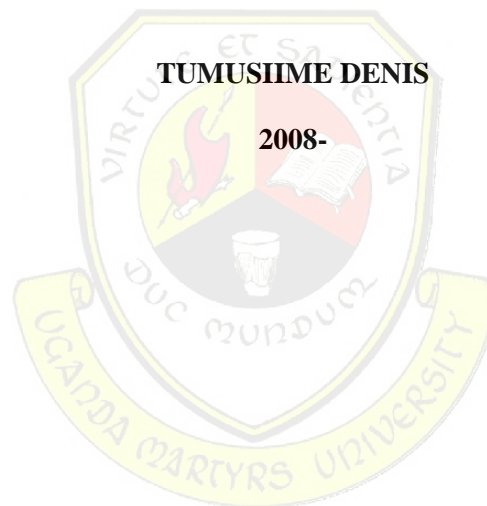


**THE EFFECT OF LEADERSHIP SYLTLES ON EMPLOYEE PERFORMANCE AMONG
COMMERCIAL BANKS IN UGANDA**

A CASE STUDY OF BARCLAYS BANK, HANNINGTON BRANCH



**A RESEARCH DISSERTATION SUBMITTED TO THE
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DEDICATION

This work is dedicated to my parents for her tireless efforts, inspiration and encouragement throughout my life and to all my sisters and brothers for all their love, moral and financial support.

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I thank the Almighty God for keeping me alive and healthy throughout my study period and for giving me all the required grace to fulfill all study requirements while undertaking this Degree program. In a special way, I would like to extend my sincere gratitude to my supervisor, Mrs. Jacinta Bwegyemefor having unconditionally accepted and exercised utmost patience to guide me in all activities that have led to completion of my dissertation. Without your guidance and commitment, this dissertation would not have been realized. May the Almighty reward you abundantly, keep you healthy and strong. I also thank all the lecturers and classmates from Uganda Martyrs University for their useful academic contributions since this study required a multidisciplinary approach. GOD BLESSYOU ALL!

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ABSTRACT

The major objective of this study was to establish the effect of leadership style on employee performance among commercial banks. The specific objectives are; to establish the effect of democratic leadership style on employee performance, to evaluate the effect of autocratic leadership style on employee performance and to assess the effect of laissez faire leadership style on employee performance.

A case study design was used to conduct the study with a sample size of 48 respondents. Various datacollection instruments were used in this study and these include; questionnaires and interview guide.

The findings revealed that there is correlation between democratic leadership style and employee performance with a positive and significant relationship ($r = 0.829$ $p < 0.01$), there is a correlation between autocratic leadership style and employee performance with a negative relationship which was significant to the study ($r = -0.586$, $p < 0.01$) and there is a negative correlation between laissez faire leadership style and employee performance and significant relationship ($r = -0.513$, $p < 0.01$).

From the study it can be said that leadership style strongly affects employee performance among commercial banks.

Basing on the findings of the study, the researcher found that the organization should adopt democratic leadership style in the work place because people like to work in free atmosphere where they can share and exchange their views and employees tell their leaders fearlessly in case of anything wrong.

The researcher suggests that management in the organization should not just apply one leadership style, but rather have many varying styles depending upon the situation. So that organizational objectives and goals be achieved by both employees and management.

CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

Leadership is a social influence process in which the leader seeks the voluntary participation of subordinates in an effort to reach organization goals, a process whereby one person exerts social influence over other members of the group, a process of influencing the activities of an individual or a group of individuals in an effort towards goal achievement in given situations, and a relational concept involving both the influencing agent and the person being influenced (Bhatti et al., 2012).

Leadership enables organizations to be more productive and profitable, but the extent of success depends on the style of the leader and the resultant environment created for employees to function well (Puni, et al., 2014).

Kim (2004) is of the view that the kind of leadership style exhibited by managers to a large extent influences organizational valued outcomes such as low employee turnover, reduced absenteeism, customer satisfaction, and organizational effectiveness. Similarly, leadership style controls interpersonal, reward and punishment that shapes employee behaviour, motivation and attitude which impacts on organizational performance (Warrick,1981). It can either lead to inspiration or disenchantment among employees resulting in increase or decrease productivity (Sander, 2007).

Therefore the study seeks to find out how the leadership styles impacts on employee performance in an organization. Furthermore to show how leadership style is a key determinant of the success or failure of any organization basing on fact that leadership style is the manner and approach of providing direction, implementing plans, and motivating people.

1.1 Background to the study

Leadership style is a key determinant of the success or failure of any organization. A leader is person who influences, directs, and motivates others to perform specific tasks and also inspire his subordinates for efficient performance towards the accomplishment of the stated corporate objectives. Leadership style is the manner and approach of providing direction, implementing plans, and motivating people.

According to Ngambi et al. (2010) and Ngambi (2011), cited in Jeremy et al. (2011), leadership is a process of influencing others' commitment towards realizing their full potential in achieving a value-added, shared vision, with passion and integrity. The nature of this influence is such that the members of the team cooperate voluntarily with each other in order to achieve the objectives which the leader has set for each member, as well as for the group. The relationships between the leader and employee, as well as the quality of employees' performance, are significantly influenced by the leadership style adopted by the leader (Jeremy et al., 2011). Leadership style in an organization is one of the factors that play significant role in enhancing or retarding the interest and commitment of the individuals in the organization (Obiwuru et al., 2011).

Leadership is a critical management skill, involving the ability to encourage a group of people towards common goal. Leadership focuses on the development of followers and their needs. Managers exercising transformational leadership style focus on the development of value system of employees, their motivational level and moralities with the development of their skills (Ismail et al., 2009).It basically helps followers achieve their goals as they work in the organizational setting; it encourages followers to be expressive and adaptive to new and improved practices and changes in the environment (Azka et al., 2011).

Employees require the proper working conditions to perform better. A proper working condition will encourage employees to put up the right attitudes or behavior to their job. Employee commitment which consists of organizational and job commitment is positively related to job satisfaction, supervisory support and organizational career support (Allen, Drevs&Ruhe, 1999). Employees who find their organization's image attractive and/or positively evaluate their job performance in the organization are likely to exhibit a high level of both internal job satisfaction and organizational commitment (Yurchisin and Park, 2010).

Performance is also important for the individual employee. Accomplishing tasks and performing at a high level can be a source of satisfaction, with feelings of mastery and pride. Low performance and not achieving the goals might be experienced as dissatisfying or even as a personal failure. Moreover, performance if it is recognized by others within the organization is often rewarded by financial and other benefits. Performance is a major although not the only prerequisite for future career development and success in the labor market. Although there might be exceptions, high performers get promoted more easily within an organization and generally have better career opportunities than low performers (Scotter and Motowidlo, 2000).

According to Michael (2011) leadership has a direct cause and effect relationship upon organizations and their success. Leaders determine values, culture, change tolerance and employee motivation. They shape institutional strategies including their execution and effectiveness. Leaders can appear at any level of an institution and are not exclusive to management. Successful leaders do, however, have one thing in common. They influence those around them in order to reap maximum benefit from the organization's resources, including its most vital and expensive.

In order to achieve the desired objectives, there must be an interaction between employers and employees (or management and staff or leaders and followers). The management/leadership style that characterizes the inter-action between managers (or leaders) and their staff members (or followers) is most important in terms of employees' efficiency and productivity.

Jaskyte (2004) posited that employees' perception of leadership behavior is an important predictor of employee job satisfaction and commitment. Through their education, training, and experience, managers develop their personal leadership style (Hersey et al., 2001). This leadership style is a fundamental concern of managers and researchers (Wood, 1994) due to its effect on subordinates who, it is suggested, work more effectively and productively when their managers adopt a specific leadership style (Mullins, 1998).

The management styles employed by a manager can either motivate or discourage employees, which in turn can cause employees' increase or decrease in their level of performance. According to Schyns and Sanders (2007), the sources of employee job dissatisfaction include inadequate salary, conflicting job demands (from the leadership) and absence of promotion prospects. For efficiency purposes, an effective management style, one that positively affects employees' satisfaction and results in better performances, effectiveness and productivity is clearly desirable (Turner and Muller, 2005).

In recent times, many organizations in the Uganda banking industry, have recorded cases of immoral and unethical banking practices, gratifications, high labor turnover, inability to meet basic required obligations, and incessant financial distress syndrome, which has led to many banks being merged and acquired. This may be as a result of lack of effective leadership. The prime motive of many organizations is to achieve its stated objectives, hence the need to effectively coordinate and motivate the workers by an effective leader. Unfortunately some

organizations do not take cognizance of the leadership style adopted by their managers. It is on this premise that this research work set out to examine leadership style and organizational performance in Barclays Bank, Uganda.

1.2 statement of the problem

The rapid changes in today's competitive market have forced organizations to look for ways to improve the level of employee's motivation, job satisfaction and innovation. Since the relationship between leadership and the regarded factors is evident in both theoretical and empirical studies, choosing the most appropriate leadership style is the most crucial and complex task for every organization. According to Scarborough (2001) choosing the most suitable leadership style is difficult because organizations, neither can grasp the essence of leadership style which is relevant to the modern age, nor can agree on the standards to measure, recruit, or reject it.

It has become more difficult especially for highly competitive business enterprises like banks to retain employees where leadership styles do not provide performance management, employee retentions building for employees (Spherion, 2010).

This study therefore seeks to establish the effect of leadership styles on employee performance.

1.3 Objectives of the study

1.3.1 Major objectives

The general objective of this study is to establish the effect of leadership styles on employee performance of commercial banks.

1.3.2 Specific objectives

- ❖ To establish effect of democratic leadership style on employee performance
- ❖ To evaluate the effect of autocratic leadership style on employee performance
- ❖ To assess the effect of laissez faire leadership style on employee performance

1.4 Research questions

- ❖ How does democratic leadership style impact on employee performance?
- ❖ What is the relationship of autocratic leadership style on employee performance?
- ❖ What is the impact of laissez faire leadership style on employee performance?

1.5 Scope of the study

1.5.1 Content scope

The researcher mainly focused on the effect of leadership styles on employee performance.

The research was inclined to identifying the best leadership style that would suit employee at the workplace, establishing the effect democratic leadership style on employee performance, evaluating the effect of autocratic leadership style on employee performance and assessing effect of laissez faire leadership style on employee performance.

1.5.2 Geographical area

The study was confined to Barclays bank head quarters and located on Plot 2/4, Hannington Road Nakasero Kampala, Uganda. The institution was selected owing to the fact that it is one of the oldest banks in the country with an impressive employee performance.

1.5.3 Time scope

The study was confined to the period of the years 2010-2014 considering the much rapid developments in the industry that could have effected much change in the service industry. This

time scope was selected because it was long enough for the researcher to establish the effect of leadership style on employee performance.

1.6 Significance of the study

The results of the study will help Barclays bank, Uganda know how to use its leadership styles to maximise on output from their employees.

Academic institutions, scholars and practitioners in the field of HRM will also benefit in utilizing the findings in setting the best leadership style appropriate to be used in their upcoming or already existing businesses so as to minimise employee turnover and improve employee performance.

The findings will widen the knowledge of the researcher in the respective area of study. It will also contribute to the researcher's requirements for the award of a degree in Business Administration and Management.

1.7 Definitions of key terms

Leadership; Is the ability to influence people willingly to follow one's guidance or adhere to one's decision by obtaining followers and influencing them in a setting and achieving objectives.

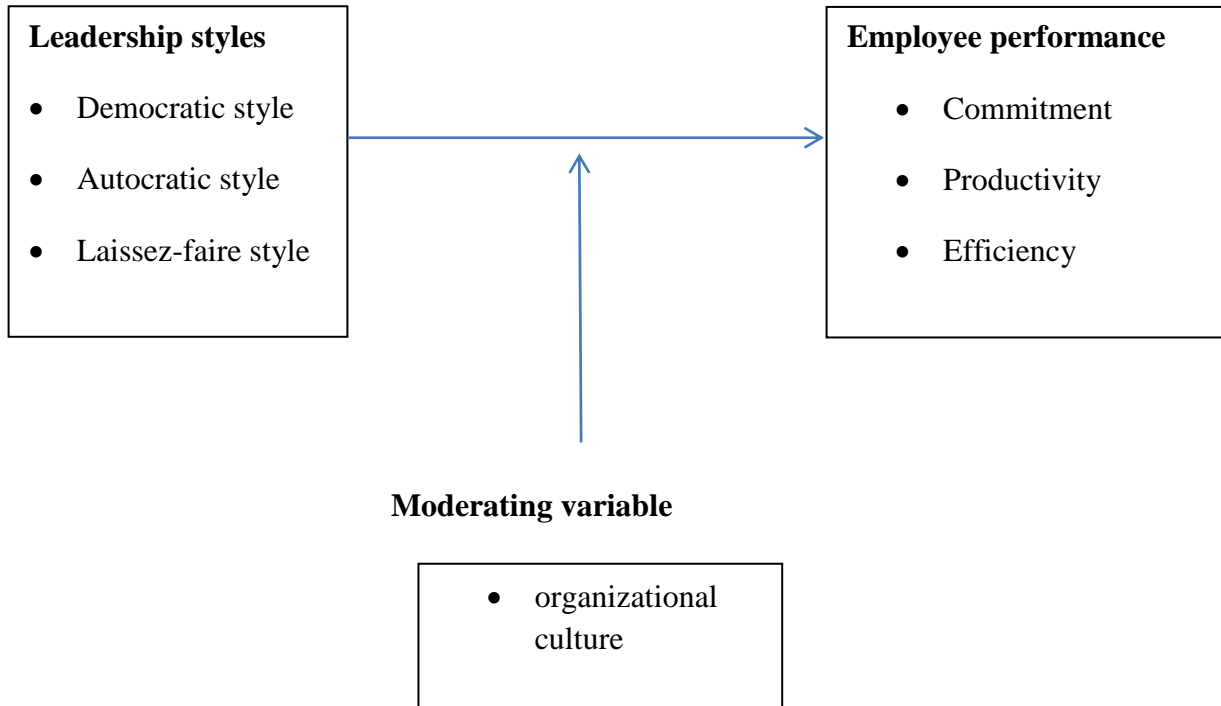
Performance; It's the end result of an activity. And whether that activity is in hours of intense practice before it's carried out on job responsibilities for efficiency and effectiveness as possible, and performance is what results from that activity.

1.8 Conceptual framework

Figure 1

Independent variable

Dependent variable



Source: Adopted from Onen (2008). ‘Leadership styles and behaviors and relationships to the employee performance.’ a, Makerere University Kampala, Printery.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter will focus on the effect of leadership style on employee performance by presenting the discussion on the variables of each with reference from various scholars and researchers with related studies about the research topic.

2.1 Leadership styles

The term leadership style can be defined as method a manager uses in administering an organization. It includes controlling, directing, indeed all techniques and methods used by leaders to motivate subordinates to follow their instructions. It can be described as the particular practice used to direct an organization. Robbins (2003) defined managers as individuals who achieve goals through other people, who oversee the activities of others and who are responsible for attaining goals in these organizations.

Leadership is life blood of any organization and its importance cannot be underestimated. Many authors have studied this phenomenon, but there is no conscious definition of what leadership is, no dominant paradigm for studying it, and little agreement regarding the best strategies for developing and exercising it (Bennis, 2007; Hackman & Wageman, 2007; Vroom & Jago, 2007). Omolayole (2006) views leadership as that kind of direction, which a person can give to a group of people under him in such a way that these will influence the behavior of another individual, or group. Ngodo (2008) perceives leadership to be a reciprocal process of social influence, in which leaders and subordinates influence each other in order to achieve organizational goals.

Leadership style is viewed as the combination of traits, characteristics, skills and behaviors that leaders use when interacting with their subordinates (Marturano & Gosling, 2008, Jeremy et al.,

2011). Flippo&Musinger (1999) see leadership as a pattern of managerial behavior designed to integrate personal or organizational interest and effect, in pursuit of some objectives.

According to Kavanaugh and Ninemeier (2001), there are three factors that determine the type of leadership (management) style: leader's characteristics, subordinates characteristics and the organization environment. More specifically, the personal background of managers such as personality, knowledge, values, and experiences shapes their feelings about appropriate leadership that determine their specific leadership style; employees also have different personalities, back- grounds, expectations and experiences, for example, employees who are more knowledgeable and experienced may work well under a democratic management style, while employees with different experiences and expectations require an autocratic management style. Some factors in the organization environment such as organizational climate, organization values, composition of work group and type of work can also influence leadership style. However, leaders can adapt their leadership style to the perceived preferences of their subordinates (Wood, 1994).

Leadership styles can be classified according to the managers' power, usage of such power and behavior as autocratic, democratic, and laissez-faire, where styles are distinguished by the influence managers have on subordinates. More specifically, power has been considered as: the potential of a process to influence people (Hersey et al., 2001); a part of the influence process at the core of leadership (Northouse, 2004); and the rights that allow individuals to take decisions about specific matters (Rollinson, 2005). The influence of leadership will differ according to the type of power used by a leader over their subordinates (Mullins, 1998). The extent to which

employees of an organization contribute in harnessing the resources of the organization and perform on their jobs depends on how well the managers (leaders) of the organization understand and adopt appropriate leadership style in performing their roles as managers and leaders. Thus, efficiency in resources mobilization, allocation, utilization and enhancement of organizational performance depends, to a large extent, on leadership style, among other factors.

Hence, leaders will be more effective when they know and understand the appropriate usage of power (Hersey et al., 2001). According to Kavanaugh and Ninemeier (2001), an autocratic style is embedded in leaders who have full organizational power and authority for decision making without sharing it with their subordinates, while a democratic style implies that leaders share their authority of decision making with employees and delegate, and finally a laissez-faire or free-rein style exists where leaders give their employees most of the authority over decision making. Owing to the nature of work in the brewing industries under consideration for this study being a production sector, the likelihood of the use of Laissez-faire management style is a rarity and as such the analysis of the findings of the study is based on both autocratic and democratic management styles.

2.1.1 Democratic leadership style

Although a Democratic leader will make the final decision, he/she invites other members of the team to contribute the decision making process. This not only increases job satisfaction by involving employees or team members in what's going on, but it also help to develop people's skills. Employees and team members feel in control of their own destiny, such as the promotion they deserve and so are motivated to work hard by more than just a financial reward. As participation takes time, this approach can lead to things happening more slowly but often the

end result is better. The approach can be most suitable where team work is essential and quality is more important than speed to market productivity (Bhatti, et al, 2012).

Mullins (1999) is of the view that democratic leadership style focuses more on people and there is greater interaction within the group. The leadership functions are shared with members of the group and the leader is more part of the team (Mullins, 1999). Similarly, Luthar (1996) and Wilson et al. (1994) concurred that the principles of democratic leadership is friendliness, helpfulness, and the encouragement of participation. In the same vein, McGregor (1960) described this leadership style as benevolent, participative, and believing in people. He equated democratic leader to the Theory Y manager which is associated with increased follower productivity, satisfaction, involvement, and commitment (Hackman, Johnson, & Choi, 2007).

2.1.2 Autocratic leadership style

Autocratic Leadership Style (ALS) places more emphasis on performance and low emphasis on people. The focus of power is with the leader and all interactions within the group move towards the leader (Mullins, 1999). The leader unilaterally exercises all decision-making authority by determining policies, procedures for achieving goals, work task, relationships, control of reward, and punishment (Mullins, 1999) as cited in (Puni,et al., 2014)

The basic assumption underlying autocratic leadership style is based on the premise that, people are naturally lazy, irresponsible, and untrustworthy and leaving the functions of planning, organizing, and controlling to subordinate would yield fruitless results and so such functions should be accomplished by the leader without the involvement of people. McGregor (1960) described the autocratic leader as the Theory X manager with the same set of theoretical assumptions as Taylor's scientific management and Schein's (1988) rational-economic model.

Further, Likert's (1961) four management systems, characterized autocratic leadership style system as an exploitative authoritative system where power and direction come from the top downwards, where threats and punishments are employed, and where communication is poor and team-work is non-existent (Cole, 2004). Tannenbaum and Schmidt (1957) described an autocratic leadership style on a continuum and opined that autocratic leaders make decisions and announce them, without inviting suggestions from subordinates.

Warrick (1981) as cited in Puni, et al., (2014) concurs that autocratic leader relies heavily on authority, control, power, manipulation and hard work to get the job done. In the autocratic leadership system, formal centralized structures, procedures, processes and mechanism are clearly defined and are enforced to ensure that subordinates do their jobs efficiently within the rules. Punishments are often applied when mistakes are made and sanctions are in the form of withholding attention or good assignment or making people feel guilty. Motivation under this leadership style is by the means of economic incentives which are extrinsic in nature and based on performance. Development within an autocratic system comes from hard work and rarely does delegation of authority practiced.

2.1.3 Laissez faire leadership style

Robbins (2007) explained the laissez-fair style as “Abdicates responsibilities avoid making decisions”. Similarly Luthans (2005), defined laissez- fair style as “Abdicates responsibilities avoid making decisions”. Laissez- Fair is uninvolved in the work of the unit. It's difficult to defend this leadership style unless the leader's subordinates are expert and well-motivated specialists, such as Scientists. “Leaders let group members make all decision” (Mondy and Premeaux, 1995).

“Behavioral style of leaders who generally give the group complete freedom, Provide necessary materials, participate only to answer questions, and avoided giving feedback” (Bartol and Martin, 1994) as cited in (Chaudhry and Javed, 2012).

The concept of laissez was also given by Osborn as “Abdicates responsibilities and avoiding decisions” (Osborn, 2008). Above All the Authors defines the Laissez – Fair Leadership with their own words according to their given definitions the idea of this type of leadership is same. Authors define that in this style the Leaders normally don’t want their interference in decision making process. They normally allowed to their subordinates that they have power to get their personal decisions about the work. They are free to do work in their own way and they are also responsible for their decision. Normally Leaders avoids to making decision and don’t involve in working units because the leaders gives to subordinates to completely freedom to do decisions. Sometimes the leaders provide them to important material and they just involve the answer & question but avoiding feedback.

2.2 Employee performance

Employees require the proper working conditions to perform better. A proper working condition will encourage employees to put up the right attitudes or behavior to their job. Employee commitment which consists of organizational and job commitment is positively related to job satisfaction, supervisory support and organizational career support (Allen, Drevs&Ruhe, 1999). Employees who find their organization’s image attractive and/or positively evaluate their job performance in the organization are likely to exhibit a high level of both internal job satisfaction and organizational commitment (Yurchisin and Park, 2010).

Organizations need highly performing individuals in order to meet their goals, to deliver the products and services they specialize in, and finally to achieve competitive advantage.

Performance is also important for the individual employee. Accomplishing tasks and performing at a high level can be a source of satisfaction, with feelings of mastery and pride. Low performance and not achieving the goals might be experienced as dissatisfying or even as a personal failure. Moreover, performance if it is recognized by others within the organization is often rewarded by financial and other benefits. Performance is a major although not the only prerequisite for future career development and success in the labor market. Although there might be exceptions, high performers get promoted more easily within an organization and generally have better career opportunities than low performers (Scotter and Motowidlo, 2000).

Performance could be described in various ways. It could be an act of accomplishing or executing a given task (Okunola, 1990). It could also be described as the ability to combine skillfully the right behaviour towards the achievement of organizational goals and objectives (Olaniyan, 1999).

Employee Satisfaction is the way people feel about their jobs and the different aspects of their jobs (Spector, 1997). Spector added that employee or job satisfaction is an important concern in every organization since it focuses on both humanitarian and utilitarian perspectives. According to the humanitarian perspective, people deserve to be treated fairly and with respect. The utilitarian perspective proposes that employee or job satisfaction can lead to employee behaviors that affect organizational functioning and performance.

Herzberg (1959) stated that hygiene factors which include supervision, salary, company policy and administration, relationship with peers, working conditions, personal life and security as well as motivation factors which include recognition, responsibility, achievement and the work itself affect job satisfaction.

2.3.1 Democratic leadership style and employee performance

Tannenbaum and Schmidt, (1958) cited in Ojokuku et al.,(2012) describe democratic leadership as one where decision-making is decentralized and shared by subordinates. The potential for poor decision-making and weak execution is, however, significant here. The biggest problem with democratic leadership is its underlying assumption that everyone has an equal stake in an outcome as well as shared levels of expertise with regard to decisions. That is rarely the case. While democratic leadership sounds good in theory, it often is bogged down in its own slow process, and workable results usually require an enormous amount of effort.

In this study, highly democratic leadership is compared with both moderate democratic and less democratic leadership styles. The moderate democratic leadership style is one that focuses on the task at hand. It emphasizes such behaviors as maintaining standards and meeting deadlines. Less democratic leadership involves exhibiting concern for the welfare of the other members of the group by expressing appreciation for good work, stressing the importance of job satisfaction, maintaining and strengthening the self-esteem of subordinates by treating them as equals, and making special efforts to help subordinates feel at ease (Bass, 1990).

Leaders who display highly democratic leadership behaviors have been described as providing followers with clear visions of the future, expressing high expectations for follower performance, and displaying confidence in their followers' ability to accomplish challenging tasks (House, 1988).

Leadership research has consistently found a strong positive relationship between highly democratic leadership behaviors and follower performance (Bass, 1990; House, 1988).

Specifically, by articulating compelling vision of the future, communicating high expectations with respect to followers' performance, and displaying confidence in followers' ability to meet these expectations, highly democratic leaders have been found to positively influence follower performance. These findings have been supported in a variety of settings and using various research methodologies including laboratory experiments (Howell & Frost, 1989), field research (e.g., Smith 1982; Avolio, Waldman, and Einstein 1988; Hater and Bass 1988; Howell and Avolio 1993), and archival studies (e.g., House, Spangler, and Woycke 1991).

Howell and Frost (1989), for example, found that individuals working under an actor trained to display highly democratic leadership behaviors had higher qualitative and quantitative task performance, higher task satisfaction, and lower role conflict and ambiguity in comparison to individuals working under less democratic leaders; they also had higher quantitative task performance, greater task satisfaction, and less role conflict than individuals working under moderate democratic leaders.

According to Bandura (1997, p. 101), "People who are persuaded verbally that they possess the capabilities to master given tasks are likely to mobilize greater effort and sustain it than if they harbor self-doubts and dwell on personal deficiencies when difficulties arise." Drawing on Bandura (1986), Shamir et al. (1993) propose that highly democratic leaders' expression of high expectations for follower performance and their ability to persuade followers that they can meet those expectations motivate followers to produce and sustain greater effort via the mediation of self-efficacy.

The democratic style of leadership emphasizes group and leader participation in the making of policies. Decisions about organizational matters are arrived at after consultation and communication with various people in the organization. The leader attempts as much as possible to make each individual feel that he is an important member of the organization. Communication is multi-directional while ideas are exchanged between employees and the leader (Heenan and Bennis, 1999). In this style of leadership, a high degree of staff morale is always enhanced (Mba, 2004).

Mullins (1999) is of the view that democratic leadership style focuses more on people and there is greater interaction within the group. The leadership functions are shared with members of the group and the leader is more part of the team (Mullins, 1999). Similarly, Luthar (1996) and Wilson et al. (1994) concurred that the principles of democratic leadership is friendliness, helpfulness, and the encouragement of participation. In the same vein, McGregor (1960) described this leadership style as benevolent, participative, and believing in people. He equated democratic leader to the Theory Y manager which is associated with increased follower productivity, satisfaction, involvement, and commitment (Hackman, Johnson, & Choi, 2007).

The philosophical assumption underlying democratic leadership style is that naturally all people are trustworthy, self-motivated, like responsibility and challenging work and so encourages organizational conditions to foster teamwork, high performance and satisfaction (Warrick, 1981).

The emphasis of this leadership style is on performance and people.

Based on the theoretical explanation of democratic leadership style, the researchers find that planning within a democratic leadership system is accomplished with heavy employee

involvement with objectives that are transparently and clearly established with its accompanying performance targets. Decision-making in a democratic system is decentralized and flexible with clearly defined responsibilities and an open participative work environment. Punishments as a form of reprimand are the last option and high performance is recognized and rewarded. Conflicts are openly confronted by addressing the causative factors and not personalities.

Democratic leadership style results in high employee productivity, satisfaction, cooperation, and commitment. It reduces the need for controls and formal rules and procedures which result in low employee absenteeism and turnover. The leadership style develops competent and committed employees who are willing to give their best, think for themselves, communicate openly, and seek responsibility (Bass, 1990; Stogdill, 1974). With all the positive attributes associated with democratic leadership style, decision-making becomes over-stretched since opinions and lengthy debates play a key part in the process (Denhardt and Denhardt, 2003).

Lussier and Achua (2001), state that a leader who employs the democratic leadership style consults the subordinates for ideas and takes their ideas seriously when making decisions. This style is effective when subordinates are well motivated and competent and so produce good yields. On the other hand the democratic leadership style exhibited where the focus of power is more towards the group as a whole where there is greater interaction within the group (Mullin, 2002). The leader shares the leadership functions with members of the group where he or she takes part as a team member. The leader then would characteristically lay the problem before the subordinates and invites a discussion so in this respect the leaders' role is to be conference leader

rather than a decision taker. This leadership is viewed as an important aspect of empowerment, teamwork and collaboration with the employees.

However (Goleman et al, 2002) posit that a democratic leader keeps staff morale high and therefore positive climate prevails in the organization. That is even the employees tend to produce good outcomes since they also participate in the decision making process.

Schwartz (1998) found a high submissiveness among employees in democratic organizations. The task specialist is concerned with the achievement of group goals while the social emotional specialist is concerned with maintain positive social relationship within the group and motivating the group members to accomplish the set goals.

The democratic leadership style has strong feelings of community which increases the flow of information among the workers (Bruffee, 1993 and Dede, 1996). Employees benefit from community membership by experiencing a greater sense of wellbeing and support (Walker, Wassermann and Wellman, 1994) opined that sense of community is related to engagement in engagement in work activities. There is a need for workers to have a sense of connectedness which affects the workers ability to cope. Lack of connectedness breeds loneliness, low self-esteem, isolation, low achievement, low motivation and low productivity. The extent to which the job gives an employee opportunity to interact with other coworkers enhances the sense of community at work (Camman, 1983). So all in all this leadership style encourages employees participation in the activities of the organization which in return motivate them to work in the most efficient and effective way in line with accomplishment of the organizational goals.

2.3.2 Autocratic leadership style on employee performance

With the autocratic style of leadership, focus of power is more with the leader and all interactions within the group also move towards the leader. According to (Mullins, 2002), the leader solely exercises decision making and authority for determining policy procedures for achieving goals, work tasks, relationships and control of rewards or punishments. However this style would be most appropriate in emergency situations and would normally be considered justified by the group that is, where the general climate of the group is supportive and mature hence positive outcomes.

In addition to the above, leaders who use this leadership style rarely allow the employees to participate in the decision making process. It was reported that workers who were under stress also reported harsh supervision and control on the part of their leaders (Hayes, 2000) found that workers who fell under pressure reported autocratic supervision and in advance also reported low outcomes since chance was denied to give their views on how tasks should be done. The availability of social support both on and off the job is very crucial determinant of organizational stress (Cohen and Wills, 1985). Apparently the presence of social support helps to reduce the outcomes of stress by serving buffer against stressful events that occur at work and in so doing employees will be motivated to work much better than expected.

Autocratic Leadership Style (ALS) places more emphasis on performance and low emphasis on people. The focus of power is with the leader and all interactions within the group move towards the leader (Mullins, 1999). The leader unilaterally exercises all decision-making authority by determining policies, procedures for achieving goals, work task, relationships, control of reward, and punishment (Mullins, 1999). The basic assumption underlying autocratic leadership style is

based on the premise that, people are naturally lazy, irresponsible, and untrustworthy and leaving the functions of planning, organizing, and controlling to subordinate would yield fruitless results and so such functions should be accomplished by the leader without the involvement of people. McGregor (1960) described the autocratic leader as the Theory X manager with the same set of theoretical assumptions as Taylor's scientific management and Schein's (1988) rational-economic model.

Further, Likert's (1961) four management systems, characterized autocratic leadership style system as an exploitative-authoritative system where power and direction come from the top downwards, where threats and punishments are employed, and where communication is poor and team-work is non-existent (Cole, 2004).

Autocratic leaders are classic "do as I say" types. Typically, these leaders are inexperienced with leadership thrust upon them in the form of a new position or assignment that involves people management. Autocratic leaders retain for themselves the decision making rights. They can damage an organization irreparably as they force their 'followers' to execute strategies and services in a very narrow way, based upon a subjective idea of what success looks like. There is no shared vision and little motivation beyond coercion. Commitment, creativity and innovation are typically eliminated by autocratic leadership. In fact, most followers of autocratic leaders can be described as biding their time, waiting for the inevitable failure this leadership produces and the removal of the leader that follows (Michael, 2010).

The autocratic leadership style is also known as the authoritarian style of leadership. Power and decision-making reside in the autocratic leader. The autocratic leader directs group members on the way things should be done. The leader does not maintain clear channel of communication between him/her and the subordinates. He or she does not delegate authority nor permit subordinates to participate in policy-making (Smylie and Jack, 1990; Hoy and Miskel, 1992; Olaniyan, 1997).

Autocratic leadership otherwise known as an authoritarian leadership is a leadership style deemed by individuals as control over all decisions and little input from group members. Autocratic leaders are generally persons who make choices based on their own instincts and judgments thus rarely accept advice or ideas from others. Autocratic leadership involves absolute, authoritarian control over a group. Autocratic leadership can be beneficial in some instances, such as when decisions need to be made quickly without consulting with a large group of people. Some projects require strong leadership in order to get things accomplished quickly and efficiently.

Though beneficial at times, there are also many instances where autocratic leadership style can be problematic. People who abuse or frequently adopt an autocratic leadership style are often termed as bossy, controlling and dictatorial, which can lead to resentment and conflicts among team members. Because autocratic leaders make decisions without consulting the group, people in the group may dislike that they are unable to contribute ideas. Over the years researchers have found that autocratic leadership leads to a lack of creative solutions to problems, which can ultimately hurt the performance of the group (Puni, et al., 2014).

In an organization where management is deemed as bossy or controlling and employees have absolutely no say or input which by extension provides little or no room for motivation. Motivation is complex influenced by perceptions and strengthened by multiple factors. Individuals are also motivated by different things at different times. An overly controlling style de-motivates and results in poor delivery. Therefore for any individual or group to perform at their best such a person or group has to be motivated in some way. According to (Frederick Herzberg's Hygiene Motivator Theory), "motivators are tied to the job itself". Thus, if staff members are motivated then they will produce more and customers will in turn be pleased. On the other hand if employees get the feel that they are respected and have a say in decision making they will be more valuable to the company they work for, thereby motivated to go above and beyond.

According to Bryson (1999) while concepts such as the flexible firm can be useful in shedding light on changes in the nature of work and work organization, they may be less useful in explaining the issues facing managers in organizations regarding how best to manage and utilize labor to achieve organizational goals.

Most theorists have identified autocratic leaders with authoritarian leaders simply because research has proven that there is a strong positive correlation between autocratic leadership style and authoritarianism (Bass, 1990; Choi, 2007). Authoritarian leaders depend on their power as a weapon for coercion.

Although autocratic leadership style is characterized with high productivity it often results in counter resistance of opposition which restricts output. The increase in productivity happens when the leader is present and the leadership style improves worker performance in relatively simple tasks (Gustainis, 2004). Warrick (1981) opine that autocratic leadership style breeds hostile attitude, conflicts, distorts and guards communication, high turnover, absenteeism, low productivity, and affects work quality. The style also breeds yes-men who lack creativity and innovation and all they know is the adherence to rules, procedure, red-tape, and status seeking symbols and often afraid of taking responsibility because by doing so they risk committing punishable mistakes that would lead to demotion.

2.3.3 Laissez-faire leadership style on employee performance

The main emphasis of this leadership style is neither on performance nor people. The philosophical assumption is that naturally human beings are unpredictable and uncontrollable and trying to understand people is a waste of time and energy. On this hypothesis, the leader tries to maintain a low profile, respects all constituencies within the organization, tries not to create waves of disturbance, and relies on the few available loyalists to get the job done (Puni, et al., 2014)

Laissez-faire leader lives and work with whatever structure put in place without any suggestions or criticisms. Goals and objectives are established only when necessary and required. The leader is not control-frisk and abdicates controlling to employees. He or she shuns decision-making as much as possible and would like to avoid communication but communicates only when needed (Puni, et al., 2014). Thus, the business of employee development is not a concern to the laissez faire leader who believes that employees can take care of themselves.

This is also known as the hands-off style. It is the one which the manager provides little or no direction and gives employees as much freedom as possible. All authority or power is given to

the employees and they determine goals, make decisions, and resolve problems on their own. A laissez-faire manager abdicates responsibility, delays decisions, gives no feedback, and makes little effort to help followers satisfy their needs. There is no exchange with followers of any attempt to help them grow.

Robbins (2007) explained the laissez-fair style as “Abdicates responsibilities avoid making decisions” (p. 475). Similar Luthans (2005), defined laissez-fair style as “Abdicates responsibilities avoids making decisions” (p.562). Laissez-Fair is uninvolved in the work of the unit. It’s difficult to defend this leadership style unless the leader’s subordinates are expert and well-motivated specialists, such as Scientists. “Leaders let group members make all decision”(Mondy and Premeaux, 1995, p.347).

“Behavioral style of leaders who generally give the group complete freedom, Provide necessary materials, participate only to answer questions, and avoided giving feedback” (Bartol and Martin, 1994, p.412) The concept of laissez was also given by Osborn as “Abdicates responsibilities and avoiding decisions” (Osborn, 2008, p.258).

Above All the Authors defines the Laissez –Fair Leadership with their own words according to their given definitions the idea of this type of leadership is same. Authors define that in this style the Leaders normally don’t want their interference in decision making process. They normally allowed to their subordinates that they have power to get their personal decisions about the work. They are free to do work in their own way and they are also responsible for their decision. Normally Leaders avoids to making decision and don’t involve in working units because the leaders gives to subordinates to completely freedom to do decisions. Sometimes the leaders provide them to important material and they just involve the answer & question but avoiding feedback.

Laissez-faire leaders choose not to lead, but rather let their employees decide how to handle situations and make decisions. These leaders often lack confidence in their leadership abilities and allow other people in the group to make decisions. They fail to set goals for the group and provide no real leadership. Generally, the effects of laissez-faire leadership are negative. Productivity is low, and the individuals have little motivation to succeed. (Rue et al, 2006)

The laissez-faire leader is one who believes in freedom of choice for the employees, leaving them alone so they can do as they want. The basis for this style of leadership is twofold. First, there is a strong belief that the employees know their jobs best so leave them alone to do their jobs. Second, the leader may be in a political, election-based position and may not want to exert power and control for fear of not being reelected.

Such a leader provides basic but minimal information and resources. There is virtually no participation, involvement, or communication within the workforce. Understanding of job requirements, policies, and procedures are generally exchanged from employee to employee. Because of this, many processes are out of control. No direction is given and the laissez-faire leader functions in a crisis or reaction mode. If there are goals and objectives, employee agreement or commitment is just assumed. Even if goals and objectives are shared, rarely is there a defined plan to accomplish them.

Laissez-faire management or leadership can only lead to anarchy, chaos, and inefficiency and can be dismissed out of hand as useless. Basically, the overall effect of laissez-faire leadership seems to be negative. But there may be an aspect of such a style of leadership that is very positive. Hersey, Blanchard, and Johnson (2000) propose that leaders do not have just one style of leadership, but rather have many varying styles depending upon the situation. In one situation, the employees are essentially incompetent, and lack job knowledge and skills. Here, the leader

must be the key person in charge. Being an autocratic leader seems appropriate since the followers do not know enough to make any of their own decisions. Safety may also be a key factor. It is the leader's objective to train the employees as rapidly as possible to get them to a predetermined level of competence so they can begin contributing to the department and organization. Once they have successfully reached the prescribed level, the employees pass onto the next level.

Laissez-faire leadership is a style that implies the "lack of leadership" or a "hands off" approach to influence (Northouse, 2006). The leader avoids active participation in the responsibility of setting goals, clarifying expectations, organizing priorities or becoming involved when leadership direction is needed (van Eeden, Cilliers, & van Deventer, 2008). The self-efficacy (a belief of a person as being capable of accomplishing a given task) (Bandura, 1997) of the follower is heavily relied upon—as the follower must believe in his self-governing ability, sans the direction of the leader.

2.4 Conclusions

This chapter has discussed the literature about leadership styles and employee performance in Uganda. The literature review has given an insight into the topic under study by presenting what had been established by several scholars in regard to leadership styles and employee performance. Further the chapter has given an over view of both leadership styles and employee performance at international and national levels, the different services offered by banks especially Barclays Bank, Uganda.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents the approaches that helped the researcher when carrying out the study. This section is categorized the following; the research design, area of study, the study population, sample size, sampling techniques, data collection methods, data collection instruments, quality control, measurement of variables, analysis and presentation, ethical issues and study limitation.

3.1 Research design

The researcher employed a case study design. This is because the case design helps to give a detailed examination of one setting, or a single subject, a single depository of documents or one particular event (Amin, 2005). The study employed both qualitative and quantitative techniques that helped in the data collection process. The qualitative methods focused on collecting in depth information from the experts and respondents from management level especially from those working in the company with experience while the quantitative methods focused on infernal statistics with the view of developing tables and graphs.

3.2 Area of study

The study was carried out at the mainbranch of Barclays Bank located on Plot 2/4, Hannington Road Nakasero, and Kampala. The branch was particularly chosen because it is one of the many Barclays Bank branches with large numbers of employees, the subject matter of the research and researcher found it suitable for the study.

3.3 Study population

This refers to the total collection of individuals the study used to generate a study population. The study population of bank had 55 employees included managers and tellers. The above

population was used because these people are the ones mostly affected by the leadership styles and they are knowledgeable about how the different leadership styles are exercised unto them

3.4 sampling procedure

3.4.1 Sample size

The study was based on a sample size of 48 that was drawn from a population of 55. The sample size of 48 was derived from the table of Krejcie and Morgan table. According to Krejcie and Morgan(1970, pp.605-607) who assert that where a total population is 55, a sample size of 48.

(Source:Human Resource Manager, Barclays bank)

Category	Population	Sample
Managers	08	08
Employees	47	40
Total	55	48

Source: Human resource department

3.4.1 Sampling technique

The sampling techniques are processes for selecting suitable sample, or representative part of population for the purpose of determining characteristics of the whole population. The selection of sample of respondents was based on purposive and simple random sampling techniques to choose specific respondents basing on their familiarity with the subject and their ability to give information readily.

3.5 Data collection sources

Two sources of data were used for purposes of research. These were primary data and secondary data sources.

3.5.1 Primary sources

According to Amin (2003), primary data is that kind of data that has been gathered for the first time, it has never been reported anywhere. The researcher got data from Barclays Bank Uganda Limited by administering the questionnaires to the staff members and interviewing the managers and supervisors and this enabled the researcher to cover a large population quickly.

3.5.2 Secondary sources

Amin (2003) defines secondary data as that kind of data that is available, already reported by some other scholars. Secondary data included policy documents and abstracts of the various scholars relating to the topic of discussion in question. Secondary data for this study was got from sources like libraries, online information, text books, newspapers, and unpublished research reports. This was because it was readily available and easier to comprehend, as it comprised of extensively researched work.

3.6 Data collection tools

3.6.1 Questionnaires

A questionnaire is a reformulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives. Questionnaire was used based on five points likert scale ranging from 1= strongly disagree to 5= strongly agree because this helps to measure the variables under study in terms of the views, opinions, perceptions and feelings of the respondents. The questionnaire was equally used because the information had to be collected from a large sample in a short period of time (Sekaran, 2003).The questionnaire was addressed to management and staff members who consisted of both open and close ended questions administered to respondents of Barclays Bank.

3.7 Quality Control Methods

3.7.1 Validity

Validity refers to truthfulness of findings or extent to which the instrument is relevant in measuring what it is supposed to be measured (Amin, 2003). To ensure the content validity of the study instruments used in this study questions were discussed with the help supervisor for scrutiny, clarity and removal of ambiguity. After his comments and discussion with me, the tools were adjusted accordingly.

And externally it refers to extent to which the results of a given study can be attributed or generalized to entire population. In other words, the sample used in the research must be a representative of the whole population. The selection of the sample used in this study was done in accordance with guidelines for estimating the sample size.

3.7.2 Reliability

Reliability is dependability or trustworthiness and in the context of a measuring instrument, it is the degree to which the instrument consistently measures whatever is measuring (Amin, 2003). For qualitative data, reliability of the instruments was ensured through discussing with authorities, colleagues, and participants about the instruments intended to measure and asking them whether the instruments designed would capture the required data.

3.8 Measurement of variables

The researcher measured the variables in terms of independent variable as leadership styles which included dimensions such as Laissez faire style, democratic style and autocratic style. The independent variable measured in terms of motivation, efficiency and commitment while moderating variables in terms of organizational culture, technological advancement and government policy

3.9 Data management and Analysis

The field data was managed, analyzed and presented using both qualitative and quantitative methods.

3.9.1 Quantitative data

The researcher carried out an analysis using descriptive and inferential statistics using SPSS Version 16 computer package for social scientists. Pearson correlation coefficients, frequencies, mean and standard deviations were used to determine the degree and predication of employee performance

3.10 Ethical considerations

The researcher got an introductory letter and a valid identification card from Faculty of Business Administration Management, Uganda Martyrs University Nkozi. The researcher sought permission through the Human Resource Department of Barclays Bank. The purpose of the study was clearly explained to them to enable them arrive at an informed decision. A sample questionnaire was given to the Human Resource Department of these banks to enable them know the kind of information required for the study.

After permission was granted, the researchers proceeded to administer the questionnaires. The questionnaires were delivered by hand. To guarantee confidentiality of information provided, envelops were attached to the questionnaires and participants were instructed to put completed questionnaires into envelops and seal them. This precaution was to ensure that the responses were privy only to the researcher.

Sensitive information or issues were not to be explored unless the researcher requests the respondents to provide the information and used exclusively for achieving a Degree. All the necessary protocols were observed and all the respondents were thanked for their participation in the study.

3.11 Limitations of the study

The researcher was faced with time constraints to carry adequate research within required time and a lot of collecting, analyzing and processing of data was involved. But of the duration of the study, the researcher minimized the weakness by using both qualitative and quantitative techniques.

The researcher had a small sample for the study and it had some errors and was also not representative of the entire population. But aware of the limitation of small sample size which had high level of error this was minimized it by using a multi-method of collecting data to reduce error.

Some of the branch managers and operations managers were too busy to take time off and respond to the questionnaires even after several requests. Because of the sensitive nature of information handled by commercial banks, some interviewees were not very cooperative in giving out information.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter presents study findings and analyses are presented in this study. The purpose of the study was to establish the effect of leadership styles on employee performance in Uganda, with Barclays Bank, Hannington Branch. The analysis is based on the data collected using questionnaires which were answered by the staff of Barclays Bank and it comprised background

information of the respondents and descriptive statistics of democratic leadership style, autocratic leadership, and laissez- faire leadership style and employee performance. The presentation of findings is arranged in accordance with the questionnaire questions.

4.1 Response rate

48 questionnaires were designed for the study which was responded to by the staff of Barclays Bank. This meant that all the questionnaires were responded to duly during the study giving a response rate of 100%.

4.2 Background information of respondents

In this section, the researcher aimed at establishing the bio data characteristics of the respondents to the study. These included information like; gender, age bracket, education level, duration in the bank, and marital status Barclays Bank. The following were the results;

4.2.1 Gender characteristics of respondents

Frequency tabulation was used by the researcher to present the gender distribution of the respondents. This is as shown in the table 4.1 below:

Table 4.1: Gender characteristics of respondents

Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Male	18	37.5	37.5	37.5
Female	30	62.5	62.5	100.0
Total	48	100.0	100.0	

Source: primary data (2015)

The results in table 4.1 revealed that the majority of the respondents were female who participated in the study. Female were 62.5% whereas 37.5% were male respondents. This implies that there was no gender bias in the study.

4.2.2 Age bracket

The study captured the different age brackets of respondents in order to establish the most prevalent group, the respondents were asked to state their age brackets. The distribution was as in the table below:

Table 4.2: Frequency tabulation of the age brackets of respondents

Age bracket	Frequency	Percent	Valid Percent	Cumulative Percent
below 25 years	6	12.5	12.5	12.5
25-34 years	24	50.0	50.0	62.5
35-44 years	11	22.9	22.9	85.4
45-50 years	7	14.6	14.6	100.0
Total	48	100.0	100.0	

Source: primary data (2015)

Results in table 4.2 above, revealed that respondents of different age brackets ranging from 25 years to 50 years participated in the study. From the table it is noted that respondents of age brackets indicated that majority of the respondents were 50% aged between 25 and 34 years, followed by 22.9% aged between 35-44 years, 14.6% of respondents aged between 44 and 50 years and 12.5% of the respondents were aged below 25 years .This shows that the respondents were mature enough to answer the questions in the questionnaires.

4.2.3 Education level

In order to be sure of the quality of the information given, the respondents were requested to give their level of education and the response is portrayed below

Table 4.3: Frequency tabulation of the education level of respondents

Education level		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	bachelor's degree	31	64.6	64.6	64.6
	master's degree	9	18.8	18.8	83.3
	others	8	16.7	16.7	100.0
	Total	48	100.0	100.0	

Source: primary data (2015)

From table 4.3 above, it is noted that the qualification of respondents include; bachelor's degree, master's degree and other levels of education which included CPA and ACCA.

The results show that Bachelor's degree holders formed a majority of the study respondents with 64.6%, master's degree holders constituted 18.8% of the respondents and others (CPA and ACCA) had the least percentage with d 16.7% of the total respondents.

This implied that the respondents had the knowledge of what study is being investigated.

4.2.4 Duration spent in the organisation

As a precondition to assess the reliability of the data collected, the respondents were requested to indicate the period they have worked with the organization. Their response was as given below.

Table 4.4: Serving duration of respondents

Duration	Frequency	Percent	Valid Percent	Cumulative Percent
1-4 years	7	14.6	14.6	14.6
4-7 years	24	50.0	50.0	64.6
above 7 years	17	35.4	35.4	100.0
Total	48	100.0	100.0	

Source: primary data (2015)

Results shown in table 4.4 revealed that a majority of the

From the table 5 above, the results revealed that 50% of the respondents who provided information had spent between 4 and 7 years, 35.4% of the respondents had spent above 7 years in the bank and 14.6 % of the respondents had worked in the bank between 1 and 4 years in the bank. This implies that most of the respondents in the organization had spent some reasonable time hence they were experienced and in position to provide reliable information for the study.

4.1.5 Marital status

The study also captured data on the marital status of respondents and it is as in the table below:

Table 4.5: Frequency tabulation of the marital status of respondents

Marital status		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	single	29	60.4	60.4	60.4
	married	19	39.6	39.6	100.0
	Total	48	100.0	100.0	

Source: primary data (2015)

The results in table 4.5 revealed that the majority of the respondents were single who participated in the study. Single were 60% whereas 39.6% were married respondents.

4.3 The study objectives

Respondents were asked to respond to a number of statements regarding democratic leadership style, autocratic leadership style and laissez faire leadership style on employee performance among commercial banks. The following were the results;

4.4 Democratic leadership style

In order to determine the opinions and attitudes that respondents had towards of democratic leadership style a set of questions were asked and the questionnaire which was used to generate data was designed on a five-point Likert scale with different levels of agreement for each statement that is, 1-Strongly disagree, 2-Disagree, 3-Not sure, 4-Agree and 5-Strongly agree. The findings were shown in frequencies as below:

Table 4.6: My supervisor consults his/her subordinates for ideas before making decisions

Extent	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	2	4.2	4.2	4.2
not sure	3	6.2	6.2	10.4
Agree	32	66.7	66.7	77.1
strongly agree	11	22.9	22.9	100.0
Total	48	100.0	100.0	

Source: primary data (2015)

Respondents were asked to indicate the extent to which their supervisor consults his/her subordinates for ideas before making decisions. The findings as presented in table 6; show that majority of respondents had agreed with 66.7%, (11)22.9% of the respondents had strongly agreed, 6.2% were (uncertain) not sure and 4.2% of the respondents. The findings therefore conclude that supervisor consults his/her subordinates before making decisions due to majority

percentage that agreed. This seems to agree with the study done by Lussier and Achua (2001) who found that a leader who employs the democratic leadership style consults the subordinates for ideas and takes their ideas seriously when making decisions.

Table 4.7: Our leader delegates work and authority to the subordinates

Extent		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	2	4.2	4.2	4.2
	Agree	40	83.3	83.3	87.5
	strongly agree	6	12.5	12.5	100.0
	Total	48	100.0	100.0	

Source: primary data (2015)

Respondents were asked to indicate the extent to which their leader delegates work and authority to the subordinates. The findings as presented in table 7; show that majority of respondents had agreed with 83.3 %, 12.5% of the respondents had strongly agreed and 4.2% disagreed. The findings therefore indicate that the majority of respondents agreed that their leader delegated work and authority to them.

Table 4.8: My supervisor considers the suggestions of the employees while making a decision

Extent	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	2	4.2	4.2	4.2
Agree	32	66.7	66.7	70.8
strongly agree	14	29.2	29.2	100.0
Total	48	100.0	100.0	

Source: primary data (2015)

Table 8 above, shows the extent to which their supervisor considers the suggestions of the employees while making a decision. Findings indicated that majority of respondents had agreed with 66.7%, 29.2% of the respondents had strongly agreed while 4.2% of the respondents had disagreed. The findings therefore indicate that the majority of respondents agreed that their supervisor considers the suggestions of the employees while making a decision.

Table 4.9: My leader is flexible and spells out responsibilities and duties of the subordinates

Extent	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	33	68.8	68.8	68.8
strongly agree	15	31.2	31.2	100.0
Total	48	100.0	100.0	

Source: primary data (2015)

Findings above show that 68.8% of the respondents agreed while 31.2% of the respondents strongly agreed. The findings therefore indicate that the majority of respondents agreed that their leader is flexible and spells out responsibilities and duties of the subordinates.

This response seems to be in agreement with the study conducted by Warrick (1981) who pointed out that planning within a democratic leadership system is accomplished with heavy employee involvement with objectives that are transparently and clearly established with its accompanying performance targets. Decision-making in a democratic system is decentralized and flexible with clearly defined responsibilities and an open participative work environment.

Table 4.10: Our leader encourages teamwork among the employees in various departments

Extent	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	29	60.4	60.4	60.4
strongly agree	19	39.6	39.6	100.0
Total	48	100.0	100.0	

Source: primary data (2015)

The respondents were asked to indicate the extent to which their leader encourages teamwork among the employees in various departments. The findings as presented in table 4.10; show that majority of respondents had agreed with 60.4% while 39.6% of the respondents had strongly agreed. The findings therefore indicate that the majority of respondents agreed that their leader encourages teamwork among the employees in various departments.

This agreement is further supported by a study from Mullins (2002) who found out that democratic leadership style exhibited where the focus of power is more towards the group as a

whole where there is greater interaction within the group and that the leader shares the leadership functions with members of the group where he or she takes part as a team member.

Table 4.11: My supervisor emphasizes group participation in making of policies to achieve organizational goals.

Extent	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	2	4.2	4.2	4.2
Agree	24	50.0	50.0	54.2
strongly agree	22	45.8	45.8	100.0
Total	48	100.0	100.0	

Source: primary data (2015)

Respondents were asked to indicate the extent to which their supervisor emphasizes group participation in making of policies to achieve organizational goals. The findings as indicated in table 11; show that majority of respondents had agreed with 50%, 45.8% of the respondents had strongly agreed and 4.2% represent those who had strongly disagreed. The findings therefore indicate that the majority of respondents agreed that their supervisor emphasizes group participation in making of policies to achieve organizational goals.

Table 4.12: correlation analysis of democratic leadership style and employee performance

correlation		Democratic leadership	Employee Performance
D	Pearson Correlation	1	-.404**
	Sig. (2-tailed)		.004
	N	48	48
EP	Pearson Correlation	-.404**	1
	Sig. (2-tailed)	.004	
	N	48	48

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

Table above, the results revealed that there is a correlation between democratic leadership style and employee performance with a negative and significant relationship ($r = -0.404$, $p \leq 0.01$). This means that an increase in democratic leadership style leads to slight decrease in employee performance.

Tannenbanum and Schmidt, (1958) cited in Ojokuku et al, (2012) describe democratic leadership as one where decision-making is decentralized and shared by subordinates. The potential for poor decision-making and weak execution is, however, significant here.

4.5 Autocratic leadership style

In order to determine the opinions and attitudes that respondents had towards of autocratic leadership style a set of questions were asked and the questionnaire which was used to generate data was designed on a five-point Likert scale with different levels of agreement for each statement that is, 1-Strongly disagree, 2-Disagree, 3-Not sure, 4-Agree and 5-Strongly agree. The findings were shown in frequencies as below:

Table 4.13: Our supervisor is the only one who makes decisions and authority for determining policies

Extent	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	1	2.1	2.1	2.1
disagree	9	18.8	18.8	20.8
agree	28	58.3	58.3	79.2
strongly agree	10	20.8	20.8	100.0
Total	48	100.0	100.0	

Source: primary data (2015)

Respondents were asked to indicate the extent to which their supervisor is the only one who makes decisions and authority for determining policies. The findings as presented in table 13; show that majority of respondents had agreed with 58.3%, 20.8% of the respondents had strongly agreed, 18.8% disagreed and 2.1% represent those that strongly agreed. The findings therefore indicate that the majority of respondents agreed that their supervisor is the only one who makes decisions and authority for determining policies.

This finding was consistent with Mullins(2002) who pointed out that the leader solely exercises decision making and authority for determining policy procedures for achieving goals, work tasks, relationships and control of rewards or punishments.

4.14: Our supervisor allows employees to participate in decision making process

Extent	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	18	37.5	37.5	37.5
disagree	18	37.5	37.5	75.0
agree	12	25.0	25.0	100.0
Total	48	100.0	100.0	

Source: primary data (2015)

The findings as presented in table 14; show that majority of respondents had bothstrongly disagreed and disagreed with 37.5% while 25% of the respondents agreed.The findings indicated that majority of the respondents disagreed that their supervisor allows employees to participate in decision making process.

Their agreement seems inconsistent with the study of Hayers (2000) who pointed out that leaders who use this leadership style rarely allow the employees to participate in the decision making process. It was reported that workers who were under stress also reported harsh supervision and control on the part of their leaders.

Table 4.15: Our supervisor rarely delegates responsibilities to the employees at work place

Extent	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	1	2.1	2.1	2.1
disagree	7	14.6	14.6	16.7
not sure	5	10.4	10.4	27.1
agree	20	41.7	41.7	68.8
strongly agree	15	31.2	31.2	100.0
Total	48	100.0	100.0	

Source: primary data (2015)

The findings as presented in table 15; show that majority of respondents had agreed with 41.7%, 31.2% of the respondents had strongly agreed, 14.6% of the respondents had disagreed, 10.4% of the respondents were not sure and 2.1% of the respondents had strongly disagreed. The findings therefore indicated how respondents affirmed that their supervisor rarely delegates responsibilities to the employees at work place due to majority percentage that agreed.

Their view seems to be in agreement with the study by (Smylie and Jack, 1990; Hoy and Miskel, 1992; Olaniyan, 1997) who state that he or she does not delegate authority nor permit subordinates to participate in policy-making.

Table 4.16: Our supervisor discourages creativity and innovation among the employees at organization

Extent	Frequency	Percent	Valid Percent	Cumulative Percent
disagree	6	12.5	12.5	12.5
not sure	5	10.4	10.4	22.9
agree	29	60.4	60.4	83.3
strongly agree	8	16.7	16.7	100.0
Total	48	100.0	100.0	

Source: primary data (2015)

The study findings as indicated in table 16; show that majority of respondents had agreed with 60.4%, 16.7% of the respondents had strongly agreed, 12.5% of the respondents had disagreed and 10.4% represent those who were (uncertain) not sure. The findings therefore conclude that their supervisor discourages creativity and innovation among the employees at organization due to majority percentage that agreed.

Their response seems to be in agreement with Michael (2010), who states that commitment, creativity and innovation are typically eliminated by autocratic leadership. In fact, most followers of autocratic leaders can be described as biding their time, waiting for the inevitable failure this leadership produces and the removal of the leader that follows.

Table 4.17: The style improves work performance among employees in the organization

Extent		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	not sure	12	25.0	25.0	25.0
	agree	25	52.1	52.1	77.1
	strongly agree	11	22.9	22.9	100.0
	Total	48	100.0	100.0	

Source: primary data (2015)

Respondents were asked to indicate the extent to the style improves work performance among employees in the organization. The findings as presented in table 17; indicates that majority of respondents had agreed with 52.1%, 25% of the respondents were not sure and 22.9% strongly agreed. The findings therefore concludes that majority of the respondents agreed that the style improves work performance among employees in the organization due to majority percentage that agreed.

Table 4.18: Correlation analysis of autocratic leadership style and employee performance

		Autocratic leadership	Employee Performance
A	Pearson Correlation	1	-.642**
	Sig. (2-tailed)		.000
	N	48	48
EP	Pearson Correlation	-.642**	1
	Sig. (2-tailed)	.000	
	N	48	48

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

From the results in table 18 above, the results revealed that there is a negative and significant relationship between autocratic leadership style and employee performance ($r = -0.642$, $p \leq 0.01$). This finding illustrates that when one variable increases another is decreasing that is; increase in autocratic leadership style leads to decrease in employee performance

Findings above are in agreement with the study by Warrick (1981) who stated that autocratic leadership style breeds hostile attitude, conflicts, distorts and guards communication, high turnover, absenteeism, low productivity, and affects work quality. The style also breeds yes-men who lack creativity and innovation and all they know is the adherence to rules, procedure, red-tape, and status seeking symbols and often afraid of taking responsibility because by doing so they risk committing punishable mistakes that would lead to demotion

4.6 Laissez faire leadership style

In order to determine the opinions and attitudes that respondents had towards of Laissez faire leadership style a set of questions were asked and the questionnaire which was used to generate data was designed on a five-point Likert scale with different levels of agreement for each statement that is, 1-Strongly disagree, 2-Disagree, 3-Not sure, 4-Agree and 5-Strongly agree. The findings were shown in frequencies as below:

Table 4.19: In complex situations, supervisor lets subordinates work problems out on their own

Extent	Frequency	Percent	Valid Percent	Cumulative Percent
not sure	8	16.7	16.7	16.7
agree	26	54.2	54.2	70.8
strongly agree	14	29.2	29.2	100.0
Total	48	100.0	100.0	

Source: primary data (2015)

Respondents were asked to indicate the extent to which in complex situations, supervisor lets subordinates work problems out on their own. The findings as indicated in table 19; show that majority of respondents had agreed with 54.2%, 29.2% of the respondents had strongly agreed and 16.7% of the respondents were not sure. The findings therefore conclude that majority of the respondents affirmed that in complex situations, supervisor lets subordinates work problems out on their own.

The respondents therefore seem to be in agreement with the study of Robbins (2007) who explained that the laissez-fair style as “Abdicates responsibilities avoid making decisions” Similarly; Luthans (2005) defined laissez-fair style as “Abdicates responsibilities avoid making

decisions”.Laissez-Fair is uninvolved in the work of the unit and this confirms how the leader lets them work out problems on their own.

Table 4.20: Our supervisor lets employees to make their own decisions during meetings

Extent	Frequency	Percent	Valid Percent	Cumulative Percent
disagree	8	16.7	16.7	16.7
agree	22	45.8	45.8	62.5
strongly agree	18	37.5	37.5	100.0
Total	48	100.0	100.0	

Source: primary data (2015)

The study findings as presented in table 20; show that majority of respondents had agreed with 45.8%, 37.5% of the respondents had strongly agreed and 16.7% of the respondents disagreed. The findings in table above confirm that majority of the respondents agreed that their supervisor lets employees to make their own decisions during meetings supervisors give them complete freedom to their work.

A study byPuni,et al., (2014) found out that the laissez faire leader shuns decision-making as much as possible and would like to avoid communication but communicates only when needed. Thus, the business of employee development is not a concern to the laissez faire leader who believes that employees can take care of themselves.

Table 4.21: Our supervisor gives us the complete freedom to do our work

Extent	Frequency	Percent	Valid Percent	Cumulative Percent
disagree	5	10.4	10.4	10.4
not sure	6	12.5	12.5	22.9
agree	37	77.1	77.1	100.0
Total	48	100.0	100.0	

Source: primary data (2015)

Respondents were asked to indicate the extent to which their supervisor gives us the complete freedom to do our work. The findings as presented in table 21; show that majority of respondents had agreed with 77%, 12.5% of the respondents were not sure and 10.4% of the respondents disagreed. The findings in table above confirmed that majority of the respondents their supervisors give them complete freedom to their work.

Bartol and Martin (1994) asserts that behavioral style of leaders who are laissez faire are; group complete freedom, Provide necessary materials, participate only to answer questions, and avoided giving feedback” this affirms that his findings therefore seem to be in agreement with the views of therespondents of the study that respondents are given complete freedom.

Table 4.22: Our supervisor lets employees decide how to handle situations and make decisions

Extent	Frequency	Percent	Valid Percent	Cumulative Percent
disagree	7	14.6	14.6	14.6
agree	13	27.1	27.1	41.7
strongly agree	28	58.3	58.3	100.0
Total	48	100.0	100.0	

Source: primary data (2015)

Respondents were asked to indicate the extent to which their supervisor lets employees decide how to handle situations and make decisions. The findings as presented in table 21; show that majority of respondents had strongly agreed with 58.3%, 27.1% of the respondents had agreed, 14.6% of the respondents disagreed. The findings therefore conclude that majority of the respondents agreed that their supervisor lets employees decide how to handle situations and make decisions.

This seems to concur with a study by Rue et al, (2006) who stated that laissez-faire leaders choose not to lead, but rather let their employees decide how to handle situations and make decisions. These leaders often lack confidence in their leadership abilities and allow other people in the group to make decisions.

Table 4.23: Our supervisor leaves us alone to execute our duties

Extent	Frequency	Percent	Valid Percent	Cumulative Percent
not sure	11	22.9	22.9	22.9
agree	29	60.4	60.4	83.3
strongly agree	8	16.7	16.7	100.0
Total	48	100.0	100.0	

Source: primary data (2015)

Respondents were asked to indicate the extent to which their supervisor leaves us alone to execute our duties. The findings as presented in table 23; show that majority of respondents had agreed with 60.4%, 22.9% of the respondents were not sure and 16.7% of the respondents had strongly agreed. The findings conclude that their supervisor leaves us alone to execute our duties supervisor due to majority percentage that agreed.

Table 4.24: Correlation analysis of laissez faire leadership and employee performance

Correlations		Laissez faire	Employee Performance
L	Pearson Correlation	1	.697**
	Sig. (2-tailed)		.000
	N	48	48
EP	Pearson Correlation	.697**	1
	Sig. (2-tailed)	.000	
	N	48	48

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

From the results in table 18 above, the results revealed that there is positive and significant relationship between laissez faire leadership style and employee performance ($r = 697$, $p \leq 0.01$).

This finding illustrates that when one variable increases another is as well increasing employee performance.

The concept of Laissez was also given by Osborn as “ Abdicates responsibilities and avoiding decisions” (Osborn, 2008). Above all the Authors define the Laissez – Fair Leadership with their own words according to their given definitions the idea of this type of leadership is same.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summary, conclusions and recommendations on effect of leadership styles on employee performance among commercial banks in Uganda basing on the findings from the study. The findings, conclusions and recommendations were to examine how leadership style influences the employee performance of commercial banks in terms of democratic leadership style, autocratic leadership style and laissez faire leadership style.

The data were analyzed inform of tables which were used to test the relationship between the independent variable (leadership style) and the dependent variable (employee performance of commercial banks)

5.1 Summary of findings

5.1.1 Effect of democratic leadership on employee performance

From the findings, the results revealed that their supervisor consults his/her subordinates before making decisions, indicated that the majority of respondents agreed that their leader delegated work and authority to them, majority of respondents agreed that their supervisor considers the suggestions of the employees while making a decision, that the majority of respondents agreed that their leader is flexible and spells out responsibilities and duties of the subordinates, that the

majority of respondents agreed that their leader encourages teamwork among the employees in various departments and that majority of respondents had agreed that their supervisor emphasizes group participation in making of policies to achieve organizational goals.

5.1.2 Effect of autocratic leadership on employee performance

The results revealed that respondents agreed that the majority of respondents agreed that their supervisor is the only one who makes decisions and authority for determining policies, majority of the respondents disagreed that their supervisor allows employees to participate in decision making process, indicated how respondents affirmed that their supervisor rarely delegates responsibilities to the employees at work place, majority of the respondents agreed that their supervisor discourages creativity and innovation among the employees at organization, and that majority of the respondents agreed that the style improves work performance among employees in the organization.

5.1.3 Effect of Laissez faire leadership on employee performance

The results revealed that the respondents that majority of the respondents affirmed that in complex situations, supervisor lets subordinates work problems out on their own, that majority of the respondents agreed that their supervisor lets employees to make their own decisions during meetings supervisors give them complete freedom to their work, that majority of the respondents their supervisors give them complete freedom to their work, that majority of the respondents agreed that their supervisor lets employees decide how to handle situations and make decisions, and that majority of the respondents agreed that their supervisor leaves us alone to execute our duties.

5.2 Conclusions

The purpose of this study was to establish the effect of leadership styles on employee performance of commercial banks. The study sought to achieve the following objectives:

5.2.1 The first objective was to establish effect of democratic leadership style on employee performance. The findings indicated that the results, Table above, the results revealed that there is a correlation between democratic leadership style and employee performance with a negative and significant relationship ($r = 0.404$, $p \leq 0.01$). This means that an increase in democratic leadership style leads to slight decrease in employee performance. The study found that democratic leadership style, their supervisor consults his/her subordinates before making decisions, their leader delegated work and authority to them, their supervisor considers the suggestions of the employees while making a decision, their leader is flexible and spells out responsibilities and duties of the subordinates, their leader encourages teamwork among the employees in various departments and their supervisor emphasizes group participation in making of policies to achieve organizational goals. Hence the study revealed that there was a positive and significant relationship between democratic and employee performance.

5.2.2 The second objective was to evaluate the effect of autocratic leadership style on employee performance. The findings indicated that there is a negative and significant relationship between autocratic leadership style and employee performance ($r = -0.642$, $p \leq 0.01$). This finding illustrates that when one variable increases another is decreasing that is; increase in autocratic leadership style leads to decrease in employee performance. The study found autocratic leadership as; their supervisor is the only one who makes decisions and authority for determining policies, their supervisor allows employees to participate in decision making process, their

supervisor rarely delegates responsibilities to the employees at work place, their supervisor discourages creativity and innovation among the employees at organization, and that the style improves work performance among employees in the organization. Hence this revealed that increase in autocratic leadership leads to decrease in employee performance in an organization.

5.1.3 The third objective was to assess the effect of laissez faire leadership style on employee performance. The findings indicated that the results revealed that there is positive and significant relationship between laissez faire leadership style and employee performance ($r = 0.697, p \leq 0.01$).

This finding illustrates that when one variable increases another is as well increasing employee performance. The study found that laissez faire leadership style were measured in; in complex situations, supervisor lets subordinates work problems out on their own, their supervisor lets employees to make their own decisions during meetings supervisors give them complete freedom to their work, their supervisors give them complete freedom to their work, their supervisor lets employees decide how to handle situations and make decisions, and their supervisor leaves us alone to execute our duties. Thus, increase in laissez faire leadership leads to decrease in employee performance in an organization and vice versa.

5.3 Recommendations

Basing on the findings of the study, the researcher found that the organization should adopt democratic leadership style in the work place because people like to work in free atmosphere where they can share and exchange their views and employees tell their leaders fearlessly in case of anything wrong. This creates a sense of ownership among the employees that gives them satisfaction to enhance productivity, commitment in the organization so as to achieve organizational goals than autocratic and laissez faire leadership styles.

The researcher suggests that management in the organization should not just apply one leadership style, but rather have many varying styles depending upon the situation. So that organizational objectives and goals be achieved by both employees and management.

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APPENDIX 1:

RESEARCH QUESTIONNAIRE

Dear respondent,

This is designed to aid an academic research on **the effect of leadership styles on employee performance among commercial banks in Uganda** a case study of Barclays Bank Uganda

Limited. The study is part of the requirement for the award of Bachelors' Degree in Business Administration and Management of Uganda Martyrs University. All information will be treated confidential and for academic purposes. Your response will be highly appreciated.

Background information

Section A

(Please tick in one of the boxes provided or write in the space provided where necessary)

1. Gender

a) Male

b) female

2. Indicate where you fall among the following age bracket (years)

a) Below 25 years

b) 25-34 years

c) 35-44 years

d) 45-50 years

e) Above 51 years

3. Education level

a) Diploma

b) Bachelors' degree

c) Masters' degree

d) others specify

4. How long have you worked in the bank?

a) 1-4 years

b) 4-7 years

b) Above 7 years

5. Marital status

a) single

b) married

SECTION B

Key

1=strongly disagree (SD), 2= Disagree (D), 3= Not sure (N), 4=Agree (A), 5=strongly agree (SA)

Democratic leadership style	1	2	3	4	5
My supervisor consults his/her subordinates for ideas before making decisions					
Our leader delegates work and authority to the subordinates					
My supervisor considers the suggestions of the employees while making a decision					
My leader is flexible and spells out responsibilities and duties of the subordinates.					
Our leader encourages teamwork among the employees in various departments.					
My supervisor emphasizes group participation in making of policies to achieve organizational goals.					

Autocratic leadership style	1	2	3	4	5
Our supervisor is the only one who makes decisions and authority for determining policies.					

Our supervisor allows employees to participate in decision making process.					
Our supervisor rarely delegates responsibilities to the employees at work place.					
Our supervisor discourages creativity and innovation among the employees at organization.					
The style improves work performance among employees in the organization					

Laissez faire leadership style	1	2	3	4	5
In complex situations, supervisor lets subordinates work problems out on their own.					
Our supervisor lets employees to make their own decisions during meetings					
Our supervisor gives us the complete freedom to do our work.					
Our supervisor lets employees decide how to handle situations and make decisions.					
Our supervisor leaves us alone to execute our duties					

Employee performance	1	2	3	4	5
I arrive at work on time					
I complete my work tasks on time					
I am more efficient in my job now compared to when I started					
I arrive for meetings on time					
I propose solutions to problems					
I take appropriate action on problems as necessary					
I set appropriate priorities for tasks					
I use time effectively					
I work without supervision as necessary.					

APPENDIX 2: KREJCIE AND MORGAN TABLE

TABLE FOR DETERMINING SAMPLE SIZE FROM A GIVEN POPULATION

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

“N” is population size

“S” is sample size.