</b>	<b>78</b>	<b>100</b>

From the findings, majority 88% of the respondents indicated that autocratic leadership is applied sometimes in the project management, 7% indicated its applied in most cases, 3% indicated that its applied all time while 2% indicated that it is never applied. This implied that autocratic leadership is applied to a less extent by project leaders in Eagle Africa Insurance Limited projects management.



#### 4.4.3 Extent to which the aspects of autocratic leadership affect project performance

The study sought the extent to which the following aspects of autocratic leadership affect project performance and results presented in Table 4.6.

**Table 4. 10: Autocratic Leadership Affect Project Performance**

Statements	Mean	Standard deviation
Project manager makes all decisions on project management without entertaining any suggestions	2.27	0.70
Project manager rewards handsomely those royal to him/her	3.48	0.76
The project manager punishes those who question the accuracy of some designs and instructions to the contractor	2.43	0.49
Project manager commands and expects total compliance at all times without question	3.42	0.48

From the findings, most respondents indicated that project managers offering rewards handsomely those royal to him/her and project managers commands and expects total compliance at all times without question influencing insurance project performance to a moderate extent as indicated by a mean of 3.42 and standard deviation of 0.48. The results in Table 4.6 also indicated that project managers making all decisions on project management without entertaining any suggestions influence project performance to a less extent as indicated by a mean 2.43 with a standard deviation of 0.49. The findings also indicated that project managers making all decisions on project management without entertaining any suggestions influence project performance to a less extent as indicated by a mean of 2.27 with a standard deviation of 0.70. The results were further supported

interviewees results that autocratic leaders negatively affect performance of projects as they make unilateral decisions, fails to recognize the welfare of the project staff, failed to engage other stakeholders in decision making and only rewards selected project members who are loyal to them.

#### **4.4.5 Autocratic leadership aim at setting High performance standards**

The study sought whether autocratic leadership aim at setting high performance standards, majority 90% of the respondents agreed while 10% indicated otherwise

**Table 4. 11: Autocratic leadership aim at setting High performance standards**

Responses on Autocratic leadership aim at setting High performance standards	Frequency	Percentages
Yes	70	90
No	8	10
Total	78	100

From the results in table 4.7 indicated that autocratic leadership facilitate technical competence and how this influence Eagle Africa Insurance Limited project performance. The respondents indicated that autocratic leadership command and expect total compliance with directive given, reward individual who perform to their expectation and make unilateral decisions. This hinder achievement project performance as project lower it profit margin, hinder work efficiency, lower project team creativity and lower customer base to a great extent. The findings are supported by Uris (2014) who revealed that project staff in dictatorial systems exhibit signs of frustrations, behaved arrogantly,

depended on the leader completely and no work went on when the leader is absent hindering project performance.

#### **4.5 Democratic Leadership and Insurance Project Performance**

The study examine the influence of Democratic Leadership on Eagle Africa Insurance Limited project performance

##### **4.5.1 Leaders involve employees in management of the project**

The respondents were requested to indicate ways in which leaders involve employees in management of the project to promote democratic leadership. From the findings, respondents unanimously recorded that leaders involves the employees in decision making, consensus building in management of the project to promote democratic leadership. Respondents further stated that leaders in the insurance consults the employees and encourages employee's feedback employees in management of the project to promote democratic leadership.

##### **4.5.2 Extent to which the aspects of democratic leadership affect project performance**

The study further sought to establish the extent to which the given aspects of democratic leadership affect Eagle Africa Insurance Limited project performance. Data was analyzed using a likert scale where 1- To a very low extent, 2- To a low extent, 3- To a moderate extent, 4- To a great and 5-To a very great extent.

**Table 4. 12: Extent to which the aspects of democratic leadership affect project performance**

Statements	Mean	Standard deviation
Project manager is involved in policy formulation in the management of projects but does not dominate	4.47	0.45
Project manager makes a decision after consulting project staff	4.79	0.64
Project manager organizes training for all staff on key issues concerning effecting insurance project management	4.43	0.33
Project manager consults a lot with staff members on project management decisions	4.52	0.48
Project manager fights for the welfare of all his staff	4.66	0.53

Data was presented in mean and standard deviation. The results were presented on Table 4.12. From the findings, majority of the respondents indicated that project manager making a decision after consulting project staff and fighting for the welfare of all his staff are aspects of democratic leadership that affect project performance to a very great extent as indicated by a mean of 4.79 and 4.66 with standard deviation of 0.64 and 0.53. Most of the respondents indicated that project manager consulting a lot with staff members on project management decisions in an aspect of democratic leadership that affect project performance to a very great extent as indicated by a mean of 4.52 with standard deviation of 0.48. The study further found that most of the respondents indicated that project manager being involved in policy formulation in the management of projects but does not

dominate and organizing training for all staff on key issues concerning effecting insurance project management thus influencing project performance to a very great extent as indicated by a mean of 4.47 and 4.43 with standard deviation of 0.45 and 0.43. The findings were further supported by interviewees' results that democratic leaders in the projects engage members in decision making process, encourage project team training and motivate project teams to a great extent. The results concurred with Mullins (2012) who revealed that democratic leadership is exhibited motivate project team, improve relationships with project team, engaged project members in problem solving problem influence project success.

#### **4.6 Permissive Leadership and Insurance Project Performance**

The study examined the influence of Permissive Leadership and Eagle Africa Insurance Limited project management.

##### **4.6.1 Number of project team members conversant with permissive leadership**

The Table 4.13 indicated the responses on the number of project team members that are conversant with permissive leadership in Eagle Africa Insurance Limited project management.

**Table 4. 13: Recognition of Permissive Leadership**

Responses on Being conversant with permissive leadership	Frequency	Percentages
Most of them	41	52
All of them	24	31
Some of them	13	17
Total	78	100

From the findings, majority 52% of the respondents indicated that most of project team members are conversant with permissive leadership in implementing the project. Most 31% of the respondents indicated that all of the project team members are conversant with permissive leadership in implementing the project while 17% of the respondents indicated that some of the project team members are conversant with permissive leadership in implementing the project. The findings were similar to Dutton and Heapy (2013) who revealed that positive relationships built on effective leadership in organizations promote sharing of information, development of organization identity, promote employees growth and learning in the organization.

#### **4.6.2 Extent to which the aspects of Permissive leadership affect project performance**

The extent to which the given aspects of Permissive Laissez Faire leadership affect Eagle Africa Insurance Limited project performance and results presented in Table 4.14.

**Table 4.14: Extent to which the aspects of Permissive Laissez Faire) leadership affect project performance**

Statements	Mean	Standard deviation
Project manager allows staff to make their own decision without any interference	4.56	0.63
Every departmental staff is free to make approval of work decisions without involving project manager	4.71	0.67
Project manager is proactive in finding solutions to project challenges	4.64	0.73
Project manager encourages and support staff to attain good working relationship with contractors	4.43	0.44
Project manager allows and encourage staff development	4.24	0.38

From the findings, majority of the respondents indicated that every departmental staff being free to make approval of work decisions without involving project manager and Project manager being proactive in finding solutions to project challenges influence performance of insurance projects in Kenya to a very great extent as indicated by mean of 4.71 and 4.64 with standard deviation of 0.67 and 0.73. Most of the respondents indicated that project manager allows staff to make their own decision without any interference influencing the performance of insurance projects to a very great extent as indicated by mean of 4.56 with standard deviation of 0.63. Most of the respondents indicated that project manager encouraging and support staff to attain good working relationship with contractors as well as allowing and encouraging staff development influence performance of Eagle Africa Insurance Limited projects in Kenya to a great extent as indicated by

mean of 4.43 and 4.24 with standard deviation of 0.44 and 0.38. The interviewees results supports the findings as Laissez Faire leaders in the project failed to be assertive and do not encourage project members to achieve their individual set objectives. The finding concurred with Fisher (2015) who found that Laissez fair leadership h influence project staff engagement influencing project performance in respect to schedules.

#### **4.7 Leadership Styles and Insurance Project Performance**

The study sought the extent to which various types of leadership address project performance in organization and presented in Table 4.15.

##### **4.7.1 The leadership Styles and Project Performance**

**Table 4. 15: Extent to Which Leadership Address Project Performance**

Responses on Being conversant with permissive leadership	Frequency	Percentages
Very Great Extent	41	59
Great Extent	24	28
Moderate Extent	13	17
Total	78	100

From the findings, majority 59% of the respondents indicated that various types of leadership address project performance in organization to a very great extent. Most 28% of the respondents indicated to a great extent while 13% of the respondents indicated that various types of leadership address project performance in organization to a moderate extent. This implies that different leadership styles were employed in Eagle Africa Insurance Limited project management to influence project performance.



#### 4.7.2 Extent to which various types of leadership influence project performance

Table 4.16 shows the response on the extent to various types of leadership influence the given aspects of project performance.

**Table 4. 16: Extent to which various types of leadership influence project performance**

<b>Aspects of performance</b>	<b>Mean</b>	<b>Standard deviation</b>
Increased profits	4.31	0.48
Improved work performance	4.46	0.52
Increased customer base	4.81	0.91
Increase in Employee creativity	4.69	0.83

From the findings, various types of leadership influence increased customer base and employee creativity as indicated by mean of 4.81 and 4.69 with standard deviation of 0.91 and 0.83. Most of the respondents indicated that various types of leadership influence improved work performance and increased profits as indicated by mean of 4.46 and 4.31 with standard deviation of 0.52 and 0.48.

### 4.7.3 Effect of various types of leadership address project performance

The study sought extent to which respondents agreed with the following statement regarding the effect of various types of leadership addressing project performance and results presented in Table 4.17.

**Table 4. 17: Effect of various types of leadership address project performance**

Statements	Mean	Std Dev
Project managers use transformative leadership style to attain effective performance of various projects	4.53	0.54
Project managers who use autocratic leadership are faced with poor work output on their projects	4.89	0.81
Democratic leadership enable manager to serve projects better by making quick decisions and consulting whenever challenges came up making work efficient	4.49	0.59
Projects run by Laissez fair leadership attract a lot of legal claims, cost overruns and exceed time frames set since delay in decision making greatly affects the projects	4.07	0.24

From the findings, majority of the respondents strongly agreed that project managers who use autocratic leadership are faced with poor work output on their projects and they use transformative leadership style to attain effective performance of various projects as indicted by a mean of 4.89, and 4.53 with standard deviation of 0.81 and 0.54 respectively. The study also found that most respondents agreed that democratic leadership enable manager to serve projects better by making quick decisions and

consulting whenever challenges came up making work efficient as indicated by a mean of 4.49 and standard deviation of 0.59. Most of the respondents agreed that projects run by Laissez fair leadership attract a lot of legal claims, cost overruns and exceed time frames set since delay in decision making greatly affects the projects as indicated by a mean of 4.07 with standard deviation of 0.24. This implies that various types of leadership address Eagle Africa Insurance Limited projects performance in Kenya. The findings were supported by study by Horace Odour (2013) on effects leadership styles on generation traits in performance of staff in construction projects in Siaya County revealed that over 45% of the staff prefer working with a greater degree of freedom when performing their tasks.

#### 4.8 Correlation analysis

Correlation analysis was used to establish the strength of association between variables as shown on Table 4.18

**Table 4. 18: Correlations Analysis**

		Insurance Project Performance	Transformative leadership	Autocratic leadership	Democratic leadership	Permissive leadership
Insurance Project Performance	Pearson Correlation	1				
	Sig.(2-tailed)	0.001				
	N	78				
Transformative leadership	Pearson Correlation	.849*	1			
	Sig. (2-tailed)	.011				
	N	78	78			
Autocratic leadership	Pearson Correlation	.463*	.218	1		
	Sig. (2-tailed)	.0013	.247			
	N	78	78	78		
Democratic leadership	Pearson Correlation	.793*	.471*	.463*	1	
	Sig.(2-tailed)	.001	.009	.010		
	N	78	78	78	78	
Permissive leadership	Pearson Correlation	.337*	.451	.463	.374	1
	Sig. (2-tailed)	.001	.009	.010	0.002	
	N	78	78	78	78	78

The correlation between leadership styles and insurance project performance both in direction either positive or negative and strength of association were determined using Pearson Product Moment correlation coefficient. This would help in evaluating whether there exists any relationship the study variables before further regression analysis. The criterion employed was that Correlation Coefficient of 0.7 and above was strong, 0.4-and less than 0.7 was assigned moderate 0 and less than 4 weak (Mirie, 2014)

The study found that there existed a strong and positive correlation between Transformative leadership and Eagle Africa Insurance Limited project performance in insurance companies as  $r=0.849$ ,  $p=0.02<0.01$ . The study found that there existed a weak and negative correlation between autocratic leadership and insurance project performance in Eagle Africa Insurance Limited. Correlation coefficient of 0.463 and a 95% precision level was weak but statistically significant since it had a P- Value of  $0.011<0.05$ .

The study revealed that there exist strong, significant and positive correlation with insurance project performance as  $r=0.793$ ,  $p=0.001<0.05$ . The study found that there exists a weak and positive correlation between permissive leadership and insurance project performance in Eagle Africa Insurance Limited as indicated by correlation coefficient factor  $r=0.337$ ,  $p=0.001<0.05$ .

#### 4.9 Regression Analysis

The study sought to establish the influence of leadership styles on insurance project performance in Eagle Africa Insurance Limited.

#### 4.10 Model Summary

A model summary was generated using SPSS version 21 to calculate R, R Squared and adjusted R Squared as captured in Table 4.19.

Table 4. 19: Model Summary

Model	R	R Squared	Adjusted Squared	R Std. Error of the Estimate
1	.786(a)	.617	.602	0.029

a Predictors: (Constant) Transformative leadership, Autocratic leadership, Democratic leadership and Permissive leadership  
Dependent: Insurance Project Performance

The model column of multiple models R square 0.617 indicated that there exist a correlation between leadership styles and insurance project performance and leadership styles would lead to 61.7% change in Eagle Africa Insurance Limited project performance. Adjusted R<sup>2</sup> is called the coefficient of determination which indicates how Eagle Africa Insurance Limited project performance varies with variation in leadership styles.

The study established that there existed a significance positive variation between leadership roles and Eagle Africa Insurance Limited project performance as  $r = 0.619$ ,  $P = 0.01 < 0.05$ .

#### 4.11 Analysis of variance for the leadership role on performance of virtual team

Table 4.20 shows the regression, residual and total variance

Table 4.20: ANOVA (b)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.642	4	.537	21.275	0.01(a)
	Residual	4.511	73	.049		
	Total	7.153	77			

a) Predictors: (Constant) Transformative leadership, Autocratic leadership, Democratic leadership and Permissive leadership

Dependent: Eagle Africa Insurance Limited Project Performance

The study established that there existed a significant goodness of fit between variable as  $F=21.275$ ,  $P=0.01 < 0.05$ . This implied that there existed a goodness of fit of the model that exist between leadership styles and insurance project performance.

#### 4.12 Coefficients Estimate of the Variance

Table 4.16 shows coefficients estimate of the variance obtained.

Table 4. 21: Coefficients (a)

Model		Unstandardized		Standardized	t	Sig.
		Coefficients				
		B	Std. Error	Beta		
1	(Constant)	5.412	.167		6.564	0.001
	Transformative leadership	.562	.085	.543	9.618	0.000
	Autocratic leadership	-.418	.056	-.409	7.479	0.001
	Democratic leadership	.497	.062	.468	11.824	0.003
	Permissive leadership	.248	.031	.231	8.011	0.014

a) Predictors: (Constant) Transformative leadership, Autocratic leadership, Democratic leadership and Permissive leadership

Dependent: Insurance Project Performance

From the above regression model, it was found that insurance project performance in Eagle Africa Insurance Limited would be at 5.412 holding, leadership influence at constant at zero (0). The study established that there existed a significant positive relationship between Transformative leadership and Eagle Africa Insurance Limited project performance as  $r= 0.562$ ,  $P= 0.000 < 0.05$   $t=9.618$ . The findings is supported by Atwater and Bass (2014) who found that energized by projecting an attractive and optimistic vision of the organization which they believe is achievable. It has been observed that some project managers use transformative style to attain effective



performance on its workforce and as years have passed it has registered weaknesses in attain its mission.

The study found that there exist a significant and negative relationship between autocratic leadership and Eagle Africa Insurance Limited project performance as  $r=-0.418$ ,  $P=0.03<0.05$ ,  $t=0.7479$ . The results are supported by Charlton (2012) found that project managers who use strict control measures are faced with resistance, resentment, poor work output and high staff turnover as the staff protest against dictatorial tendencies.

The study found that democratic leadership had a significant positive impact on insurance project performance in Eagle Africa Insurance Limited as  $r= 0.497$ ,  $t=11.824$ ,  $P= 0.003<0.05$ . The study found that increased in permissive leadership had a significant positive impact on insurance project performance in insurance companies as  $r=0.248$ ,  $t=8.011$ ,  $P= 0.014<0.05$ . This clearly indicated that there existed a weak and positive relationship permissive leadership style and Eagle Africa Insurance Limited project performance .

#### **4.13 Discussion of Findings**

This section present discussion of the study based on the research objectives. From the results the study revealed that leadership styles had influence on project performance. The findings concurred with Kawooya and Nuhu (2014) who revealed that leadership styles on employee performance in City Council of Kampala noted that in departments where employees enjoyed less authority from their supervisors, their quality of work was found to be poor.

#### **4.13.1 Transformative Leadership and Insurance Project Performance**

The results revealed that there exist a strong and positive correlation between Transformative leadership and Insurance project performance in Eagle Africa Insurance Limited. The findings were supported by Miskel and Holy(2014) argue that transformative leaders are proactive, raises the awareness levels of followers on inspirational collective interests and helps followers achieve unusually high level of performance. The study established that there existed a significant positive relationship between Transformative leadership and Eagle Africa Insurance Limited project performance as  $r= 0.562$ ,  $P= 0.000<0.05$   $t=9.618$ . The findings is supported by Atwater and Bass (2014) who found that energized by projecting an attractive and optimistic vision of the organization which they believe is achievable. The study established that managers/supervisors encouragement and delegation of duties, project manager allowing and encouraging project staff development and project manager being friendly and approachable by all employees influence Eagle Africa Insurance Limited project performance to a very great extent. The results were similar to *et al* Rowlinson. (2013) who found that transformational leadership influence Hong Kong construction project performance.

#### **4.13.2 Autocratic Leadership and Eagle Africa Insurance Limited project performance**

The study revealed that there existed a weak and negative correlation between autocratic leadership and Eagle Africa Insurance Limited project performance in insurance

companies. The regression results established that there exist a significant and negative relationship between autocratic leadership and Eagle Africa Insurance Limited project performance. The finding contradicted Oke (2012) who established that autocratic leadership is popular with project managers since directing, controlling and coordinating groups is easier to achieve targets. Regression results revealed that exist a significant and negative relationship between autocratic leadership and Eagle Africa Insurance Limited project performance as  $r=-0.418$ ,  $P=0.03<0.05$ ,  $t=0.7479$ .

The results are supported by Charlton (2012) found that project managers who use strict control measures are faced with resistance, resentment, poor work output and high staff turnover as the staff protest against dictatorial tendencies. The results were further found to concurred with Talukhaba (2014) that autocratic leadership had negative impact on project timeliness and cost efficiency performance indicators of construction project was poor to the extent that over 70 percent of the projects were likely to experience time over-run of more than 50 percent

#### **4.13.3 Democratic leadership and Eagle Africa Insurance project Performance**

The study found that project management at insurance project adopt democratic leadership where involving the employees in decision making, allowing consensus building in management of the project, consults the employees and encourages employee's feedback employees in management of the project to a great extent. Regression results indicated that there exists significant positive effects between democratic leadership and insurance project performance in Eagle Africa Insurance

Limited as  $r= 0.497$ ,  $t=11.824$ ,  $P= 0.003<0.05$ . The study revealed that there exist strong, significant and positive correlation with insurance project performance. Regression results established that democratic leadership had a significant positive impact on insurance project performance in insurance companies. Descriptive results revealed that project manager making a decision after consulting project staff and fighting for the welfare of all his staff influence project performance to a very great extent. The exhibition of consultation by project manager with staff members on project management decisions, involving staff in policy formulation in the management of projects and organizing training for all staff on key issues concerning effecting insurance project management thus influencing Eagle Africa Insurance Limited project performance to a very great extent. The findings concurred with Connolly (2014) who found that when project managers allow staff to make initiatives to effective management projects, most road construction projects were completed on time and schedule.

#### **4.13.4 Permissive Leadership and Insurance Project Performance**

The study revealed that exists a weak and positive correlation between permissive leadership and insurance project performance in insurance companies. The results were similar to Quick and Marcik-Frey (2013), permissive leadership had no significant influence project performance in organizations. The results revealed that increased in permissive leadership had a significant positive impact on insurance project performance in insurance companies as  $r=0.248$ ,  $t=8.011$ ,  $P= 0.014<0.05$ . This clearly indicated that there existed a weak and positive relationship permissive leadership style and Eagle

Africa Insurance Limited project performance. The study found that increased in permissive leadership had a significant positive impact on insurance project performance in Eagle Africa Insurance Limited. The findings concurred with Fisher (2015) noted that Laissez fair leadership has advantages both for employee and employer while engaging in performance schedules as long as both share equal responsibilities in meeting work requirement.

## **CHAPTER FIVE : SUMMARY, CONCLUSION AND RECOMMENDATION**

### **5.1 Introduction**

This study sought to establish the influence of leadership styles on insurance project performance in Eagle Africa Insurance Limited in Kenya. This chapter presents the summary, conclusions from the research, recommendations and suggestions for further research.

### **5.2 Summary of Findings**

The main aim of the study was to investigate the influence of project leadership styles on performance of insurance projects in Kenya A case of Eagle Africa Insurance Limited. The specific objectives were to determine the influence of Transformative leadership style on performance of Eagle Africa Insurance Limited, to examine the influence of Autocratic leadership style on performance of Eagle Africa Insurance Limited, to assess the influence of Democratic leadership style on performance of Eagle Africa Insurance Limited, and to establish the influence of Permissive (Laissez Faire) leadership style on performance of Eagle Africa Insurance Limited. The research question for the study was what is the influence of project leadership styles on performance of insurance projects in Kenya? The study is significant as it serve as a source of policy guidance to the organization and provide necessary leadership incentive for increasing productivity. The study utilized descriptive research survey design. The sample size was 90 respondents. This study adapted the stratified sampling technique. The study utilized both the questionnaire and an interview guide to collect primary data. The data collected was

sorted, keyed in and analyzed with the aid of Statistical Package for the Social Sciences. The Quantitative Data generated was subjected to the Descriptive Statistics feature in Statistical Package for the Social Sciences to generate mean, median, mode, standard deviation and variance, which was presented using tables, frequencies and percentages. The qualitative data was analyzed by grouping responses from respondents by categorizing and coding of the common responses and were presented as frequency distributions and percentages in thematic forms in line with research questions. Further the data was regressed to obtain t - values, p-values, specific coefficients and intercepts, standard errors among other values at given significance levels. The study established that there existed a significant positive relationship between Transformative leadership and insurance project performance. The study found that there exist a significant and negative relationship between autocratic leadership and insurance project performance.

### **5.2.1 Transformative Leadership and Insurance Project Performance**

The results revealed that there exist a strong and positive correlation between Transformative leadership and Insurance project performance in Eagle Africa Insurance Limited while regression results confirmed that there exist a significant positive relationship between Transformative leadership and insurance project performance. The study established that managers/supervisors encouragement and delegation of duties, project manager allowing and encouraging project staff development and project manager being friendly and approachable by all employees influence Eagle Africa Insurance Limited project performance to a very great extent. The results revealed that project manager who consults a lot with project staff members during project management

decisions and allowing project staffs communicating with supervisor on a daily basis on contentious issues influence Eagle Africa Insurance Limited project performance to a great extent. Transformative leadership encourages both project leaders and subordinate staff to do things in a creative and innovative ways influence insurance project performance.

### **5.2.2 Autocratic Leadership band Insurance Project Performance**

The study revealed that there existed a weak and negative correlation between autocratic leadership and Eagle Africa Insurance Limited project performance in insurance companies. The regression results established that there exist a significant and negative relationship between autocratic leadership and Eagle Africa Insurance Limited project performance. Increase in application of autocratic leadership affects insurance project performance.

The findings established that project managers offering rewards handsomely to those royal to him/her, project managers commanding and expecting total compliance at all times without question influence Eagle Africa Insurance Limited project performance but to a moderate extent. Autocratic leadership where project managers makes all decisions on project management without entertaining any suggestions influence project performance to a less extent. Autocratic leadership facilitate technical competence commanding and expecting total compliance with directive given, reward individual who perform to their expectation and make unilateral decisions hinder achievement project



performance as project lower its profit margin, hinder work efficiency, lower project team creativity and lower customer base to a great extent.

### **5.2.3 Democratic Leadership and Insurance Project Performance**

The study found that project management at insurance project adopt democratic leadership where involving the employees in decision making, allowing consensus building in management of the project, consults the employees and encourages employee's feedback employees in management of the project to a great extent. The study revealed that there exist strong, significant and positive correlation with insurance project performance. Regression results established that democratic leadership had a significant positive impact on insurance project performance in insurance companies. Descriptive results revealed that project manager making a decision after consulting project staff and fighting for the welfare of all his staff influence project performance to a very great extent. The exhibition of consultation by project manager with staff members on project management decisions, involving staff in policy formulation in the management of projects and organizing training for all staff on key issues concerning effecting insurance project management thus influencing Eagle Africa Insurance Limited project performance to a very great extent.

### **5.2.4 Permissive (Laissez Faire) Leadership and Insurance Project Performance**

The study revealed that exists a weak and positive correlation between permissive leadership and insurance project performance in insurance companies. The study found that increased in permissive leadership had a significant positive impact on insurance

project performance in Eagle Africa Insurance Limited. This clearly indicated that there existed a weak and positive relationship permissive leadership style and insurance project performance .The results found that the project team members that are conversant with permissive leadership in implementing the project. The findings revealed that every departmental staff being free to make approval of work decisions without involving project manager and project manager being proactive in finding solutions to project challenges influence performance of Eagle Africa Insurance Limited projects in Kenya to a very great. Project manager allowing staff to make their own decision without any interference, project manager encouraging and support staff to attain good working relationship with contractors as well as allowing and encouraging staff development influence performance of Eagle Africa Insurance Limited projects in Kenya to a great extent.

### **5.3 Conclusion**

From the findings, the study concluded that exist a significant positive relationship between transformative leadership and democratic leaders leadership and Eagle Africa Insurance Limited project performance. The study concluded that there exist a significant and negative relationship between autocratic leadership and Eagle Africa Insurance Limited project performance. The study however concluded that there exist weak and positive relationship between permissive leadership style and insurance project performance.

### **5.4 Recommendations**

Based on the findings, the study makes the following recommendations:

i) That project management in Eagle Africa Insurance Limited and other insurance institutions should adopt transformative leadership to achieve project performance. The management should foster project managers/supervisors encouragement and delegation of duties, allowing and encouraging project staff development and project manager being friendly and approachable by all employees influence insurance project performance to a very great extent. Transformational leadership would lead to generation of commitment from followers, inspire project teams, motivate and foster commitment which results to be important for the achievement of a long-term orientation and longer-term goals of the team. Through the strength of transformational leader's vision and personality, project team members are inspired to change expectations, perceptions and motivations to work towards common goals.

ii) That project management in insurance companies and other financial institutions should cautiously adopt autocratic leadership such as rewards handsomely to those loyal to him/her, commands and expects total compliance although not at all times without question and makes decisions on project management and entertaining suggestions to achieve project performance as application of autocratic leadership lower it profit margin, hinder work efficiency, lower project team creativity and lower customer base to a great extent.

iii) Project management in insurance projects and other financial institutions projects should adopt democratic leaders leadership where there is involvement of the employees in decision making, allowing consensus building in management of the project, consults the employees and encourages employee's feedback employees in management of the project, consulting project staff and fighting for the welfare of all his staff ,consultation by project manager with staff members on project management decisions, involving staff in policy formulation in the management of projects and organizing training for all staff on key issues concerning influence insurance project management thus influencing project performance to a very great extent.

Iv) That project management in insurance companies and other financial institutions to adopt permissive leadership allowing staff to be free to make approval of work decisions without involving project manager and project manager being proactive in finding solutions to project, encouraging and support staff to attain good working relationship with contractors as well as allowing and encouraging staff development influence performance of insurance projects in Kenya to a great extent.

### **5.5 Suggestion for further Studies.**

The main objective of the study was to establish the influence of leadership styles on Insurance project performance in insurance companies in Kenya. A further study should

be carried out to determine influence of leadership styles on project performance in other financial institutions such as banks, microfinance institutions and credit unions.

A further study should be carried out to determine the influence of leadership styles in implementation of project in insurance companies in Kenya. Future research could be carried out to determine influence of transformational leadership on project performance in different companies like multinational companies and small and medium enterprises.

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## APPENDICES

### APPENDIX I: INTRODUCTION LETTER

P.O BOX  
NAIROBI, KENYA

THE MANAGER  
EAGLE AFRICA INSURANCE LIMITED  
NAIROBI, KENYA.

Dear Sir,

#### **REF: REQUEST FOR USE OF INFORMATION**

I am a master of arts in project planning and management student at the University of Nairobi and in the partial fulfillment of the requirements of the degree; I wish to undertake a research study on the **influence of project leadership on performance of insurance projects in Kenya: a case of Eagle Africa Insurance Limited.**

The purpose of this letter is to request your permission to collect data through interviewing the managers at various levels at Eagle Africa Insurance Limited. Your support and responses will be helpful in the study as I will be able to summarize, conclude the findings and help me come up with the right recommendations.

I take this opportunity to ensure that the data obtained will be used for academic purposes only and your identity will be held confidential.

Your cooperation will be highly appreciated.

Yours Faithfully,

**ESTHER NYAMBURA WACHAGA**

**APPENDIX 1I: QUESTIONNAIRE FOR THE MIDDLE, AND LOWER LEVEL  
MANAGEMENT**

This questionnaire aims at collecting information and data for academic use by the researcher. Your kind participation will go a long way in providing useful information required to complete this research. You need not indicate your name. Kindly provide correct and useful data and fill appropriately as logically guided. Indicate your response by putting a tick (√) or writing in the provided spaces.

**SECTION A: BACKGROUND INFORMATION**

1. Indicate your Gender

Male                       Female

2. Level of Education

Primary  Secondary  Diploma  University Degree  Post Graduate

3. Please indicate your age bracket

20-30 years  31-40 years  41-50 years  over 50 years

4. What is the highest level of education you have attained? (specify)

Primary               secondary               diploma               degree               masters

PhD

5. Position in the organization

Executive Director/CEO  Project Manager  Programs Officer  Other

6. How long have you been working in project work?

Less than a year  between 1-2 years  between 3-4 years  over 5 years

**SECTION B: TRANSFORMATIVE LEADERSHIP**

7. Does transformational leadership help in project performance in your organization?

Yes  No

Explain your response

.....  
 .....

8. Indicate the extent to which the following aspects of transformational leadership affect project performance. Use a scale where 1- To a very low extent, 2- To a low extent, 3- To a moderate extent, 4- To a great and 5-To a very great extent

Statements	1	2	3	4	5
Project manager(R.E) is friendly and approachable by all employees					
The manager/supervisor encourages delegation of duties					
The staffs dialogue with the supervisor on a daily basis on contentious issues on the various projects					
Project manager (R.E) consults a lot with staff members on project management decisions					
Project manager (R.E) encourages both Head of Departments and subordinate staff to do things in a creative and innovative ways					
Project manager (R.E) allows and encourage staff development					

**SECTION C: AUTOCRATIC LEADERSHIP**

9. Does your organization apply autocratic leadership to facilitate achievement of high project output?

Yes  No

Explain your answer.....

10. State the time at which autocratic leadership is applied in your organization

All the time  In most cases  sometimes  Not at all

11. Indicate the extent to which the following aspects of autocratic leadership affect project performance. Use a scale where 1- To a very low extent, 2- To a low extent, 3- To a moderate extent, 4- To a great and 5-To a very great extent

Statements	1	2	3	4	5
Project manager (R.E) makes all decisions on project management without entertaining any suggestions					
Project manager (R.E) rewards handsomely those loyal to him/her					
The project manager (R.E) punishes those who question the accuracy of some designs and instructions to the contractor					
Project manager (R.E) commands and expects total compliance at all times without question					

12. Does autocratic leadership aim at setting High performance standards?

Yes  No

Explain your answer.....

13. Describe how autocratic leadership facilitate technical competence and how this influence project performance

.....

.....

.....

.....

**SECTION D: DEMOCRATIC LEADERSHIP**

14. How do the leaders involve employees in management of the project to promote democratic leadership?

.....

.....

.....

.....

15. Indicate the extent to which the following aspects of democratic leadership affect project performance. Use a scale where 1- To a very low extent, 2- To a low extent, 3- To a moderate extent, 4- To a great and 5-To a very great extent

<b>Statements</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Project manager (R.E) is involved in policy formulation in the management of projects but does not dominate					
Project manager (R.E) makes a decision after consulting project staff					
Project manager (R.E) organizes training for all staff on key issues concerning effecting road project management					



Project manager (R.E) consults a lot with staff members on project management decisions					
Project manager (R.E) fights for the welfare of all his staff					

**SECTION E: PERMISSIVE (LAISEZ FAIRE) LEADERSHIP**

16. How many project team members are conversant with permissive leadership in implementing the project?

All of them  Most of them  Some of them  None of them

17. State the extent to which the following aspects of Permissive Laissez Faire) leadership affect project performance. Use a scale where 1- To a very low extent, 2- To a low extent, 3- To a moderate extent, 4- To a great and 5-To a very great extent

Statements	1	2	3	4	5
Project manager (R.E) allows staff to make their own decision without any interference					
Every departmental staff is free to make approval of work decisions without involving project manager (R.E)					
Project manager (R.E) is proactive in finding solutions to project challenges					
Project manager (R.E) encourages and support staff to attain good working relationship with contractors					
Project manager (R.E) allows and encourage staff development					

**SECTION F: PROJECT PERFORMANCE**

18. To what extent does the various types of leadership address project performance in your organization?

To a very great extent [     ]

To a great extent [     ]

To a moderate extent [     ]

To very little extent [     ]

To no extent [     ]

19. To what extent does various types of leadership influence the following aspects of project performance

<b>Aspects of performance</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Increased profits					
Improved work performance					
Increased customer base					
Increase in Employee creativity					

20. Please indicate your level of agreement with the following statement concerning the effect of various types of leadership address project performance. Where 1=strongly disagree, 2= disagree, 3= Neutral, 4= agree, and 5= strongly agree.

<b>Statements</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Project managers use transformative leadership style to attain					

effective performance of various projects					
Project managers who use autocratic leadership are faced with poor work output on their projects					
Democratic leadership enable manager to serve projects better by making quick decisions and consulting whenever challenges came up making work efficient					
Projects run by Laissez fair leadership attract a lot of legal claims, cost overruns and exceed time frames set since delay in decision making greatly affects the projects					

**THANK YOU**

**APPENDIX III: INTERVIEW SCHEDULE FOR THE TOP LEVEL  
MANAGEMENT**

1. In your opinion how does transformational leadership help in project performance in your organization?
2. Do you apply autocratic leadership to facilitate achievement of high project output?
3. Does the top leadership in your organization involve employees in management of the project? Explain how they are involved
4. How do you employ your leadership style to influence project performance of the organization?
5. What are some of the best attributes which you appreciate from your project manager's leadership style?
6. What suggestion would you like to make with reference to your leadership style as the manager and its impact on project performance?
7. As a manager which leadership style among autocratic (dictatorship), democratic, leissaz fair (free style) and authoritative are best suited for project performance?