

**UNIVERSITY OF NAIROBI**  
**COLLEGE OF HUMANITIES AND SOCIAL SCIENCES**  
**FACULTY OF ARTS**

**EFFECT OF LEADERSHIP STYLE ON JOB SATISFACTION AND EMPLOYEE  
JOB PERFORMANCE IN THE BANKING SECTOR IN KENYA: A CASE STUDY  
OF THE FAMILY BANK OF KENYA LIMITED.**

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MASTER OF PSYCHOLOGY (INDUSTRIAL AND ORGANIZATIONAL) IN THE  
DEPARTMENT OF PSYCHOLOGY, UNIVERSITY OF NAIROBI**

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## **DECLARATION**

This research project is my original work and has not been presented for an award in any other university.

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This research project has been submitted for examination with my approval as the university supervisor.

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## **ABSTRACT**

This study investigated the effect of leadership styles on job satisfaction and employee performance in the banking sector in Kenya. The study examined the effect of transformational, transactional and laissez-faire leadership styles on employee job satisfaction and performance at the Family bank of Kenya Limited. This involved a sample size of thirty seven (37) employees and thirteen (13) managers from nine Family bank branches within Nairobi City, obtained through stratified random sampling technique. Variables which include: leadership styles as independent variable, and job satisfaction and job performance as dependent variables were measured using multiple leadership questionnaire by Avolio and Bass (1995) and job satisfaction survey by Spector (1985). Staff evaluation form from Fraser University was used to measure job performance. Analysis of data was then done using SPSS Version 20.0, to establish relationships among variables. Hypotheses were tested using correlation and regression to investigate relation between variables to help bring out variance in dependent variables due to independent variable data operated through SPSS. Results pointed out Transformational style as most important and had largest effect on job satisfaction and employee performance followed by Transactional style. Also, results revealed favorable linear employee job satisfaction and performance relatedness with Transformational and Transactional leadership styles. Laissez-faire style negatively influenced employee job satisfaction and performance. The study recommended that banks adopt and improve on the existing transformational style but avoid Laissez-faire. The study also recommended that more studies should be conducted on factors affecting job satisfaction and employee performance beside leadership styles. Further studies should use larger sample to establish results generalizability. Also, further research might be necessary to ascertain availability and possibility of other influential factors fostering employee job satisfaction and performance.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Kenyan banks have seen immense strategic shifts over a short period of time including amendments in interest rates on loans followed by the looming retrenchments of the employees in the sector, among other changes (Marambi, Managing Director, Bank of Africa, 2015). The power of management by leaders' tactful approach determines a competitive advantage in attainment of organizational goals and help increase employees' performance (Anyango, 2015). Leadership is among major concepts in fact finding missions by social scientists and most discussed especially, in management studies (Memon, 2014). Leadership is very important for the organizations and employees who are the most important asset at the Centre of the organizational work.

According to Hamidifar (2015), as cited by Mberia and Midigo (2016), empirical evidence on elements predicting organizational productivity have shown leadership and employees' fulfilment as strongly influencing productiveness in any organization. In this accord, Cakmak, Oztekin and Karadag (2018) proclaim sentiments by Goleman (2002) that senior's mood and mental state is contagious with direct widespread effects on the employees' feelings, satisfaction and performance at work. This resonates the leader's morale and ideal expectations invaluable in employees' fulfillment of set goals (Burns, 2007). In other fact finding missions, Cakmak et al (2015); Yigit Dilmac and Deniz (2011) established sentimental consensus, arguing that one major way to have fulfilling life is to experience enjoyment in sphere where one mostly spends time, i.e. work life; which implies, life fulfillment comes with work related satisfaction. This can be achieved with effective organizational leadership which has notable critical role, across all cadres in increasing performance in majority of organizations, hence, a major determinant in the rise or downfall of organizations (Anyango, 2015).

In a meta-analysis of 318 researches Cakmak (2015) noted established agreement among researchers that leadership effectively boost workers outcomes (see Goleman 2002; Locke and Lathan, 1990; Petty, McGee & Cavender,1984) through encouragement (Burns, 2007) ultimately promoting job fulfilment ( Kouzes & Posner, 2002). Recent research findings indicate that managers' style of leadership affects bank employees' job satisfaction (Darko & Darko, 2015), as well as their performance ( Anyango, 2015; Palanchamy, 2015).The banking

sector in Kenya is no exception to this reality, as leadership is instrumental in important decision making that affects daily business within banks. The present study lays emphasis on three main leadership styles; namely, transformational, transactional and, laissez faire. Since 1990, transformational and transactional styles by Burns (1978) and Bass (1985) are most importantly emphasized, broadly applied and measured in leadership fact finding missions (Saleem, 2014). Laissez-faire is a type of transactional leadership style (Darko & Darko, 2015).

There are several studies covering leadership styles' influential nature on employee fulfillment and performance. Studies have been conducted in various countries including Pakistan ( Akram et al, 2012; Muhammed and Kuchinke,2016), Bangkok (Belios,2011),Ghana(Darko & Darko,2015), Malaysia(Nasri et al,2014;Leng et al,2014; Sakiru,et al 2013), Bandung in Indonesia(Widayanti & Putranto,2015). These studies established interrelatedness among leadership styles as well as their significant effect on employee performance. Accordingly, transformational leadership style positively affect both performance and followers (Ojokuku et al, 2012; Anyango, 2015). Widayanti and Putranto (2015) found that both the two styles positively affect performance of employees, either concurrently or partially (as cited in Darko & Darko, 2015). Notably, transformational leadership effect is higher than transactional leadership while laissez-faire negatively correlates with performance (Palanichamy, 2015 and Anyango, 2015). Laissez-faire is also seen as unproductive, ineffective and causing dissatisfaction (Deluga, 1992). On the other hand, Basit, Sebastian & Hassan (2017) found laissez faire to have a significant relationship with performance. Dalluay & Jalagat (2016) as cited in Basit et al (2017) conclusively advocated organizational maximization on leadership style that best promotes performance and satisfaction of the employees while still expecting future improvements. The previews shows a number of studies and findings on effect of leadership styles in the banking sector in a number of regions, countries and economies with variations across the board. Most studies have reported consensus on favorable effect of transformational and transactional styles on workers' fulfillment and outcomes with inconsistencies on laissez-faire (Anyango, 2015) due to contradictory findings (Tsigu and Rao, 2012 and Gimuguni et al, 2014). This calls for further studies on these leadership styles. Nevertheless, such studies have been done in Kenya (Samaitan, 2014; Ndethiu,2014; Kagwiria, 2016; Karoki, 2016; Mulonzi, 2017 and Chege, 2018) and agreed that leadership styles affect growth, employee productivity, organizational engagement and performance in Kenyan banks, leaving out job satisfaction yet productivity of any organization is affectively determined by leadership and employee's work fulfillment (Hamidifar, 2015) as cited in Mberia and Midigo

(2016) in turn affecting performance (Karadag et al,2018). The researcher thus sees the importance of job satisfaction as distinctive variable and factor to be considered in this study in Kenyan banking sector.

Family Bank of Kenya started its operations in 1984 as a Family Finance Building Society Limited. The aim was optional institution for population without bank accounts and mission to liberate the unbanked from financial bondage. It is fifth largest Kenyan bank which became a fully-fledged commercial bank after being licensed by Central Bank Kenya, in May 2007. From only one branch in 1985, the institution had about 93 outlets by April 2016 while objectively aiming to have more than 100 synchronized outlets at closure of same year. It became first Kenyan bank to introduce paperless banking using smart card technology.

Family Bank attends to mass market needs, initially considered unimportant by major banks. It is a medium sized financial services institution. At the end of 2017, its asset value was at US\$ 696 million (KES: 69.12 billion) with Revenue after tax at US \$ 10.1 million (KES: 1.0 billion) as of the same year. The bank gained amount of Ksh.2.9 Billion in 2015 as compared to Kshs. 2.62 Billion over the same time frame in 2014 sustained by aggressive deposits and growth in Customer base (over 1.8million) and borrowing. Its products include Loans, Checking, Savings, Investments, and Debit Cards. Shareholders are majorly, private institutions and individual investors.

When it comes to leadership, the bank is governed by board of directors' head, one Non-Executive Director; CEO as Managing Director, assisted by other senior management team in overseeing day today bank duties. According to Mudibo (2017), report on family bank turbulent period, the bank gained pre-tax extra returns, 664 million-down from Kshs.2.9 Billion over same duration in 2015. The slowdown was due to high cost of Kshs.400 million for restructuring of staff, a low customer borrowing rate and branch expansion. The bank had been cautious of possible whole year profit fall by 25% minimum, driven by too costly deposits, provision for unprofitable loans, increased funding and costly individually initiated untimely retirement program. "We did take a hit on our bottom line arising out of the turbulence we faced last year. The sustained social media attacks which led to significant withdrawals took a further toll on our profitability. However, I can confidently say that we are recovering from reversals of the past year, thanks to the great confidence and support from our customers."(Thuku, Managing director, 2017).

The changes, programs that need implementing and goals that need achieving here in the report by Mudibo (2017) at the Family bank of Kenya, is the major challenge that presents a gap pointing to loopholes needing attention among top leadership/management of the bank to help make well informed decisions as to the appropriate leadership style in relation to employees involvement or empowerment, connected to their satisfaction and performance. Here, the researcher postulates that failure in proper manner of implementation informed by leadership style, could trigger dissatisfaction and in turn negatively affect employee performance. This atmosphere is the main drive behind researcher's decision to launch investigative move pertaining leadership styles' effect on employee satisfaction and performance at Family bank.

## **1.2 Statement of Problem**

Banking in Kenya has been characterized by uncertainties for employees and instabilities evident in operations. In 2016 Family Bank turned to layoffs following high employee maintenance costs and the implementation of the banking amendment act 2015, by capping of interest rates at 4% above the Central Bank of Kenya Benchmark rate, so as to protect Customers from exploitation with unreasonable interest rates on loans, 11 more banks announced plans to downsize the number of workers. The estimated 1,620 bank employees were laid off and 39 branches closed (Cytonn Report, 2017). Banks had 28,009 employees as of August 2016 but the layoffs wave left 26,076 employees as at June 2017. This have been replaced by agents and mobile banking channels, causing an explosive growth of mobile money which disrupts the traditional banking operations in terms of culture and other facets often induced. For instance, the Safaricom Kenya Limited which is a giant in the telecommunication sector, uses M-Pesa in offering mobile money transfer services, making it an outstanding highly advanced company in financial technology, that many Kenyan banks have to partner with it to benefit from such technological software in keeping up with changes and challenges posed by the wave of increasing use of financial technology.

In a regulatory environment, there are three pillars of the financial sector development: stability, efficiency and access (Marambi, Managing Director Bank of Africa, 2015). With the current wave of changes these pillars have been shaken. The researcher postulates that turbulence caused by the wave of changes in Kenyan banking sector, could be so demoralizing as to cause dissatisfaction and also affect employee performance negatively. Thus, besides Family bank's heavy push towards the digital space in implementation of its transformation

programs aimed at efficient operations, improved customer service and staff empowerment; the exploration of the bank's leadership prospects informed by the choice of appropriate leadership style, is a noteworthy opportunity if the bank is to maintain, efficiency for access and stability, as this is part of the management system affecting work fulfillment successively affecting workers outcome and could trigger the costly employee turnover. Studies have revealed that, style of leaders greatly affect employees' attitude towards job satisfaction and the functions of leaders in present day institutions has taken a different turn with organizational progress depending on styles that leaders apply (Saleem, 2014). Arguably, effective leadership style is what will largely contribute job satisfaction of employees and boost their performance at Family bank of Kenya thereby necessitating exploration of this area of interest by conducting a study concerning leadership styles' effect on employee fulfilment and work outcome in the Kenyan banking sector at the Family bank of Kenya Limited.

### **1.3 Purpose of Study**

Major purpose was to conduct investigative mission on how leadership styles affect job satisfaction and employee performance within Kenyan Banking Sector at Family bank Kenya Limited.

### **1.4 Research Objectives**

To:

1. Investigate effect of transformational style on job satisfaction and employee performance at Family bank Kenya Limited.
2. Establish effect of transactional style on job satisfaction and employee Performance at Family bank Kenya Limited.
3. Find out effect of laissez-faire style on job satisfaction and employee performance at Family bank Kenya Limited.

## **1.5 Research Questions**

What is the effect of :

1. Transformational style on job satisfaction and employee performance at Family bank Kenya Limited?
2. Transactional leadership style on job satisfaction and employee performance at the Family bank Kenya Limited?
3. Laissez-faire leadership style on job satisfaction and employee performance at Family bank Kenya Limited?

## **1.6 Hypotheses**

Intelligent guesses were made and tested for either acceptance or rejection as below.

- H1. Transformational leadership style has positive appreciable degree effect on employee job satisfaction and performance at Family bank Kenya Limited.
- H2. Transactional leadership style has appreciable degree effect on employee job satisfaction and performance at the Family bank Kenya Limited.
- H3. Laissez-faire leadership style negatively affect employee job satisfaction and performance at Family bank Kenya Limited.

## **1.7 Assumptions of the Study**

Researcher postulated that leadership styles not only affects employee fulfillment and performance at Family Bank Kenya Limited but also in other banks and entire Kenyan banking sector. So, knowledge from the findings will be generalized to other banks in Kenyan banking sector. Another assumption is that satisfaction of Family bank employees due to effective style of leaders, especially, in the midst of rapid occurring changes will help to win the trust of their employees and help retain the best performers, yet there are so many banking employees who are not satisfied with changes at current bank institution.



## **1.8 Scope of the Study**

Coverage is specifically aligned with the study purpose. The variables being; leadership styles as independent variable covering transformational, transactional and laissez-faire styles including respective dimensions. The employees' fulfillment and outcomes, consist dependent variable. The researcher in this case focused on five confounding variables as measures affecting dependent variables. These were: age, gender, education level, organizational position and work experience of employees. The collection of data by the researcher was limited to Family bank of Kenya Limited. This was a survey that needed representative sample of bank's branch managers, retail staff, customer care staff, bank tellers, management staff members and bank employees from different departments within the selected Family bank branches. Other members of support staff including sweepers and security guards did not participate.

## **1.9 Justification of Study**

Currently, changes in Kenyan banking sector include capping of interest rates, low- financial gains for the banks, increased competition, laying off workers and introduction of early voluntary retirement (Cytonn Report, 2017). In the context of such prevailing atmosphere, there is need for the provision of an ambience enabling employees to collectively meet organizational set objectives (McShane and Von Glinow, 2000). This is achieved through both satisfying leadership and satisfied employees (Darko and Darko, 2015).

Leadership styles have been potentially proven to be one of the major factors that foster organizations' performance (Arzi & Farahbod, 2014). Because of the importance of the manager's role, Ahangar (2009) posted that the twenty first century managers need empowerment in skills for self-leadership so as to lead subordinates while they embrace change and put in more effort as ground for a competitive advantage. This study sought to add to such leadership empowering knowledge.

In this study if banks cannot work hard through effective leadership to retain employees, then employees cannot work in a manner satisfactory to retention of the banking customers especially in the face of current tight competition in the banking sector. Proper application of effective leadership styles thus promises potential substantial benefits to the satisfaction of employees, with tremendous improvements and ultimately increased productivity. According to studies by Robbins and Judge (2009), organizations do well where employees are satisfied.

Another investigative mission has also pointed out, fulfillment at work favorably influences performance (Goodman, 2007) as cited by Munsor et al (2012). Galup. Kheri and Jiangi (2008) further stated that successful organizations normally have satisfied employees and thus management should endeavor to embrace effective styles that foster employee satisfaction as leaders behavior have been proven to positively correlate with job satisfaction (Yousef, 2000).

However, the area of leadership styles effect on organizational outcomes is slightly under researched in developing countries (Igar, Anwar and Heider. 2015). This motivates the need for the researcher to conduct study in developing Kenya. Notably, a huge opportunity was presented at the Family bank of Kenya by the need to address how the leadership can implement the programs in place efficiently in a manner that satisfies employees and boosts their performance. Few studies have been conducted in this area from other banks in Kenya (Anyango, 2015), necessitating the selection of the Family bank of Kenya for this study. Furthermore, the choice of Family bank of Kenya case study helps to narrow the scope for manageability of the topic hence, more researchable. Therefore, this research was justified to fact find leadership styles effect on workers' fulfillment and outcomes at Family bank, constituted in Kenyan Banks' system as an area of major concern.

### **1.10 Significance of the Study**

Research findings added to an in-depth interpretation of leadership styles' influence on institutional outcomes within Family bank Kenya and contribute to the knowledge of leadership in the Kenyan banking sector. This may provide the Banking CEOs, managers and entire leadership fraternity in the Family bank and banking sector, with insight on how to deal with the changes and challenges being experienced in the banking sector today. Findings may also help relevant authority in promoting superior performance within Family bank of Kenya, through exhibition of proper leadership behavior as directed by the choice of effective leadership styles aimed at proper treatment of employees for good attitude towards the leaders and their work, while inspiring them to perform.

The views and opinions in the findings from both banking management fraternity and employees, may be significant to the stakeholders at the Family bank of Kenya and other Kenyan banks in the sector. Beneficiaries also include the chief economists as participants determining way forward and also government. Results implementation is particularly important to employees as leadership styles points to improvement in workplace environment and employees' wellbeing that is, positive ambience.

### **1.11 Limitations of the Study**

The researcher believes that different banks have varied cultures owing to contextual conditions affecting the choice of leadership styles. So, being a case of one bank, findings may not give complete bigger picture of the entire banking sector as to be generalizable but only contribute to knowledge of leadership styles in Kenyan bank system and influence on employees' satisfaction and performance. Facts eliciting mission only focused on Family bank Kenya Limited. This was done only in nine selected Family bank branches within Nairobi City, as these were very close to where the mother bank/headquarters was hence easily generalizable to other Family bank branches outside Nairobi City.

Unavailability of some key members in leadership like the branch managers caused inconveniences. This was in the case where they have administrative issues that urgently needed official attention, involving travelling and being away over a period of time thereby interfering with the researcher's schedule. The researcher thus ensured that only the respective managers who had confirmed availability prior to the day of the field study participated.

When it comes to self-evaluation of one's performance there was the danger of the employees trying to portray themselves as good performers which can affect findings negatively. However, in as much as beyond control the researcher believed that there could only be few such cases compared to the likelihood of many more genuine self-evaluation cases to rely on.

### **1.12 Operational Definition of Terms**

**Leadership:** Refers to leaders' daily influence on workers, encompassing various aspects namely, value-standards, norms, items or issues evident in work context, influencing workers' emotionally, outcomes and behavior (LOK and Crawford, 2004).

**Leadership Styles:** Refers to adopted and duly applied approaches by leaders, that guide the interaction between them and employees within the work place while directing and motivating employees toward the accomplishment of a set of individual and collective organizational goals. "Viewed by workforce members as complete sequence of clearly detailed and indirect initiatives conducted by team managers (Newstrom, Davis, 1993).

**Job Satisfaction:** Job satisfaction refers to individuals' attitudinal position expressed on

Assigned work (Spector, 1997). A positive and favorable attitude toward job indicates satisfaction (Aziri, 2011).

**Job Performance:** Refers to employee's measurable behavioral aspect relevant to the Organizational goals and outcome/consequential aspect which is the result of the behavior, defined by judgmental and evaluative processes (Campbell, 1993; Ilgen & Shneider, 1991).

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Introduction

Section revisits existing scholarly thinking, findings and approaches to the topic of study. It encompasses discussion on the objectives of this study, under the confounding variables which are: age, gender, work experience, organizational position and educational level of the employees. Also, it involves theoretical and conceptual framework. Strategy in selecting reviews of existing literature focuses on studies that have leadership, job satisfaction and employee performance in their titles. Abstracts are keenly reviewed in each case to capture how the studies reached their findings, and gaps identified followed by appropriate critique where and as necessary.

##### 2.1.1 Leadership Styles

Leadership styles are incorporated by some leaders based on dynamics around prevailing circumstances or momentary attitude while others intentionally adhere to the same type unmoved by situational dynamics (Shurbagi & Zahar, 2012). Transformational leadership occurs when a charismatic and visionary leader seeks to transform by making followers greatly moved in trust for the leader while demonstrating behavior that promote fulfillment of organizational set goals. Transformational leadership was initially left unaddressed, deemed complex concept, beyond examining empirically (Memon, 2014). Yousaf (2015) arguably disqualifies followership numbers as yardstick determinant in categorizing leader as transformational or transactional but rather considers kind of progress made as qualified parameter. According to Business Dictionary report (2016), transformational style evaluation in ultra-modern technological era is linked with successive progress of organizational management in school setup. The source further states “that the future of transformational leadership is also related to political globalization and a more homogeneous spectrum of economic systems under which organizations find themselves operating.”

Transactional style is considered management kind, not leadership approach on its own, owing to its short-lived nature on tasks (Muthurebo, 2013). It's described as leader's insightful ability in understanding workers' expectations while seeking to meet them in exchange of outcomes, hence based on “exchange” between the leader and the employees and what they do, hence, clearly concerned with outcome not the product.

Laissez Faire, implies absence of seniors influence, kind of transactional style. This implies little or no involvement in employees work life provided they are there to work or play their role in the organization (Memon, 2014), an element of “don’t care” attitude on the leader’s side towards followers. It is associated with low productivity, a lack of effectiveness and less satisfaction (Deluga, 1992) as cited in Basit et al (2017)

### **2.1.2 Job Satisfaction**

This is an attitude that has become a major concern in the lives of employees in organizations in the 21<sup>st</sup> century. According to Aziri (2011), job satisfaction encompass both favorable and unfavorable worker’s emotions towards assigned duties. He further states that, “doing a job that one enjoys, doing it well and being rewarded for one's efforts brings satisfaction.” A good attitude towards the job is a pointer to satisfaction. It is thus seen as a factor in productive business organization. According to Locke’s (1976), fulfillment at work is influenced by resolving inconsistencies between individual expectations and input. How much one prefers a certain facet of work (such as the high level freedom) regulates how fulfilled/unfulfilled one becomes whenever anticipation is or is not gained. It is thus an enjoyable affectionate state derived from individual’s job or job experiences evaluation (Locke, 1976). As cited by Saleem (2014), Spector’s (1997) scale for evaluating employee job satisfaction, entails facets namely; payment, benefits, overseeing, upward mobility, work nature, fellow workers. If employees are well paid, encouraged through upward mobility, fulfilling work, supervision and co-workers desired, may become better fulfilled, maintaining organizational loyalty (Saleem, 2014). In accordance with Fredrick Herzberg’s two factor theory, such motivational factors/facets like duty accomplishments, acknowledgement, and upward mobility opportunities, are fulfillment drivers. Fulfillment at work encompasses varied facets pertaining psychological responsiveness namely, mental, emotional, behavioral dimensions (Hulin and Judge, 2003). As a subjective construct, the three components can be best summarized as emotional reaction not being able to be observed but only by expression, cognitively evaluating satisfaction by employees’ perception of equity and then the relatedness of various facets such as payment, opportunities for upward mobility, fellow workers and work itself.

### **2.1.3 Employee Job Performance**

Prediction of job performance is important to Industrial and Organizational Psychology and organizational practice (see Polyhart & Hakel, 1998). According to Kavanagh (1982), Job performance is seen as an ever changing, multifaceted concept, estimate indicator of workforce response to fulfilling relevant organizational roles (cited in Hassan & Ogunkaya, 2014). The dynamism of employee job performance is supported by other researchers who maintain that it is indeed ever changing (see Deadrick & Madigan, 1990; Polyhard & Barratta, 1993; Henry & Hullin, 1989). Job performance can be objectively tested in measurable standards, by both utilizing data obtained from productivity track records and outcome rankings by leaders, overseers and fellow workers (Alli, 2003).

According to Sawyer (2010, as cited in Hassan & Ogonkaya, 2014), performance is the product of input, hence, employees change in terms of interpretation of what ‘favorable’ performance is. Sawyer (2010) considers this as a solid basis to build the ever-changing dimension into job performance evaluation arrangements. Where multidimensional, Babalola (2016) proclaims that performance is differentiated as task based, then contextual, where task based implies an individual’s competence by which role played add to organizational ‘technical core’ which is either direct (as in production), and indirect (as in human resource) or both. “Contextual performance on the other hand is explained as encompassing activities which do not contribute to the technical core but support the organizational social environment in the pursuit of the organizational goals”. This entails such behavior such as supporting colleagues, unwavering loyalty as organizational citizen and getting involved in decisional endeavors for betterment of work procedures.

## **2.2 Review of Literature on the Existing Empirical Research Studies**

Darko and Darko (2015) conducted a study on leadership and fulfillment among bankers, Accra metropolis, Ghana. Aimed at establishing leadership and workforce fulfillment linkage. Transformational, transactional leadership styles and job satisfaction were examined. Using Questionnaires, gathered data from 27 licensed banks. For workers’ fulfillment, job satisfaction survey (JSS) by Spector (1994) used had 36 statements on 6 opinions Likert scale were given. Respondents selected option that closely reflected their opinion. The 36 statements were put into 9 facets to assess workers’ fulfillment. These dimensions included, compensation, production, overseeing role, supplementary benefits, positive reinforcements, authorized work guidelines, fellow workers, work characteristics and information exchange. A simplified

multifactor leadership questionnaire (MLQ) consisting 21 items measured transactional and transformational leadership practices. Out of 200 questionnaires, 150 were collected (a return rate of 75%); only 140 (60%) proved useful. SPSS (version 16.0) aided data analysis. Results indicated that leadership styles and job satisfaction were positively correlated. Also, inspirational motivation, a kind of transformational style, exception management and laissez-faire (kinds of transactional style) affected satisfaction of banking employees. It was concluded that, favorable leadership by managers is prerequisite to have satisfied employees (Darko and Darko, 2015).

This survey was conducted from Greater Accra region only. This points to the fact that studies cannot be generalized to other banking employees as not much is revealed concerning job satisfaction hence, less reliable.

Another study by Muhammad and Kuchinke (2016) assessed how leadership styles affect workers' affective evaluation of seniors and outcome within banking industry in Pakistan. Study aimed at evaluating managerial styles influence on workers' outcomes, Pakistan bank system. In this accord, they focused on Transactional, transformational and laissez faire styles. Applied descriptive statistics, practically exhibiting study sample's population factors (sex, service duration, age and academic qualification); then inferential statistics particularly multiple regression technique was applied, assessing study hypotheses. Sample was obtained from five Alpha Banks. This involved 224 participants (varied branches), selected through non-random purposeful sampling procedure. Questionnaires were administered in English language. This was latest multifactor leadership questionnaire, by Bass and Avolio (1985). Zero-order correlation between both leadership and outcome aspects was equally assessed.

Findings indicated appreciable degree transformational style and employee outcomes relatedness while transactional style unfavorably correlated with worker outcomes as pertain productiveness and employee fulfillment. It was concluded that banking management should acknowledge efficient leadership programs value. The findings conquered with studies by Lowe et.al (1996), Spinelii (2006) Tsing & Rao (2000). But this study still did not indicate whether job satisfaction had mediation between performance and leadership styles, which is very important where satisfaction and performance are both involved.

Accordingly, Saleem (2014), assessed leadership style influence on employee performance and mediation role of job fulfillment in perceived organizational politics, it was noted that



transactional leadership relationship with performance was not mediated by job satisfaction, among private educators but transformational leadership and transactional leadership among public educators were both partially mediated by job satisfaction. Also, there was no in depth consideration of the leaders behavior which is to go hand in hand with leadership styles and which need to show consistency by matching with employees' characteristics for satisfaction.

This is examined in another study conducted by Malik (2013) who used a path goal approach to determine leader behavior and employee's job satisfaction relatedness. This aimed at establishing aspect of relationship behavior of managers that affects employees' satisfaction. Questionnaires aided in data collection through stratified random sampling technique from middle and first line managers. Findings on directive, supportive, participative and accomplishment oriented manager behavior had favorable link with fellow worker and work while all four behavioral facets, appreciably related with worker's fulfillment. Juniors' demographics (age, gender, education level, position, experience and periodic length under same team overseer) significantly correlated with juniors' work fulfillment. Similarly, results indicated appreciable degree correlation among contextual factors (self-efficacy, potential, work structural nature, role ambiguity, frustration, need achievement and action independence need) and juniors' work fulfillment. Two conclusions were made: First, which was that leaders help foster workers' outcomes and fulfillment through applying behavior in more contextualized manner. Then, the study supported path goal theory that by applying specific leader behavior based on juniors' desires and work contexts, leaders influence junior workers' business, and fulfillment.

Belios R.J. (2011) similar fact finding mission (Bangkok) sought to establish mediating role of work fulfillment with workers' outcome. 400 questionnaires were distributed. Findings indicated that bank managers in Bangkok used diverse factors of leadership styles dependent on prevailing work conditions.

Transformational leadership positively affected sub scales of job satisfaction. Transactional and laissez faire too were perceived to have same effect. Notably, majority bank staff members especially women (20 to 39 years) were neither fulfilled nor unfulfilled. They were ambivalent. Considerably, worker fulfillment also, favorably influenced different aspects of workers' outcome.

In conclusion, analysts suggested that seeing different leadership styles' aspects affecting varied aspects of worker's fulfillment in turn affecting outcomes, managers, overseers, team directors should interchangeably apply leadership styles thereby fostering workers' outcome. This flexibility is supported by Belios and Koustelios (2014), who considered that most countries are currently experiencing financial crisis globally, hence many researchers are studying banking institutions function and bank employees' wellbeing, situation which needs intervention through leadership styles application in interchangeable fashion set agenda in place.

Belios and Koustelios (2014) analytically reviewed correlation between transformational style and worker fulfillment witnessed by bankers. Notably, postmodern phenomena like work fulfillment attitude relates to individuals relations with fellow workers and seniors, work outcomes and evaluation of organization's conventional operation ways in particular . Additionally, it was revealed that workers preferred leadership style can be influenced by numerous aspects alongside demographic features.

This is affirmed by a number of studies cited by Darko & Darko (2015), according to which, outcomes of factors influencing job satisfaction indicated that variations in job satisfaction revolves around demographic factors.

## **2.3 Effect of Transformational Leadership Styles on Job Satisfaction and Performance**

### **2.3.1 Age of the Employee**

In a study conducted by Hickson and Oshagbemi (1999) as cited by Mansor et al (2012) identified age demographic aspect affecting job satisfaction. Muhammed and Kuchinke (2016) found majority of the banking workforce to be between 25 and 36 years of age bracket. Young people were evidently the majority. Malik (2008) found the age of the employees did not affect their job satisfaction. Research by Kaya (1995) and Janson and Martin (1982) disagree with these findings contending that elderly workers in varied underdeveloped countries had higher job satisfaction levels than youngsters.

Sale and Otis (1964) confirmed that regardless of job type, there was positive age and job satisfaction relation. With leader's advanced age, workers more likely embrace leader's transformational leadership (Kotur, 2017). This is a pointer to dissatisfaction by the young people yet transformational as well. Deeper exploration is needed to determine

transformational leadership and job satisfaction relation on different age groups, as this ultimately affects performance.

### **2.3.2 Gender of the Employee**

Transformational leadership is seen as applicable to both genders (see Hackman et al, 1992 & Book, 2000). Studies on how both males and females operate at work place to determine management rankings and job fulfillment, found transformational style allows females to concurrently handle management and sex based functions (Manning,2002). Meta-analysis consisting 495 research cases sixteen years apart by Eagly et al. (in press) revealed slight differing range, where females were doing better on all transformational aspects ( cited in Manning,2002). Female managers tend to value social relations in the transformational leadership style than males, who pay more attention to supportively developing human resource (see, Eagly and Johnson, 1990; Gevedon, 1992; and Rosener, 1995).

There is collective agreement amidst experts that leadership skills by females are greater (Sharpe, 2000) and more transformational than males (Bass et al, 1996). People assess gender differently, with women being evaluated negatively in male dominated organizational culture (see Eagly and Makhijani, 1992). On the contrary, other studies found junior workers interpret female managers as great support in developing workers than male managers (Denmark, 1993). Another study found female principals in educational institutions to be rated more transformational than men by constituent departmental members (see McGrattan, 1997, McHugh, 1999). Maher (1997) and Carless (1998) noted workers in banking and other businesses considerably view males and females equally transformational. However, in a study by Sale and Otis (1964) there was no established agreement whether females are more fulfilled than males. Malik (2013) found job fulfillment among males and females as differing to some appreciable degree. On the other hand, Manning (2002) found no appreciable degree in comparing transformational leadership of both sexes among bank managers at same level whether leadership was by leaders opinion of self or by others. This calls for the need to come up with conclusive findings.

### **2.3.3 Educational Level**

This points to the qualifications of employees especially in terms of their academic Levels/standards. Transformational leaders aim at nurturing both individual and collective developments, sharing insightful organizational wisdom to evoke and promote successful goal fulfillment (Bass, 1995 and Posner, 1987). Nurturing is a pointer to concern for thorough training for employees by management who may also have high education level. In a study done in Pakistan's banking sector by Muhammad and Kuchinke (2016), 88.7% of the subordinates were found to at least have a master degree. This shows the kind of management there could be behind the subordinates. Unfavorable relatedness between academic qualification and worker fulfillment was noted (Sale and Otis. 1964). However, managers' transformational leadership style typically has link with performance, superiors and organizational laborers' fulfillment (see Bysio et al., 1995; Niehoff et al., 1990). According to Darko Darko (2015), academic qualification significantly affected fulfillment levels. German et al (2007) and Hall (2010) on the other hand found no such appreciable degree of distinction, even though knowledge capacity among first degree educators and those who had attained second degrees differed.

### **2.3.4 Organizational Position**

According to Manning's (2002) study on the transformational style dynamics and work fulfillment among middle and top rank leaders, results revealed higher level leaders both male and female self-considered as highly transformational while individual raters interpreted them as below optimum in transformational approach. On the contrary, those younger at lower managerial levels were rated highly transformational. This implies that many in top management positions may self-overrate as transformational unlike those in lower organizational positions.

### **2.3.5 Work Experience**

This involves the number of years one has worked with an organization. In studies conducted by Mansor et al (2012), 19.23% of those working with BIMB bank in Pakistan had working experience between 1 and 3 years and they reported satisfaction. 7.26% of those in the same category were not sure whether they were satisfied or not and only one employee constituting 0.43% was unsatisfied. Research findings also demonstrated 20.9% (3 to 7years experience) reported fulfillment at work while 7.69% expressed uncertainty as to their fulfillment. In the same category (3 to 7 years of experience) only 2 respondents (0.85%) reported dissatisfaction.

For those with work experience of 7 to 10 years. 8.18% reported satisfaction, 1.28% were not sure one respondent disagreed with satisfaction. 10 to 15 years of experience, 14.5% agreed on their job satisfaction with 14.53% not sure and 2.56 were not satisfied. Over fifteen years of experience 15.38% reported satisfaction, 2.14% were uncertain as to their satisfaction. None indicated dissatisfaction. So, there were few cases of dissatisfaction and apparently those who had worked for long were more satisfied compared to their counterparts who had worked for a few years. Transformational leadership was evident in BIMBI bank as transformational leaders seek to motivate and engage with followers by directing their behavior toward shared vision maximizing satisfaction and minimizing dissatisfaction.

## **2.4 Effect of Transactional Leadership Style on Job Satisfaction and Performance**

### **2.4.1 Age**

Transactional leaders are characterized by use of reinforcements or privileges withdrawal eliciting cooperation by juniors, focusing on the overseeing function, and collective outcomes hence results oriented. According to studies by Chung, Park, Kim, and Yang (2015), “the results for the different age groups were found to be the same in job demanding skill and speed”.

### **2.4.2 Gender**

According to Koscnbusch and Townsend (2004) female managers are highly transformational than male. Conversely, male school leaders (young) are more transactional. College students interpreted gender-stereotypic tendencies as theoretical, without distinction between transformational and transactional approaches for both sexes in management (Maher, 1997 and Carless, 1998).

### **2.4.3 Educational Level**

Transactional leadership is associated with performance and performance working for results. Work ability has favorable links with cognitive function (Yang, et al, 2015). Since skills is mental and more about training (educational), studies have found that leader skills powerfully influences work fulfillment than leader behavior because the skills enhances employee’s satisfaction (Cakmak, Oztekin, & Karadag, 2015).

#### **2.4.4 Organizational Position**

According to Mottaz (1986) noted that when it comes to job satisfaction aspects (transactional) at lower levels of the organizations men focus on internal and external reinforcements with more inward work preferences, while females preferred friendship benefits as priority at work place. Equally, superiors, both sexes similarly evaluated their work as fulfilling with commonality in work related preferences (Manning, 2002). The researcher noted that top management tend to have similarities in their job satisfaction application of transactional leadership just like in transformational leadership style (see Manning, 2002). Beside similarities in both sexes, managers differ in same indicators from clerical employees (Mason, 1995).

#### **2.4.5 Working Experience**

The favorable influences of work experience are possibly channeled towards foundational mental processes or outcomes (Salthouse, 1997) as cited in Yang et al (2015). Research findings have shown that as age increases so does experience (see Yang et al, 205). In studies done by Davies (2010) longevity had a competitive advantage with better performance outcomes.

### **2.5 Effect of Laissez-faire Leadership Style on Job Satisfaction and Employee Performance.**

#### **2.5.1 Age**

Laissez-faire which is delegative, tend to give freedom to the employees to maintain discretion. This implies that leaders are somehow detached and only 'good' performance as an end result of individual effort may be what matters (see Sawyer, 2010). Laissez-faire leadership style go hand in hand with job satisfaction in influencing organization loyalty (see Bycio et al, 1995) as cited by Babalola (2016) whereby satisfaction itself has linkage with numerous task outcomes (Spector, 2000) including performance outcomes (Gebauer & Lowman, 2009; Macey & Schneider, 2008; Macey, Schneider, Barbera & Young, 2009). Even-though discretion is at individual's disposal, this may affect productivity negatively. Across ages, most studies reviewed shows low age wise influence on performance (Davies et al, 1991; Rhodes, 1983; Warr, 1994). Further, facts by Waldman & Avolio (1993) revealed a slightly favorable age and efficiency connections. On the other hand, age and productivity (indicating performance) are related (Evoy & Cascio, 1989).

### **2.5.2 Gender**

Gender, has power to influence varied performance aspects (see Palakurthi & Parks, 2000). This differences may arise from the independency caused by laissez-faire leadership paving way for personal initiative. Accordingly, Gelles et al(1994) argue that since men are seen as focused on execution, “they take care of business,” while females are seen as relationship minded “they take care of others,” revealing sentimental differences (as in job satisfaction) and work performance (cited in Ogunkoya and Hassan,2014). Research study by Vein, Green, Jegadeesh & Yang (2009), reported an appreciable degree gender distinctiveness in varied performance aspects, whereby “women were most likely ranked influential, indicating they outcompete males in other performance dimensions.

### **2.5.3 Educational Level**

Education is systematically empowering individuals with skills in a study area (Hacket, 1979), in a sense organizationally independent (Ogunkoya &Hassan, 2014). While admitting work performance educational influence, Ariss and Timmis (1989), found no appreciable degree relationship of manager’s higher level education and corresponding work outcomes. Contrariwise, Ng and Feldman (2009) believe academic empowerment is favorably related to performance outcomes and that the level of education as well favorably related with innovativeness and practical loyalty but worse related to drug abuse and spending time off work. These sentiments echoes studies by Hunter, (1986), Kuncel et al., 2004) that academic qualification instills self-drive in jobs needing independence provided by laissez-faire leadership style.

### **2.5.4 Organizational Position**

Laissez-faire leadership style gives employees a free hand to decide on policies and methods and is attributed to lowest product among group members. Among top leadership where laissez-faire is preferred style, it is likely to be used alongside management by exception which is transactional (see Eagly et al, 200; as cited in Manning, 2002). Such leaders may enable subordinates to communicate properly or have enhanced freedom (Anyango, 2015; & Chaudhary, 2014) which may significantly affect satisfaction and performance of employees.

### **2.5.5 Work Experience**

Management style and work fulfillment subtly influence subordinates performance (see Gebauer & Lowman, 2009; Macey & Schneider, Barbera, & Yang, 2009). Wealthy experience come not necessarily from high academic qualifications hence organizations to focus on attitude (e.g. satisfaction) and behaviors of workers and management approach to foster favorable ambience (Babalola, 2016). In case of laissez-faire leadership style, Babalola (2016), believes that if management of an organization develops programs that help with continuation on practices promoting both fulfillment and favorable superior-subordinates interaction, it will cultivate employee trust and personal self-control. "This can be achieved through training and development which takes into consideration the needs of employees." Here, Lambert (2004); Tewksbury & Higgins (2006) view work fulfillment as degree of work circumstances fulfilling taskforce preferred expectations and personal reaction to those circumstances. Perhaps if this is achieved, laissez-faire leadership may still have positive influence on satisfaction and performance as employees become more responsible.

## **2.6 Theoretical Framework**

Fact finding mission adopted three major frameworks; the Path Goal Theory, Two-Factor Theory and Equity Theory as discussed below:

### **2.6.1 Path Goal Theory**

Framework appropriately applies in this case as it touches on the issues of leadership behavior characteristic of leadership styles. It was developed by House (1971) to evaluate how initially designated overseeing functions influence activeness and fulfillment by juniors. Initially, consisted path goal clarification and actions geared toward fulfilling juniors' expectations as the only leadership behavior described in this theory. But, House and Mitchell (1974) elaborated four such managerial approaches. These leader behaviors are: directive path goal clarification, reassuring/ helpful and proactive, and acquirement orientation. Where directive path goal clarification, leaders state expectations, through formulating well-coordinated programs, providing specific clear engagement guidelines and design systematic frameworks. The current researcher agree with this description because it is through this that bank employee's psychological conflicts will be addressed by making clarifications including those of expectations from the bank management. This will give a sense of direction that will definitely significantly affect satisfaction and performance.



With focus on Family bank of Kenya, superior-subordinate communication can be improved to eliminate any bureaucracies, for this factor influentially fulfills workforce. Then, supportive/reassuring leader behavior involves relationship oriented and mentally aiding work atmosphere where superiors generate good feeling about self, fulfilling interaction for mental peace reducing juniors mind struggles and helping meet worker expectations. With regard to Family bank of Kenya and entire Kenya banking sector, supportive bank management will help in situations of heavy workload. The third one, which is participative leader behavior entails factoring in the juniors views in decision making process at various operation segments. The application of this description will make employees in the Kenyan banking sector particularly in Family bank of Kenya, develop mind of being valued as institutionally accepted citizens. This will positively affect their satisfaction and performance. Then fourth is achievement orientation behavior which pertain to promoting competence with trust in juniors' ability to attain greater performance outcomes.

Theory does basically address the involvement of leaders in the work of employees, providing clarity, demonstrating care and support which could also involve rewards. According to Belonio (2011) contingent reinforcements (transactional), also influences satisfaction and performance to an appreciable degree, in this framework (Path Goal Theory).

### **2.6.2 Two-Factor Theory (Motivation-Hygiene Theory)**

Formulated by Frederick Herzberg (1959) to describe fulfillment and worker encouragement at workplace. Accordingly, fulfillment and being unfulfilled are elicited by two aspects notably, motivation and hygiene factors. So, worker encouragement enhances subordinates fulfillment in achievement at work, appreciation, and upward mobility. Encouragers are deemed internal to the job. The researcher believes that if Kenyan bank managers, particularly Family bank leadership considers these motivating factors like upward mobility (added to thorough training), it will itself serve as appreciation and help bring satisfaction hence increased zeal for more input by employees. According to Watson Wyatt (2001) Worldwide Human Capital index, "the difference between the traditional approach (gifts and points) and strategic recognition is the ability to serve as a serious business influencer that can advance a company's strategic objectives in a measurable way, this points to and calls for careful managing of an organization which can trigger innovations overtime." Hygiene factors include salary, performance frameworks, overseeing and other work circumstances. If bank management can

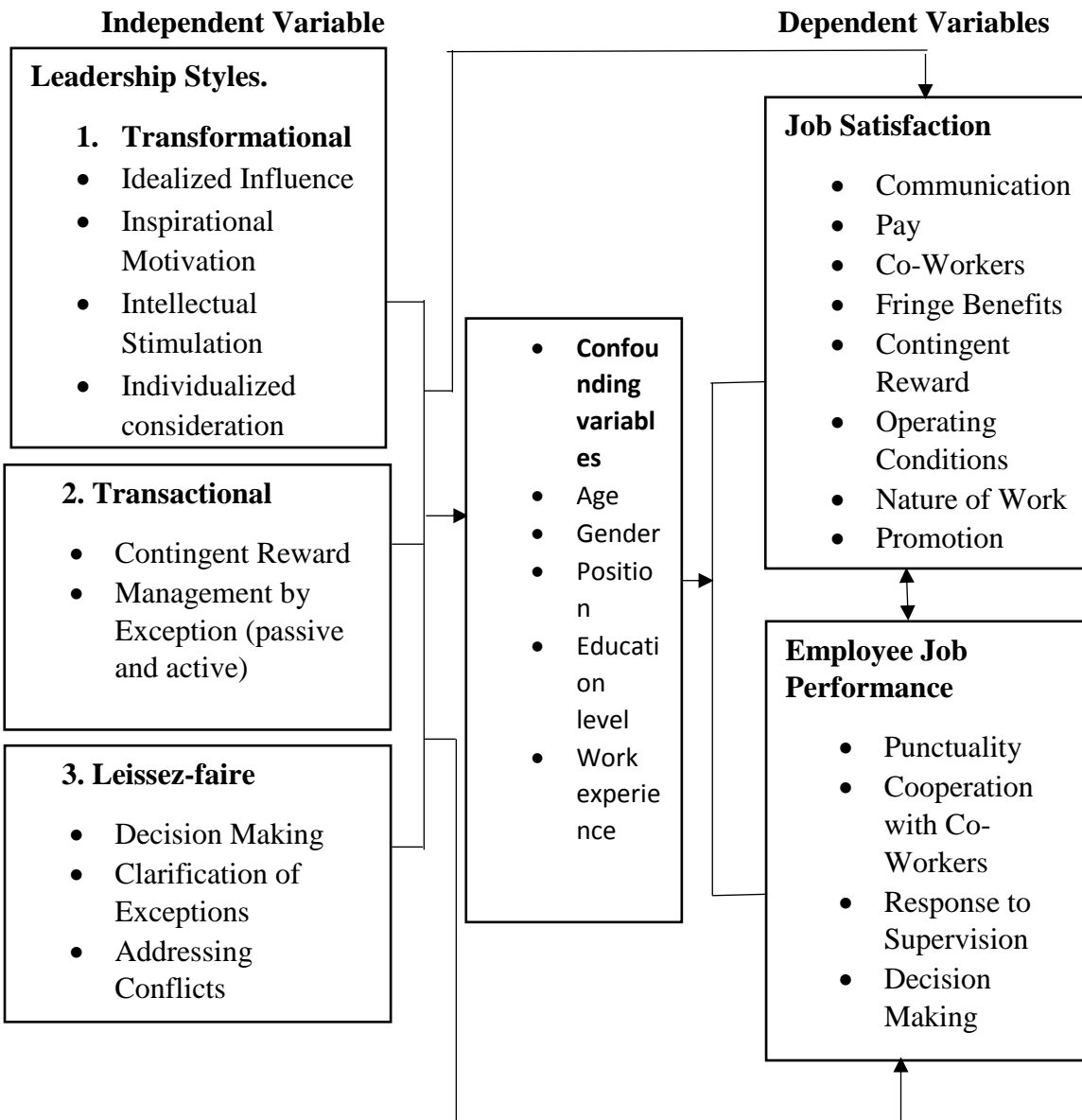
make more employee friendly policies, increase pay with supportive supervision and improve general work conditions, they will help eliminate dissatisfaction factors which in itself is the first step toward increasing employee satisfaction. The theory has been criticized for inability to factor in varied personality demands. Arguably, not all employees will respond similarly towards encouragers and work conditions. Also there is specification on measurement of factors. So, individual interviews are qualitatively used (Holmberg et al., 2017). Quantitatively, most studies resort to the use of certified tools e.g. Minnesota satisfaction Questionnaire (Weiss et al., 1967) whereas the researcher used Multifactor leadership Questionnaire to examine leadership styles. Individual differences particularly in perceptions as pertains to fairness/equality leads to the researcher to bring in Equity theory.

### **2.6.3 Equity Theory**

This theory was developed by Adams (1963), a work place behavioral psychologist. The theory covers individuals' social justice interpretation in relation with boss. Here, what they give in comparison with what they gain gives input/output ratio that is then compared to the ratio of others determining whether or not there is equitably just treatment. Accordingly, if an individual thinks that inequalities exist, they are aggrieved. For instance if management perks among bank leaders are too high yet employee salaries are too low/rarely increased, or equally so, there exist disparities in salaries among employees then it would lead to distress and a possible reaction like increased employee turnover which is costly to any organization. According to Huseman, Hatfield, & Mile (1987), O'Neil & Mone (1998) psychologists enlarged this framework to involve three responsive sequences in contextualized interpretation of equity or inequity. Sequences include: big/kind-hearted, fairness sensitive and self-entitlement. Where big-hearted, people consider it okay even if underpaid compared to fellow workers. Equity sensitive is where people advocate equity in payment, and with entitled pattern, people feel they deserve all they are paid. Researcher believes that in a large organization like a bank each pattern is somehow represented. Arguably, the level by each pattern in this theory affects motivation, job fulfillment and outcomes. Management especially at the Family Bank of Kenya Limited should become more sensitive with equity issues among employees among their employees.

## **2.7 Conceptual Framework**

Measurement of both independent and dependent variables was applied. Relationship between them was also depicted. Independent variable is leadership styles while dependent variable involves employees' job satisfaction and performance. This interaction/relationship is illustrated in the Figure 2.1. Transformational leadership style and transactional leadership styles was measured using commonly used multi factor leadership questionnaire formulated by Avolio et al (1995). For transformational leadership, four dimensions involved on the scale are: idealized influence (attributed and behavior wise), inspirational motivation, intellectual stimulation and intellectual consideration. Transactional style has dimensions encompassing: contingent reward, management by exceptions-active and exception-passive. Also, non-leadership scale was used for laissez faire to detect avoidance of clarifying exceptions, addressing conflicts and decision making in the banking sector. Work fulfillment was evaluated based on job satisfaction survey (JSS) by Spector (1985); measured as communication, nature of work, fellow workers, working conditions, contingent reinforcements, overseeing, salary, fringe benefits and upward mobility. On the other hand, performance was measured as punctuality, cooperation with co-workers and supervisor, decision making. The below figure 2.1 depicts leadership influence on job satisfaction and performance. This research study investigated and sought to make descriptions of variables alongside the added confounding variables namely age, gender, education and work experience, which are to enhance internal consistency for validity and reliability of findings.



**Figure 2.1: Conceptual Framework**

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

Section elaborates overview of research methodology including, research design, study location, target population, sample size and sampling techniques.

#### **3.2 Research Design**

Descriptive research survey design associated with quantitative approach was adopted for purpose of this study. Descriptive research is a popular and most widely used in education and social sciences (Koul, 1984). Design's choice is due to the descriptive nature and determining relation between the variables.

#### **3.3 Location of the Study**

Research mission was effected in Nairobi City within nine Family Bank branches, highly concentrated within the City. This was because of the researcher's proximity to the Nairobi City Family bank branches, and also because the Family bank branches within the Nairobi City (Nairobi County) are close to the parent bank branch, which could easily help to capture the bigger picture of leadership styles applied within the bank as focus is most likely laid on the large customer base in the selected areas. Also the researcher believed that most important management/leadership decisions made at the parent branch are more pronounced in closest Family bank branches, in the selected areas thereby reflecting the bank's preferred leadership style(s) and extent of their application in daily operations.

#### **3.4 Target Population**

The researcher targeted the bank's retail and relation officers, customer care staff, bank tellers, supervisors and Family bank of Kenya branch managers within Nairobi City (Nairobi County). This is because these groups are involved in daily operations, management/leadership and important decision making processes of the bank. There are a total of 93 Family bank branches in Kenya. Of these, 18 bank branches are located within Nairobi City, in Nairobi County, where the study was conducted. Out of the 18 branches, with about 187 staff members (Family bank Marketing Department, 2019), the researcher carried out the study in 9 branches with 50 research participants; that is, 13 from the management team and 37 from among staff members, from the nine selected Family bank branches were sampled matching study population for the validity of the inferential statistics.

**Table 3.1: Study Population**

<b>Group</b>	<b>Number Sampled</b>	<b>Percentage</b>
Management Team	13	26%
Employees	37	74%
Total	50	100%

### **3.5 Sample Size and Sampling Technique**

Thirty seven (37) employees and thirteen (13) managers constituted representative sample. This was achieved through stratified random sampling technique. Random sampling technique was selected by the researcher because it ensured that all categories in the bank were selected to constitute the sample, eliminating bias like gender insensitivity, enhancing validity and reliability of findings to the study. This took into consideration differences among individuals introduced by the researcher's added confounding variables that is, age, gender, organizational position, educational level and work experience.

### **3.6 Research Instruments**

The researcher used existing questionnaires as research tools, from other researchers namely, Multifactor Leadership Questionnaire (MLQ) by Benard M. Bass and Bruce J. Avolio (1995) and the Job Satisfaction Survey (JSS) by Spector (1985) measured work fulfillment. Also, non-leadership scale for laissez faire was used and Staff performance evaluation questionnaire of the Fraser Valley University, was used to obtain information on employee performance. These were used to suit the context, whereby both limited questions (mostly rating) and partially unlimited questions constituted questionnaires. A few partially open ended questions on the questionnaires (appendix I and II) allowed participants to give their views which was analyzed from the descriptive point of view. Methodic questionnaire is a computable approach to fact finding advanced by Emile Durkheim (1858-1917) where both high and low number of participants can be quickly conducted, easily and efficiently with ease of standardization. The questionnaire was filled by two categories of participants; those in leadership/managerial positions and employees.

### **3.7 Validity and Reliability of Research Instruments**

Mission adopted two main research instruments, that is, Multifactor Leadership and Job Satisfaction Survey. Multifactor Leadership Questionnaire (MLQ) is certified instrument in transformational leadership measurement as well as extensively researched and validated instrument (Statistics Solutions, 2018). It is used in evaluating Transformational, Transactional, and Passive-Avoidant Styles. It is also effective by its quantitative methodology in examining leadership styles and influence on successful institution change provided the specific tools used take into consideration the variables that affect leadership behaviors and outcomes. Here, the conventional Cronbach's Alpha applied in comparison is 0.7 with more than 0.7 cut off point indicating internal consistency ( Field, 2005 and Pallant,2015 ), as cited in Anyango (2015), who found Cronbach's Alphas in reliability statistics for the three leadership styles (in all their dimensions) to be ranging between 0.792 and 0.908. The researcher thus adopted it owing to its quantitative approach to examining leadership styles which is herein, the preferred methodology.

Job Satisfaction Survey is another well-established instrument where one responds to 36 items or 4 items for each of nine sub scales with choices ranging from "strongly disagree" to "strongly agree." Job Satisfaction Survey has been repeatedly evaluated before certification; which according to Statistics Solutions (2018), with internal consistency at 0.60 score (9 subscales) for co-workers to 0.91 for 3067 individuals who were investigated for a period of over eighteen months, yielding 0.70 minimum score for internal consistency ( smaller sample 43 workers); internal consistency of 0.33 to 0.74 was obtained and correlation of 0.61 for fellow workers to 0.80 for overseeing was computed between five work satisfaction subscales and some job Description index. Staff performance evaluation questionnaire is a valid and reliable tool by Fraser University Valley. On these grounds the instruments have been adopted for use by the researcher as they are valid and reliable in examining leadership styles and evaluating employee performance.

### **3.8 Data Collection Procedure**

Researcher first sought authorization to conduct study by getting authorization letter from the University of Nairobi, Department of Psychology, and licensed by Kenya National Commission for Science, Technology and Innovation (NACOSTI). Contacted bank branch managers in advance so that inconveniences were not caused due to their planned schedules crashing with the researcher's timetable. In this accord, the researcher sought appointment with

the relevant administrators particularly managers of the Family bank branches that were fixed upon, through the bank's Marketing Department. Questionnaires were administered by the researcher to the participants within selected bank branches. There were questionnaires for subordinates and supervisor/managers. Both were divided into four sections: A-Introduction and Demographics; B-leadership styles with their dimensions; C-Job Satisfaction and D-Evaluation Criteria for performance. Questionnaire for subordinates slightly modified to be suitably used at personal level by the Supervisors/those in managerial positions so that each person responded as an individual in his/her own capacity.

### **3.9 Data Processing and Analysis**

To ensure credibility, reliability and objectivity of the data collected, analysis was done quantitatively. Accordingly, Descriptive statistics was applied for data collected whereby data was edited, classified and tabulated to show computed Mean scores, Percentages, standard deviations and variance. Then, Inferential statistics were applied in computing Correlation Coefficiency and Regression Analysis to show how leadership styles (Independent Variables) influence job satisfaction and performance outcomes (Dependent Variables), make generalizations across the sample, and the presentation including analysis were in form of results. All this was done with the aid of the SPSS version 20.0, for coding data and production of graphs.

### **3.10 Ethical Considerations**

Participants were sensitized that data obtained was strictly for academic and leadership reasons. Accordingly, confidentiality and data anonymity were quaranted, and none indicated their name on questionnaire. This helped safeguard their interests. This was in accordance with the observation of British Psychological Society (BPS, 2004) guiding principles.



## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION AND INTERPRETATION

#### 4.1 Introduction

Section encompasses data analytics, presenting and results' explanation. Collected data was arranged and objectively categorized.

##### 4.1.1 Response Rate

Fifty Participants comprised management team and staff members in the nine branches of Family bank located in Nairobi City. The researcher administered 50 questionnaires to the bank's Marketing and Human Resource departments for distribution to the management team and staff members at the Family bank branches. However, a total of 32 completed questionnaires were received, putting usable return rate at 64%, adequate for reliable results. Creswell (2009) held that usable return rate exceeding 50% is sufficient for correct view in a survey study. The return rate is demonstrated below (Table 4.1).

**Table 4.1: Response Rate**

	Response	%Response
Successful	32	64%
Unsuccessful	18	36%
Total	50	100%

#### 4.2 Background Information

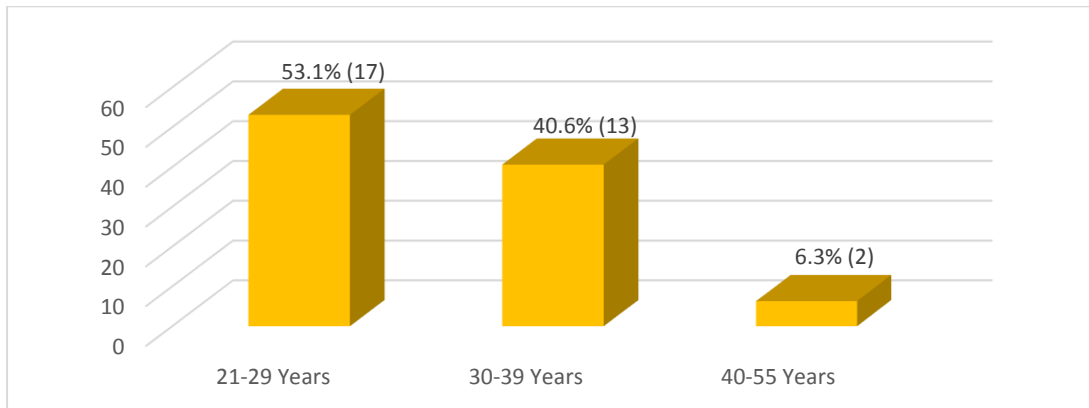
This section presents participants' background information notably; age, gender, work experience, education level and organizational rank.

##### 4.2.1 Age of the Participants

Figure 4.1 shows 53.1% of the participants were between 21-29 years followed by 40.6% who were between 30-39 years. The remaining participants 6.3% were between 40-55 years. These results showed that majority of research participants were relatively youthful but experienced

which can be attributed to commitments that banking jobs demand. These findings are similar to Muhammed and Kuchinke (2016) workers were majorly in age bracket of between 25 and 36 years.

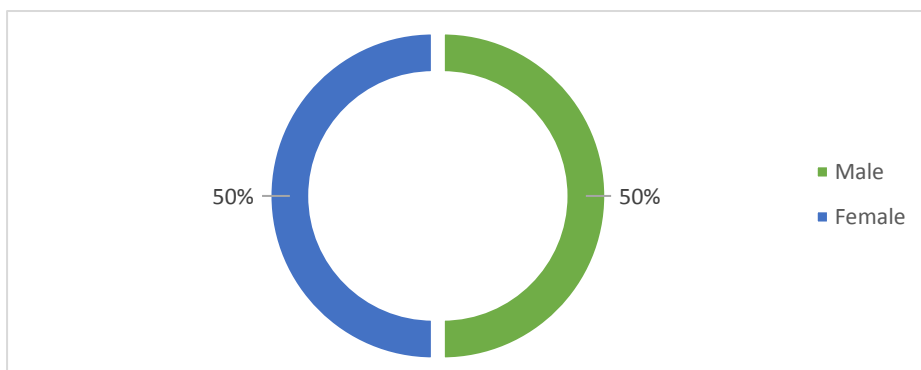
**Figure 4.1: Respondents' Age**



#### 4.2.2 Gender of Study Participants

The participants were equally distributed among the male and female genders as represented by 16 or 50% each in Figure 4.2. It can be deduced that both sexes had equal representation in the study.

**Figure 4.2: Participants' Gender**

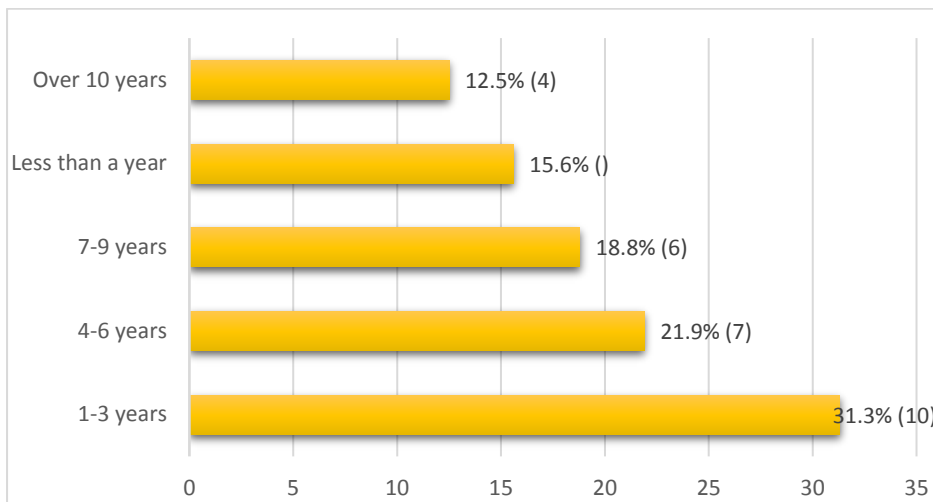


#### 4.2.3 Work experience of Study Participants

When asked about the years worked at Family Bank, 31.3% or 10 participants indicated that they had worked for periods between 1-3 years followed by 21.9% or 7 participants for periods between 4-6 years. The rest of participants 18.8% or 6, 15.6% or 5 and 12.5% or 4 had worked for between 7-9 years, less than 1 year and 10 years and above respectively. Figure 4.3 shows these results revealing that majority have served in bank for short duration which can be

attributed to the high number of relatively new entrants being posted to the branches as compared to officers who have served longer in the bank. However, most participants had information on how leadership styles influence staff members' job satisfaction and performance and shared reliable information.

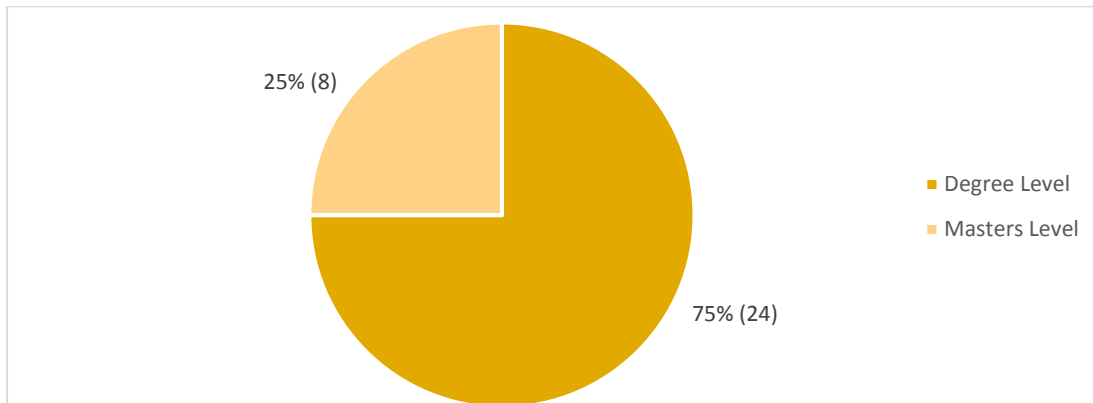
**Figure 4.3: Years Worked**



#### **4.2.4 Participants' Level of Education**

Figure 4.4 indicates 75% of participants had obtained Bachelor degrees while 25% had Masters Degrees. The high number of Bachelor degrees can be attributed to qualifications for the entry level banking positions which require degree qualifications. Participants who had acquired Masters Degrees aimed to progress their careers through obtaining higher qualifications. These findings are similar to Ng and Feldman (2009) that academic qualification favorably relates to performance outcome.

**Figure 4.4: Level of Education**



#### 4.2.5 Participant’s Organizational Position

The participants were distributed among various banking positions with the majority falling under non-managerial functions while a few were in management roles. The participants were drawn from various banking positions. These included legal officers (12.5%), contact center agents (9.4%) and operations officers (6.3%). Table 4.2 shows these results which illustrate the various positions within banking functions that are evenly distributed according to their importance. Findings by Manning (2002) and Mason (1995) noted that top management have similarities in their job satisfaction but managers and clerical employees differ in same indicators.

**Table 4.2: Organizational Position**

Position	Frequency	Percent
Relationship Manager	1	3.1
Officer Operations	2	6.3
Compliance	1	3.1
HR	2	6.3
H/O	1	3.1
N/A	12	37.5
Strategy & Projects Senior Officer	1	3.1
Contact center agent	3	9.4
Snr Finance Officer Operations	1	3.1
Customer Service Officer	1	3.1
Manager	3	9.4
Legal officer	4	12.5
<b>Total</b>	<b>32</b>	<b>100.0</b>

### 4.3 Descriptive Statistics

Study majorly focused on how leadership styles affect employee fulfillment and performance within Kenya banks, at Family bank of Kenya Limited. Table 4.3 below shows that Transformational leadership style emerged as importantly most influential on job satisfaction and employee performance with highest mean at 3.03 as well as the least standard deviation at 0.647. Results also indicate dataset dispersion was close to the mean in that standard deviation of data was below 1.0 hence a normal distribution. Implication being, three leadership styles' favorable influence to an appreciable degree on work fulfillment and worker outcomes within Kenyan banks at Family bank Kenya Limited.

**Table 4.3: Descriptive Statistics**

	N	Mean	Std. Deviation
Transformational Leadership Style	32	3.03	.647
Transactional Leadership Style	32	2.72	.924
Leissez Faire Leadership Style	32	2.69	.780

In the tables below, presents the breakdown of calculations of the averages and standard deviations of dimensional items of leadership styles in this study that helps to ascertain participants' evaluation of detailed application scope of each of the dimensional items of the leadership styles.

### 4.3.1 Transformational Leadership Styles

**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
I make others comfortable around me	32	1	4	3.03	.822
Others take pride in being my associates	32	1	4	3.19	.821
I make statements on what is expected of us brief	32	1	4	2.91	1.058
I help others get fulfilled in their work	32	1	4	3.06	.914
I teach others innovative ways in navigating challenging tasks	32	1	4	3.00	.762
I get others reflectively evaluate what they have never questioned before	32	1	4	2.97	.897
I give others feedback of my evaluation of their progress	32	0	4	2.78	1.099
I give special consideration to those who appear sidelined	32	1	4	2.66	1.153
Valid N (listwise)	32				

In the table above, on transformational leadership style, the statement, “I make others feel good to be around me,” had highest average score at 3.03 and standard deviation at .822. On another end, stated that “I give personal attention to others who seem rejected,” shows least average score at 2.66 and standard deviation of 1.153. Overall transformational leadership in all its dimensions, upon assessment had average of 3.03 and standard deviation of .647. The average is way beyond midlevel with standard deviation being lowest demonstrates participants’ agreement of overseers using transformational style. Findings singles out transformational style as most preferably applied by close overseers in the management team at the Family Bank of Kenya Limited.

### 4.3.2 Transactional Leadership Styles

#### Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
I appreciate/reinforce others who fulfill their mandate	32	0	4	2.84	1.051
I clarify to others what is expected before they are rewarded.	32	0	6	2.59	1.388
I draw attention to what one gets for accomplishment	32	0	6	2.72	1.442
I am fulfilled when others attain set standard	32	1	6	3.06	1.076
I freely allow others to conventionally attend to daily duties.	32	0	6	2.31	1.378
When the going is smooth, I maintain status quo	32	0	6	2.59	1.411
I notify employees the requisite level of skills before they attend to my assignments	32	1	6	3.16	1.019
Valid N (listwise)	32				

The above table, for transactional leadership style evidently shows the statement, “I tell employees the standards they have to know to carry out my work” produced highest average, 3.16 with standard deviation, 1.019, whereas statement, “I am content to let others continue working in the same way as always” had the lowest average of 2.31 and standard deviation of 1.378. Overall transactional leadership had average score of 2.72 and standard deviation of .924. The average score is high indicating the admission by respondents that transactional leadership is used by their supervisors. The results suggest that transactional leadership style is second preferably applied by close overseeing team leaders in management at the Family Bank of Kenya.

### 4.3.3 Laissez Faire Leadership Style

#### Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
In most situations I choose to give others little in-put	32	0	4	2.72	1.198
I keep distance as others perform assigned duties	32	1	4	3.03	.967
Lawfully, I permit workers to evaluate own progress	32	0	4	2.88	1.100
I fully give room for staff members personal initiative to generate solutions	32	1	4	2.97	.897
In complex cases I allow the staff members to apply own creativity around issues	32	0	4	2.63	1.289
Generally I feel it is best to leave others alone.	32	0	4	2.31	1.120
I only expect of others what is completely needful	32	0	5	2.66	1.153
Valid N (list wise)	32				

In table on laissez faire leadership style above, statement, “I stay out of the way as others do their work,” has highest average score at 3.03 with standard deviation .967. On other hand, statement “Generally I feel it is best to leave others alone,” has the lowest average points at 2.31 with standard deviation of 1.120. The overall laissez-faire leadership style average is 2.69 and standard deviation .780. Average is slightly high indicating participants’ agreement that team overseers applied laissez-faire sometimes. Results notably demonstrate laissez-faire application to some extent by the supervisors at the Family Bank of Kenya Limited.



#### 4.3.4 Job Satisfaction and Employee Performance

##### Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
My assigned duties gives opportunity to learn	32	4	7	5.91	.995
I am properly equipped with resources to fulfill my duties	32	3	7	5.56	1.190
I am rightly empowered for my current assignment	32	3	7	5.66	.971
I am adequately appreciated for attaining set goals	32	2	7	4.87	1.314
I am well informed on available skill upgrading programs in the bank form	32	3	7	5.50	1.270
I think am under-employed	32	1	7	2.75	1.814
My workload is fairly bearable	32	2	7	4.97	1.470
I enjoy interaction with coworkers	32	1	7	6.00	1.344
My department's ambience is encouraging	32	3	7	5.44	1.268
My department colleagues adequately converse with one another	32	2	7	5.56	1.366
Generally, my performance is remarkable	32	3	7	5.69	1.176
I take a keen interest in my staff opinions	32	2	7	5.59	1.292
I support others to do their best	32	2	7	5.50	1.414

I encourage cooperation	32	3	7	5.56	1.243
It is clear to our staff concerning expected level of outcomes	32	2	7	5.59	1.456
I regularly appraise my staff duty fulfillment	32	1	7	5.41	1.500
I share with others practical ideas that can lead to skills upgrade	32	1	7	5.25	1.524
I help others address issues	32	2	7	5.44	1.390
I am always punctual for official appointments	32	1	7	5.81	1.839
I achieve assignment timelines	32	1	7	5.72	1.727
I critically analyze to help remedy situations	32	2	7	5.50	1.524
I take appropriations on issues as needed	32	2	7	5.38	1.431
I state suitable first concerns for duties	32	2	7	5.78	1.539
I use time properly	32	1	7	5.78	1.680
I seek information from my colleagues as necessary	32	1	7	5.72	1.651
I work with clear focus as necessary	32	1	7	5.56	1.703
I demonstrate initiatives necessary	32	2	7	5.47	1.565
I apply professional ethics in handling staff members in other areas	32	1	7	5.47	1.900
I handle critical issues with care	32	2	7	5.59	1.583
I duly handle important report notifications	32	2	7	5.97	1.448
I provide relevant assistance to first timers under-probation	32	1	7	5.59	1.663
Valid N (list wise)	32				

#### 4.4 Correlation Analysis

When independent and dependent variables were correlated, they positively correlated as shown in Table 4.4 reveals. Notably, favorable linear linkage between job fulfillment and employee performance including all the independent variables. Transformational style had the strongest positive linear relationship with Job satisfaction and employee outcome indicated by Pearson correlation coefficient of 0.549 and p value 0.01. Transactional leadership came second and also had a favorable linear correlation with Job fulfillment and employee performance demonstrated by Pearson correlation coefficient of 0.441 and p value of 0.012. With a Pearson correlation coefficient of 0.027 and p value 0.883, Laissez Faire had weak but favorable linear relationship with Job satisfaction and employee outcome. Null hypotheses were therefore rejected and the alternative hypotheses accepted that Transformational, Transactional with Laissez-faire styles favorably influenced workers' fulfillment and outcomes at Family bank Kenya Limited.

**Table 4.4: Correlation Matrix**

		Transformational Leadership Style	Transactional Leadership Style	Laissez Faire Leadership Style	Job Satisfaction and Employee Performance
Transformational Leadership Style	Pearson Correlation	1	.447*	.084	.549**
	Sig. (2-tailed)		.010	.648	.001
	N	32	32	32	32
Transactional Leadership Style	Pearson Correlation	.447*	1	.366*	.441*
	Sig. (2-tailed)	.010		.039	.012
	N	32	32	32	32
Laissez Faire Leadership Style	Pearson Correlation	.084	.366*	1	.027
	Sig. (2-tailed)	.648	.039		.883
	N	32	32	32	32
Job Satisfaction and Employee Performance	Pearson Correlation	.549**	.441*	.027	1
	Sig. (2-tailed)	.001	.012	.883	
	N	32	32	32	32

- \*. Correlation is significant at 0.05 level (2-tailed).
- \*\* . Correlation is significant at 0.01 level (2-tailed).

#### 4.5 Regression Analysis

A multiple linear regression analysis of data done established significance of leadership styles on worker fulfillment and performance. Coefficient determination offers an explanation of the degree of changes by independent variable describes changes concerning dependent variable. Correlation coefficient (R) of 0.601 implies relatively solid favorable correlation between leadership styles and employee fulfillment and outcomes. Maintaining other factors constant, the coefficient of determination (R Square) value of 0.361 implies Leadership styles in the regression model explain 36.1% of the variations in employee fulfillment and performance. These results reveal successful model in examining the significance of Leaders' styles on satisfactory degrees and employee outcomes as shown, Table 4.5 below.

**Table 4.5: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.601 <sup>a</sup>	.361	.292	.880	.361	5.272	3	28	.005

a. Predictors: (Constant), Transformational, Transactional, Laisses Faire Leadership Style

#### 4.6 Analysis of Variance

Results from Analysis of Variance (ANOVA), a test of mean differences found that the model of Leadership styles and employee fulfillment and outcomes has statistical significance (F=5.272 at P- value  $\leq 0.05$ ). This implies that work fulfillment and employee outcome has a substantial linear relationship with Transformational, Transactional and Laissez-faire styles, demonstrated below (Table 4.5).

**Table 4.6: Analysis of Variance**

#### ANOVA<sup>a</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	12.261	3	4.087	5.272	.005 <sup>b</sup>
	Residual	21.707	28	.775		
	Total	33.969	31			

a. Dependent Variable: Job Satisfaction and Employee Performance

b. Predictors: (Constant), Laisses Faire, Transformational, Transactional Style

#### 4.7 Analysis of Variance

The regression coefficients presented in Table 4.6 show the significance at which each Leaders' styles affects satisfaction and employee performance. From the Table of Coefficients (Table 4.6), the regression model was derived as follows;

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon$$

$$\text{Job Satisfaction and Employee Performance} = \alpha + \beta_1\text{Transformational leadership style} + \beta_2\text{Transactional leadership style} + \beta_3\text{Laissez-faire leadership style} + \epsilon$$

Where;

$$\text{Job Satisfaction and Employee Performance} = 2.884 + 0.694\text{Transformational style} + 0.330\text{Transactional style} - 0.155 \text{Laissez-faire style} + \epsilon$$

**Table 4.7: Regression Coefficients**

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero order	Partial	Partial	Tolerance	VIF
1 (Constant)	2.884	.899		3.207	.003					
Transformational Leadership Style	.694	.275	.429	2.527	.017	.549	.431	.382	.793	1.261
Transactional Leadership Style	.330	.206	.292	1.605	.120	.441	.290	.242	.691	1.446
Laissez Faire Leadership Style	-.155	.219	-.116	-.709	.484	.027	-.133	.107	.858	1.166

a. Dependent Variable: Job Satisfaction and Employee Performance

Findings point out only two variables namely Transformational and Transactional styles were favorably significant contributors towards Job satisfaction and employee performance in the overall regression model with unstandardized beta coefficient of 0.694 with p value 0.097 and 0.330 with p value 0.120 respectively. However Laissez-faire leadership style showed negative effect on job fulfillment and employee performance at 95% confidence level with unstandardized beta coefficient -0.155 and p value 0.484. The results therefore indicated Transformational and Transactional leadership styles were important determinants of work fulfillment and employee outcome.

The regression results show that, holding all the independent variables at 95% confidence interval to a constant zero, employee satisfaction and performance Family bank Kenya will be at 2.884. Single unit change in Transformational style would lead to 0.694 change in Job satisfaction and employee performance and unit change for Transactional style would result to 0.330 change for Job satisfaction and employee performance. However, Laissez-faire style unit change will lead to negative change of -0.155 in Job satisfaction and employee performance. Similarly, the most influential variable is Transformational style followed by Transactional leadership style.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

Section elucidates results from data analysis investigation into how leadership styles affect workers' satisfaction and outcomes at Family bank. The chapter also concludes and offers recommendations including those for future fact finding missions.

#### **5.2 Summary of Findings**

Results revealed 53.1% of participants were between 21-29 years while 40.6% were between 30-39 years. The two genders were represented equally in the study at 50% each while 31.3% of the participants had worked at Family bank for between 1-3 years followed by 21.9% for periods between 4-6 years. The study found that 75% of the participants had obtained Bachelor degrees while 25% had Masters Degrees. Majority of the participants occupied non-managerial positions. Transformational style was most preferable, having largest effect on job satisfaction and employee outcome followed by Transactional style. Also, job satisfaction and performance had positive linear correlation with Transformational and Transactional styles. Laissez-faire unfavorably influenced employee job satisfaction and performance.

#### **5.3 Discussion of Research Findings**

Fact finding mission intended to reveal effect of leadership styles on job satisfaction and employee performance at Family bank Kenya Limited. Accordingly, Transformational style positively affected job satisfaction and employee performance and was equally the most influential variable at Family bank Kenya. These findings are similar to those by Muhammad and Kuchinke (2016) showing appreciable degree link between transformational leadership and employee performance outcomes. Belios (2011) and Niehoff *et al.* (1990) also found that transformational style highly correlated with performance and organizational satisfaction of employees. Transformational leadership was most productive style according to Darko and Darko (2015) and Nasri *et al* (2014). Some studies like Book (2000), Maher (1997) and Carless (1998) found that workforce members, alongside managerial positions, rated both genders as equally transformational.

Other studies however like Manning (2002), McGrattan (1997) and McHugh (1999) indicated transformational style as enabling females to exercise managerial functions and made them to be rated higher than their male counterparts. Findings at Family bank Kenya branches in Nairobi revealed transactional leadership style positively affected job satisfaction and employee performance. These findings are similar to Widayanti and Putranto (2015) who established transactional leadership significantly affected performance. Studies by Anyango (2015) and Ojokuku (2012) also found that transactional leadership styles are effective styles while Koscnbusch and Townsend (2004) found that young leaders tend to be more transactional. Findings that Laissez-faire negatively affects job satisfaction and employee performance were supported by those of Davies et al (1991) and Warr (1994) that leadership style discretion may negatively affect productivity. Chaudhary (2014) also found that leaders using Laissez-faire leadership style may enable subordinates to have enhanced freedom which may however significantly affect satisfaction and performance of employees.

#### **5.4 Conclusions**

From summary of findings, the study concludes; bank employees were relatively youthful but experienced and had served in the bank for short periods of time. Banks give equal opportunity to both genders in employment while most bank workers had at least Bachelor degree which is a qualification for employment. The bulk of bank employees are drawn from non-managerial positions. Both transformational and transactional styles had positive co-linearity with work fulfillment and employee outcomes. Transformational style had largest effect on job satisfaction and worker outcome but Laissez-faire had unfavorable influence.



## **5.5 Recommendations**

The study makes two major recommendations;

1. Banks should adopt and improve on the existing transformational approaches but avoid Laissez-faire style.
2. There is need for more studies to be conducted on factors affecting job satisfaction and employee performance beside leadership styles.

## **5.6 Suggestions for Further Research**

Further studies should use larger samples to establish results generalizability as only sample of 32 participants informed these result. Further research might be necessary to study leadership styles and job satisfaction and employee performance particularly in Kenyan Banks, to ascertain availability and possibility of other influential factors fostering employee job satisfaction and performance.

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## APENDICES:

### APPENDIX I: QUESTIONNAIRE FOR EMPLOYEES.

#### SECTION A: INTRODUCTION

Dear Participant,

I am Desterio .N. Murabula, a Master of psychology student at the University of Nairobi. I am carrying out a study on the “**Effect of Leadership Styles on Job Satisfaction and Employee Performance at the Family Bank of Kenya Limited.**” This is a part in the fulfillment of the requirements for the Award of a Master degree in Industrial and Organizational Psychology of the University of Nairobi, Kenya. Kindly respond to the questions in the questionnaire as sincerely as possible. The data you provide is strictly confidential and you are not required to write your name on the questionnaire. This is strictly for the purposes of Academic and Organizational leadership Knowledge. It will take you 25 minutes to complete the questionnaire. I will be sincerely grateful for your participation as a contribution to the success of this study. Thanks in advance for your time.

**General Information (Demographics): Please tick the appropriate boxes.**

a) Age?

18-20       21-29       30--39       40-55       55+ years

b) Gender?

Male                               Female

c) How many years have you been working with the Family bank of Kenya Limited?

Less than a year       1-3 years       4-6 years       7-9 years       10+ years

d) Level of education?

Certificate       Diploma level       Degree Level       Masters Level       D

e) Current position in the bank?

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**SECTION B: LEADERSHIP QUESTIONNAIRE.**

Please judge how each of the items in the table below fits you as per the rating scale given.

**1= Not at all    2= once in a while    3 = Sometimes    4 = Fairly Often**

**5= Frequently if not always**

<b>TRANSFORMATIONAL LEADERSHIP STYLE</b>	1	2	3	4	5
<b>Idealized Influence</b>					
My supervisor makes me feel good to be around him/her.					
I am proud to be Associated with my supervisor.					
<b>Inspirational Motivation</b>					
My supervisor express with a few simple words what we could and should do.					
My supervisor helps me find meaning in my work.					
<b>Intellectual Stimulation</b>					
My supervisor provides me with new ways of working at puzzling things.					
My supervisor gets me to rethink ideas that I had never questioned before.					
<b>Individual Consideration</b>					
My supervisor lets me know how he/she thinks I am doing.					
My supervisor gives personal attention to others who seem rejected.					

<b>TRANSACTIONAL LEADERSHIP STYLE.</b>	1	2	3	4	5
<b>Contingent Reward</b>					
My supervisor tells me what to do if I am to be rewarded for my work.					

My supervisor calls attention to what I get for what I accomplish					
<b>Management by Exception</b>					
My supervisor is satisfied when I meet agreed upon standard.					
My supervisor is content to let me continue working in the same way as always.					
As long as things are working, my supervisor doesn't try to change anything.					
My supervisor tells me the standards I have to know to carry out my work.					

<b>LEISSEZ-FAIRE LEADERSHIP STYLE.</b>	1	2	3	4	5
<b>Decision making.</b>					
In most situations I prefer little in-put from my supervisor.					
My supervisor stays out of the way as I do my work.					
I am allowed to appraise my own work as a rule by my supervisor.					
<b>Addressing Conflict</b>					
I have complete freedom from my supervisor to solve problems on my own.					
In complex situations my supervisor allows me to work my problems out on my own way.					
<b>Clarification of Exceptions.</b>					
Generally my supervisor feels it is best to leave me alone.					
My supervisor asks no more of me than what is absolutely essential.					

**SECTION C: JOB SATISFACTION**

1. Please indicate (TICK) the extent to which you agree with the following.

**1 = Disagree Completely, 2 = Strongly Disagree, 3 = Somewhat Disagree,**

**4 = Neither Agree Nor Disagree, 5 = Agree, 6 = Somewhat Agree,**

**7 = Agree Completely**

No.	Description.	1	2	3	4	5	6	7
a.	My job gives me the opportunity to learn.							
b.	I have the tools and resources to do my job.							
c.	I have the training I need to do my job.							
d.	I receive the right amount of recognition for my work.							
e.	I am aware of the advancement opportunities that exist in the bank form.							
f.	I feel underutilized in my job.							
g.	The amount of work expected of me is reasonable.							
h.	It is easy to get along with my colleagues.							
i.	The morale in my department is high.							
j.	People in my department communicate sufficiently with one another.							

2. Which of the above factors strongly affects your satisfaction with your work?

\_\_\_\_\_

Why?

\_\_\_\_\_

\_\_\_\_\_

No.	Description.	1.	2.	3.	4.	5.	6.	7.
a.	Overall, my supervisor does a good job.							
b.	My supervisor actively listens to my suggestions.							
c.	My supervisor enables me to perform at my best.							
d.	My supervisor promotes an atmosphere of teamwork.							
e.	It is clear to me what my supervisor expects of me regarding my job performance.							
f.	My supervisor evaluates my work performance on a regular basis.							

g.	My supervisor provides me with actionable suggestions on what I can do to improve.							
h.	When I have questions/ Concerns my supervisor is able to address them.							

3. To what extent do you agree with the statements in the table below?  
**1 = Disagree Completely, 2 = Strongly Disagree, 3 = Somewhat Disagree,  
4 = Neither Agree Nor Disagree, 5 = Agree, 6 = Somewhat Agree,  
7 = Agree Completely**

4. What else about your supervisor affects your job satisfaction?

---



---

5. What other aspects of your job significantly affect your overall satisfaction?

---



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**Evaluation Criteria for Job Performance.**

Kindly rate appropriately the evaluative statements in the table below.

**1 = Disagree Completely, 2 = Strongly Disagree, 3 = Somewhat Disagree,  
4 = Neither Agree Nor Disagree, 5 = Agree, 6 = Somewhat Agree,  
7 = Agree Completely**

No.	Description.	1.	2.	3.	4.	5.	6.	7.
a.	I arrive at meetings on time.							
b.	I meet work deadlines.							
c.	I identify problems and propose solutions.							
d.	I take appropriations on problems as necessary.							
e.	I set appropriate priorities for tasks.							
f.	I use time effectively.							

g.	I work without supervision as necessary.							
h.	I demonstrate initiatives necessary.							
i.	I deal effectively and professionally with employees in other areas.							
j.	I deal appropriately with sensitive situations.							
k.	I deal with information and data effectively.							
l.	I offer appropriate assistance to new employees supervised.							

Any other comments.....

**THANK YOU FOR TAKING PART IN THIS STUDY**

## APPENDIX II: QUESTIONNAIRE FOR MANAGERS/SUPERVISORS.

### SECTION A: INTRODUCTION.

Dear Participant,

I am Desterio .N. Murabula, a Master of psychology student at the University of Nairobi. I am carrying out a study on the “**Effect of Leadership Styles on Job Satisfaction and Employee Performance at the Family Bank of Kenya Limited.**” This is a part in the fulfillment of the requirements for the Award of a Master degree in Industrial and Organizational Psychology of the University of Nairobi, Kenya. Kindly respond to the questions in the questionnaire as sincerely as possible. The data you provide is strictly confidential and you are not required to write your name on the questionnaire. This is strictly for Academic, Organizational leadership Knowledge and Economic reasons. It will take you 25 minutes to complete the questionnaire. I will be sincerely grateful for your participation as a contribution to the success of this study. Thanks in advance for your time.

**Demographics: Please tick the appropriate boxes.**

a) Age?

18-20     21-29     30--39     40-55     55+ years

b) Gender?

Male      Female

c) How many years have you been working with the Family bank of Kenya Limited?

Less than a year     1-3 years     4-6 years     7-9 years     10+ years

d) Level of education?

Certificate     Diploma level     Degree Level     Masters Level     D

e) Current position in the bank?

---

**SECTION B: LEADERSHIP QUESTIONNAIRE**

Please judge how each of the item in the table below fits you as per the given rating scale.

1 = Not at all    2= once in a while    3 = Sometimes    4 = Fairly Often

4 = Frequently if not always

<b>TRANSFORMATIONAL LEADERSHIP STYLE</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Idealized Influence</b>					
I make others feel good to be around me.					
Others are proud to be Associated with me.					
<b>Inspirational Motivation</b>					
I express with a few simple words what we could and should do.					
I help others find meaning in their work.					
<b>Intellectual Stimulation</b>					
I provide others with new ways of working at puzzling things.					
I get others to rethink ideas that they had never questioned before.					
<b>Individual Consideration</b>					
I let others know how I think they are doing.					
I give personal attention to others who seem rejected.					

<b>TRANSACTIONAL LEADERSHIP STYLE.</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Contingent Reward</b>					
I provide recognition/rewards when others reach their goals.					
I tell others what to do if they are to be rewarded for their work.					

I call attention to what one get for what they accomplish.					
<b>Management by Exception</b>					
I am satisfied when others meet agreed upon standard.					
I am content to let others continue working in the same way as always.					
As long as things are working, I don't try to change anything.					
I tell employees the standards they have to know to carry out their work.					

<b>LEISSEZ-FAIRE LEADERSHIP STYLE.</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Decision making.</b>					
In most situations I prefer to give others little in-put.					
I stay out of the way as others do their work.					
As a rule, I allow staff members to appraise their own work.					
<b>Addressing Conflict</b>					
I give complete freedom to the staff members to solve problems on their own.					
In complex situations I allow staff members to work their problems out on their own way.					
<b>Clarification of Exceptions.</b>					
Generally I feel it is best to leave others alone.					
I ask no more of others than what is absolutely essential.					



**SECTION C: JOB SATISFACTION.**

Please indicate the extent to which you agree with the statements in table below.

**1 = Disagree Completely, 2 = Strongly Disagree, 3 = Somewhat Disagree,  
4 = Neither Agree Nor Disagree, 5 = Agree, 6 = Somewhat Agree, 7 = Agree Completely**

No.	Description.	1.	2.	3.	4.	5.	6.	7
a)	My job gives me the opportunity to learn.							
b)	I have the tools and resources to do my job.							
c)	I have the training I need to do my job.							
d)	I receive the right amount of recognition for my work.							
e)	I am aware of the advancement opportunities that exist in the bank form.							
f)	I feel underutilized in my job.							
g)	The amount of work expected of me is reasonable.							
h)	It is easy to get along with my colleagues.							
i)	The morale in my department is high.							
j)	People in my department communicate sufficiently with one another.							

6. Which of the above factors strongly affects your satisfaction with your work?

\_\_\_\_\_

Why?

\_\_\_\_\_

\_\_\_\_\_

7. To what extent do you agree with the following statement?

**1 = Disagree Completely, 2 = Strongly Disagree, 3 = Somewhat Disagree,  
4 = Neither Agree Nor Disagree, 5 = Agree, 6 = Somewhat Agree, 7 = Agree Completely**

No.	Description.	1.	2.	3.	4.	5.	6.	7.
a.	Overall, I do a good job.							
b.	I actively listens to my staff suggestions.							

c.	I enable others to perform at their best.							
d.	I seek to promote an atmosphere of teamwork.							
e.	It is clear to our staff what I expect of them regarding their job performance.							
f.	I evaluate my staff work performance on a regular basis.							
g.	I provides others with actionable suggestions on what they can do to improve.							
h.	When others have questions/ Concerns I help to address them.							

8. What else about others affects your job satisfaction?

\_\_\_\_\_

\_\_\_\_\_

9. What other aspects of your job significantly affect your overall satisfaction?

\_\_\_\_\_

\_\_\_\_\_

**SECTION D: Evaluation Criteria for Job Performance.**

**1 = Excellent, 2 = Good, 3 = Satisfactory, 4 = Sometimes Unsatisfactory, 5 = Unsatisfactory, 6 = Unable to Rate, 7 = Not Applicable**

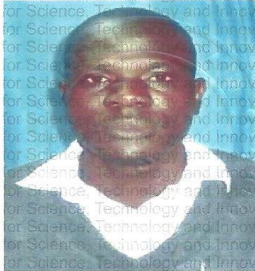



No.	Description.	1.	2.	3.	4.	5.	6.	7.
a.	I arrive at meetings on time.							
b.	I meet work deadlines.							
c.	I identify problems and propose solutions.							
d.	I take appropriations on problems as necessary.							
e.	I set appropriate priorities for tasks.							
f.	I use time effectively.							
g.	I consult with my colleagues as necessary.							

h.	I work with clear focus as necessary.							
i.	I demonstrate initiatives necessary.							
j.	I deal effectively and professionally with employees in other areas.							
k.	I deal appropriately with sensitive situations.							
l.	I deal with information and data effectively.							
m.	I offer appropriate assistance to new employees supervised.							

Any other comments.....

**THANK YOU FOR TAKING PART IN THIS STUDY**

## APPENDIX III: NACOSTI RESEARCH PERMIT

<p><b>THIS IS TO CERTIFY THAT:</b>  <b>MR. DESTERIO NEKUNDA MURABULA</b>  <b>of UNIVERSITY OF NAIROBI, 30197-100</b>  <b>NAIROBI, has been permitted to conduct</b>  <b>research in Nairobi County</b>    <b>on the topic: EFFECT OF LEADERSHIP</b>  <b>STYLE ON JOB SATISFACTION AND</b>  <b>EMPLOYEE PERFORMANCE IN THE</b>  <b>KENYAN BANKING SECTOR: A CASE</b>  <b>STUDY OF THE FAMILY BANK OF KENYA</b>  <b>LIMITED</b>    <b>for the period ending:</b>  <b>26th November, 2019</b></p>	<p><b>Permit No : NACOSTI/P/18/39919/26626</b>  <b>Date Of Issue : 14th August, 2019</b>  <b>Fee Received :Ksh 1000</b></p> <div style="text-align: center;">  </div> <p style="text-align: center;">   <b>Director General</b>  <b>National Commission for Science,</b>  <b>Technology &amp; Innovation</b> </p>
<p style="text-align: center;">   <b>Applicant's</b>  <b>Signature</b> </p>	<p style="text-align: center;">   <b>Director General</b>  <b>National Commission for Science,</b>  <b>Technology &amp; Innovation</b> </p>



**THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013**

**The Grant of Research Licenses is guided by the Science, Technology and Innovation (Research Licensing) Regulations, 2014.**

**CONDITIONS**

1. The License is valid for the proposed research, location and specified period.
2. The License and any rights thereunder are non-transferable.
3. The Licensee shall inform the County Governor before commencement of the research.
4. Excavation, filming and collection of specimens are subject to further necessary clearance from relevant Government Agencies.
5. The License does not give authority to transfer research materials.
6. NACOSTI may monitor and evaluate the licensed research project.
7. The Licensee shall submit one hard copy and upload a soft copy of their final report within one year of completion of the research.
8. NACOSTI reserves the right to modify the conditions of the License including cancellation without prior notice.

**National Commission for Science, Technology and innovation**  
**P.O. Box 30623 - 00100, Nairobi, Kenya**  
**TEL: 020 400 7000, 0713 788787, 0735 404245**  
**Email: dg@nacosti.go.ke, registry@nacosti.go.ke**  
**Website: www.nacosti.go.ke**

  
**REPUBLIC OF KENYA**  
  
**National Commission for Science,**  
**Technology and Innovation**  
**RESEARCH LICENSE**

**Serial No.A 26329**

**CONDITIONS: see back page**

## APPENDIX IV: NACOSTI RESEARCH AUTHORIZATION LETTER



### NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471,  
2241349, 3310571, 2219420  
Fax: +254-20-318245, 318249  
Email: dg@nacosti.go.ke  
Website: www.nacosti.go.ke  
When replying please quote

NACOSTI, Upper Kabete  
Off Waiyaki Way  
P.O. Box 30623-00100  
NAIROBI-KENYA

Ref. No. **NACOSTI/P/18/39919/26626**

Date: **14<sup>th</sup> August, 2019**

Desterio Nekunda Murabula  
University of Nairobi  
P.O Box 30197-00100  
**NAIROBI**

#### **RE: RESEARCH AUTHORIZATION**

Following your application for authority to carry out research on "*Effect of leadership style on job satisfaction and employee performance in the Kenyan Banking Sector: A case study of the Family Bank of Kenya Limited*" I am pleased to inform you that you have been authorized to undertake research in **Nairobi County** for the period ending **26<sup>th</sup> November, 2019**.

You are advised to report to **the County Commissioner and the County Director of Education, Nairobi County** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a **copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.

**GODFREY P. KALERWA MSc., MBA, MKIM  
FOR: DIRECTOR-GENERAL/CEO**

Copy to:

The County Commissioner  
Nairobi County.

The County Director of Education  
Nairobi County.

*National Commission for Science, Technology and Innovation is ISO9001:2008 Certified*