

**EFFECTS OF LEADERSHIP STYLES ON THE PERFORMANCE
OF SOFT DRINK INDUSTRY: A CASE OF ZANZIBAR BOTTLERS
COMPANY LIMITED**

By

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE MASTER OF BUSINESS ADMINISTRATION IN
CORPORATE MANAGEMENT**

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CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation/thesis titled **“Effects of Leadership styles on the Performance of Soft Drink Industry: The case of Zanzibar Bottlers Company Limited,”** in partial/fulfillment of the requirements for award of the degree of Master of Business Administration in Corporate Management of Mzumbe University.

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We have examined this thesis and recommended its acceptance:

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DECLARATION

I, Khamis Mbarouk Khamis, declare that this dissertation is my own original work and that it has not been presented and will not be presented to any other university for a similar or any other degree award.

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DEDICATION

This work is dedicated to my beloved wife; Mrs. Mariam Ahmad Said, our beloved son Abdulwaahid Khamis Mbarouk without forgetting the whole family of Mbarouk Khamis Muyaka for their moral support, patience and encouragement for the whole period of my study.

ABBREVIATION

MLQ	MULTI-LEADERSHIP QUESTIONNAIRES
ZBCL	ZANZIBAR BOTTLERS COMPANY LIMITED
BOT	BANK OF TANZANIA
ROA	RETURN ON ASSETS
ROI	RETURN ON INVESTMENT
ROE	RETURN ON EQUITY
ROS	RETURN ON SALES
MBEA	MANAGEMENT BY EXCEPTION – ACTIVE
MBEP	MANABGEMENT BY EXCEPTION – PASSIVE
SPSS	STATISTICAL PACKAGE FOR SOCIAL SCIENCE

ABSTRACT

This study investigated the effects of leadership styles on performance of soft drink industry with a case study of Zanzibar Bottlers Company Limited. By using survey design a representative sample of 150 respondents out of 890 populations was obtained. The study also focused on the probability sampling through stratified random sampling in selecting key informants.

The methods of data collection involved both primary and secondary sources with respect to this study. Primary data were collected by using an interview, focus group, a structured Multifactor Leadership Questionnaire (MLQ) administered on respondents developed by Bass (1990) and author's own developed questionnaires, whereas documentary review was used in secondary method.

The Statistical Package for Social Sciences (SPSS) software was used to analyze the data where simple frequencies and percentages and multiple regressions were specified, estimated and evaluated.

The findings revealed that there was a significant relationship between transactional leadership style and transformational leadership style on the organizational performance since the multiple regressions for both leadership styles against organizational performance showed 47.7% of positive effect.

This study concluded that; transactional leadership style had a strong significant positive effect on performance as if it bears more relevance in explaining performance in soft drink industry than transformational leadership style, and this were from 33.00% and 21.30% of the performance effect respectively.

Following these results the study therefore, recommends that ZBCL should adopt full transactional leadership style rather than to emphasize much on contingent rewards and strategize to transit to transformational leadership style as their enterprises develop, grow and mature.

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TABLE OF CONTENTS

CERTIFICATION.....	i
DECLARATION	ii
COPYRIGHT.....	iii
ACKNOWLEDGEMENT	iv
DEDICATION	v
ABBREVIATION.....	vi
ABSTRACT.....	vii
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background Information.....	1
1.2 Statement of the Problem.....	2
1.3 Research Questions	4
1.4 Research Objectives	4
1.4.1 General Objective	4
1.4.2 Specific Objectives of the Study	4
1.5 Significance of the Study.....	5
1.6 Scope of the Study.....	5
CHAPTER TWO	6
LITERATURE REVIEW	6
2.1 Introduction.....	6
2.2 Theoretical Literature Review.....	6
2.2.1 Definitions and terms.....	7
2.3 Empirical Studies	13
2.3. 1 Leadership Styles and Organizational Performance.....	13

2.4 Conceptual Framework and Research Model	20
CHAPTER THREE	22
RESEARCH METHODOLOGY	22
3.1 Research Design	22
3.2 Study Area and Justification	22
3.3. Study Population	22
3.4. Units of Analysis	23
3.5. Variables and their Measurement.....	23
3.6. Sample Size and Sample Techniques	25
3.7. Types and Source of Data.....	26
3.8. Data Collection Methods	27
3.8.1 Questionnaire	27
3.8.2 Focus Group	27
3.8.3 Interview	27
3.9. Validity Issues	28
3.10. Data Analysis Methods.....	29
3.11 Ethical Consideration	30
CHAPTER FOUR.....	31
PRESENTATION OF RESEARCH FINDINGS.....	31
4.1 Introduction.....	31
4.2 Demographic Characteristics of Rrespondents	31
4.3 The Relationship between Dimensions of Transactional Leadership with Organizational Performance	35
4.3.1 Opinions on Promotion from the Staff	36

4.3.2 Working Environment	37
4.3.3 Customer satisfaction.....	38
4.4 The Relationship between aspects of Transformational Leadership with Organizational Performance	40
4.4.1 Motivational Status.....	40
4.4.2 Job Training in the Working Areas	42
4.4.3 Corporate social responsibility	43
4.5 Possible Leadership styles Solutions to increase the Performance of Soft Drinks Industry	44
4.5.1 Factors that obscure the organizational performance	45
4.5.2 Factors enhancing the organizational performance	46
4.6 The Pattern of Leadership and its Extent on Organizational Performance	48
4.6.1 Leadership Behaviors	48
4.6.2 Linkage of Leadership Behavior and Organizational Performance	50
4.6.3 Organizational turnover and profitability status.....	52
4.6.4 Organizational reputation.....	52
CHAPTER FIVE	53
DISCUSSION OF RESEARCH FINDINGS	53
5.1 Introduction	53
5.2 Relationship between transactional leadership and organizational performance	53
5.3 Relationship between transformational and organizational performance	54
5.4 The pattern of leadership styles and its extent on the performance	55
5.5 The possible leadership styles solutions to improve organizational performance ...	55
CHAPTERS SIX	58

CONCLUSION AND RECOMMENDATIONS	58
6.1 Conclusion	58
6.2 Recommendations	59
6.3 Limitation of the study	60
6.4 Areas for further research	61
REFERENCE	62
APPENDECIES	70
Appendix. 1: Covering letter	70
Appendix 2: MLQ Leader Questionnaire and Answer sheet.....	71
Appendix 3: MLQ Rater Questionnaire and Answer sheet.....	74
Appendix 4: Organizational Performance	77
Appendix 5: Interview Guide	81
Appendix 6: Key variables and operational definitions	82
Appendix 7: Quantitative analysis	85

LIST OF TABLES

Table 2.1: Transformational and transactional Leadership	8
Table 3.1: Respondents and sample size	26
Table 4.1: Sex and Age group	31
Table 4.2 Level of education	34
Table 4.3 Working environment status	37
Table 4.4 Customer satisfaction opinions from the respondents	39
Table 4.5 Motivational Status from the Respondents	41
Table 4.6 Job training responses from the staff	42
Table 4.7: Opinions from the society on social services provided	43
Table 4.8 Factors obscuring the organizational performance	45
Table 4.9 Factors enhancing organizational performance	47
Table 4.10 Leadership styles and organizational performance.....	50

LIST OF FIGURES

Figure 2.1: Evolution of leadership	11
Figure 2.2: Leadership styles and performance model.....	21
Figure 4.1: Age and sex status	32
Figure 4.2: Level of salary status for the staff	33
Figure 4.3: Level of education.....	34
Figure 4.4: Staffs' Period of services in the company	35
Figure 4.5: Promotion status from the respondents	36
Figure 4.6: Working environment status	38
Figure 4.7: Customer satisfaction opinions	39
Figure 4.8: Motivational Status from the Respondents.....	41
Figure 4.9: Job training responses from the staff.....	42
Figure 4.10: Responses on the types of social services provided	44
Figure 4.11: Factors obscuring the organizational performance	46
Figure 4.12: Factors enhancing organizational performance	47
Figure 4.13: Leadership styles and organizational performance	51

CHAPTER ONE

INTRODUCTION

1.1 Background Information

Leadership styles across the world are diverse and are influenced by specifications dominant in the environment. Different studies and researches in different countries have emphasized compliance of leadership style in terms of success conditions.

Peter Drucker (quoted in Ulrich, Zenger & Smallwood, 1999) captures this notion by simply stating: “Leadership is all about results”. Creating results in today’s ever changing and increasingly competitive world requires a very different kind of leadership from what was studied in the past. While leaders in the past managed perhaps complex organizations, this was in a world of relative stability and predictability. In today’s globalized world, with organizations coping with rapidly changing environments, leaders face a new reality.

In developed countries, organizations have evolved from bureaucratic to learning organizations due to the need to adapt to the existing economic environment the matter that has contributed to high extent on the performance of their organizations. Modern leadership theories have also evolved to help practitioners resolve the challenges and problems that occur in organizational leadership (Walton, 2001).

However, developing or emerging economies, particularly in Africa, are characterized by poverty and deprivations which could be attributed to poor managerial leadership in both public and private sectors. One of the most striking characteristics of leaders in developing countries (which comprise of 80 % of the world's population) is that they

place great importance in establishing close interpersonal relationships with subordinates as well as people in higher authority.

Subordinates expect personalized relationships, protection, close guidance and supervision. Leaders assume responsibility for the followers and in return, they seek loyalty. The interaction between leaders and followers resemble parent-child relationship in developing countries.

Zanzibar environment with respect to leadership resembles with all African countries, but there is high degree of mutual relationship among the people which is used as a secret qualification to get a job in most of the organizations. This contributes towards the poor leadership among the organizations due to employing unqualified people, which made almost 98% public industries collapsed.

It is very possible that the common leadership styles may be adopted by many organizations to the different countries in the world. The most preferred leadership characteristics in all countries (developing and developed alike) involve charisma, participation, and team integration (Hartog, House, Hanges, et al., 1999). These include transactional and transformational leadership styles in which our study based.

1.2 Statement of the Problem

Leadership styles have become the important strategic tools in accomplishing the organizational goals. In fact, some established firms with good leadership practices were able to survive and to sustain growth. On top of that, firms having inappropriate strategic decision-making and faulty practices such as selecting poor leadership styles were destined to collapse.

An organization that has no good leadership is like a ship on the high sea without a captain. Resources both man and material will be bound to the wasted despite their scarce nature.

Existing literature on leadership is mainly based on private and public organizations in western countries (Rehman, et al., 2012). Comparatively fewer researches on leadership have been undertaken in context of the organizations in developing countries like Zanzibar. Hence, there is a knowledge gap on the preferred leadership styles of Zanzibar employees in the public/private sector. This resulted most of the industries in Zanzibar collapsing after operating in a given short period of time. The 5 major industries which have been ever available out of 11 industries in Zanzibar collapsed. It is almost 46% of the collapsing.

On the other hand, there is volatility in the performance of soft drinks industry in Zanzibar which makes the firms operating in that industry to struggle a lot in increasing their turnover using different deliberate approaches. In 2011, BOT reported a declining output in the production of soft drinks in Zanzibar. Meanwhile there was a slight increase about 3% of soft drinks production up to March 2012, (BOT, 2012). This shows that there is a small change of increment compared to last year.

According to Tatu, (2009) Africa does not have a political issue; it has a leadership issue. In that sense, there is a clear implication that poor performance in the organization as well as the development of African countries can be affected by leadership. Hence there is a need to investigate the effects of leadership on the performance of the soft drink industry and to come up with a convenient approach to improve the Zanzibar industries as a whole.

1.3 Research Questions

- i. What is the relationship between transactional leadership dimensions and organizational performance?
- ii. Is there any relationship between transformational leadership dimensions and organizational performance among employees of soft drinks industry?
- iii. What are the possible leadership styles solutions to improve soft drinks industry performance?
- iv. To what extent leadership styles influence the performance of soft industry?

1.4 Research Objectives

1.4.1 General Objective

The general objective of the study was to examine the effects of leadership styles to the performance of soft drinks industry in Zanzibar, and to come up with convenient ways for future effective operational activities of the industry.

1.4.2 Specific Objectives of the Study

- i. To determine the relationship between dimensions of transactional leadership such as contingent reward, management by exception (active and passive) with organizational performance in the soft drinks industry.
- ii. To examine the relationship between aspects of transformational leadership such as idealized influence, intellectual stimulation, individual consideration and inspirational motivation with organizational performance among employees in the soft drinks industry.
- iii. To identify possible leadership styles solutions to increase the performance of soft drinks industry.

- iv. To determine the pattern of leadership and its extent on the organizational performance in the soft drinks industry.

1.5 Significance of the Study

The study was important as it touched the development of the country and welfare of the society. Also this study contributed towards the literature on the efficiency of Zanzibar Bottlers Company on reviving its operational activities so as to provide employment opportunities to the society. On top of that, the results of the study contributed to respective organs to develop effective and efficient policies for improving the services of the particular industries. The study also enabled the researcher to have an understanding on the matters of research so as to have an ability to prepare full research for the completion of the required course.

1.6 Scope of the Study

The study covered Zanzibar Bottlers Company, located at urban part of Unguja Island in Zanzibar. The reason for selecting this industry is the oldest soft drinks company in Zanzibar; hence this company provided exhaustive information with respect to the study which conducted. In other words the data which were collected ranged from 2005 up to 2010. It is about only five years for this study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents various studies from different sources, on how they examine and understand effects of leadership styles on organizational performance. This is the process of identifying and involving the particular study with established theories and previously published researches. The chapter covers theoretical literature review, empirical literature review, conceptual framework and hypotheses of the study.

Many authors have addressed the leadership styles in relation to the performance of the organization. For example Lawal and Chukwubeka (2007), Obiwiru, et al., (2011), Amirul, (2012), Rukman, et al., (2012), to mention the few, all of them showed in their studies the leadership styles against organizational performance. Both theoretical and empirical literature will be reviewed to gain more insight on the study of the effects of leadership styles on the organizational performance.

2.2 Theoretical Literature Review

Theoretical literature review is a scientific term which can be defined as the major concepts describing the particular topic being studied (Gabriel, 2012). Also theoretical literature review can be understood as a collection of interrelated ideas in terms of various theories. The concepts and theories based on this study comprises of leadership styles particularly transformational and transactional in relation to the performance of the organization.

2.2.1 Definitions and terms

2.2.1.1 Overview of Leadership

Leadership is a process of interaction between leaders and followers where the leader attempts to influence followers to achieve a common goal (Northouse, 2010).

Leadership in a new way creates a new vision; increase the self confidence in employees through coordination and communication (Khan, 2012). It is obviously that leadership style is an individual choice. Hence understanding self-perception of leadership is an important to development of current and future leaders for any successful company. Leadership characteristics, skills and approaches of effective and efficient performance are centered in the leader's style.

For decades, leadership styles have evolved from the transactional approach to charismatic, transformational, and servant behaviors. Organizations and their environments have changed rapidly over the past years and as a result a new style of leadership, one that is less bureaucratic and more democratic, is needed in order to ensure the survival of organizations (Johnson, 1995).

2.2.2 Theories of Leadership

Among the various theories of leadership and motivation relating to effective organizational change management, perhaps the most prominent is the transformational-transactional theory of leadership (Obiwiru, at al., 2011).

The new theories of leadership evolved in reaction to the increasingly sophisticated traditional models, which became difficult to implement (Bass, 1990; Carlton, 1993). This new leadership approach suggests that there are two views of leadership – transactional leadership and transformational leadership (Bass, 1990). These two new leadership theories will be presented in table 2.1 which shows how they are structured

and formulated:

Table 2.1: Transformational and transactional Leadership

	Transactional Leadership	Transformational Leadership
Creating Agenda	Planning and Budgeting - Developing a plan – a detailed map of how to achieve results	Establishing Directions - Developing direction – a vision which describes a future state and strategy
Developing HR	Organizing and Staffing - Which individual best fits each job and what part of the plan fits each individual	Aligning People - A major communication challenge getting people to understand and accept the vision
Execution	Controlling and Problem Solving - Monitoring results; identifying deviations from the plan, and solving the “problems”	Motivating and Inspiring - Satisfying basic human needs for achievement, belonging, recognition, self-esteem, a sense of control
Outcomes	Produces a degree of predictability and structure	Produces change – often to a dramatic degree

Source: Comparison of Leadership Methods Adapted from John Kotter (Tarpett) (2007).

2.2.2.1 Transactional Leadership

The foundation of transactional leadership is an exchanging process between leaders and followers. Transactional leaders focus on the interpersonal transactions between managers and employees; they motivate followers by exchanging rewards for high performance (Brain and Lewis, 2004; Chen, 2004; George and Jones, p. 387).

Transactional leaders are able to entice subordinates to perform and thereby achieve desired outcomes by promising the rewards and benefits for the accomplishment of tasks (Bass, 1990). Bass (1985:27) indicates that transactional leaders “generally reflect on how to marginally improve and maintain the performance, how to replace one goal for another, how to decrease resistance to particular actions, and how to execute decisions”.

This form of leadership emphasizes the clarification of goals, work principles and standards, assignments and equipment (Bass, 1985). Bass and Avolio (1995) proposed that transactional leadership consists of three dimensions, namely contingent rewards, management by exception (active) and management by exception (passive).

Contingent reward refers to leaders clarifying the work that must be achieved and use rewards in exchange for good performance. Management by exception (passive) refers to leaders intervening only when problem arise (Rukhmani et.al., 2010) whereas management by exception (active) refers to leaders actively monitoring the work of followers and make sure that standards are met (Antonakis et al., 2003).

2.2.2.2 Transformational Leadership

Transformational leadership concerns with the transformation of followers' beliefs, values, needs and capabilities (Brand, et al., 2000). Yukl (1989, in Kent and Chelladurai, 2001:204) defines transformational leadership as "the process of influencing major changes in attitudes and assumptions of organizational members and building commitment for the organization's mission and objectives".

The transformational leadership style is characterized by four underlying dimensions, all of which are seen by Bass and Avolio (1994) as the most active and effective behaviors of leadership. These include idealized influence, intellectual stimulation, individualized consideration and inspirational motivation and are referred to as the Four I's" (Bass, 1990).

Yukl (1998) defines Idealized influence (charisma) as behavior that arouses strong follower emotions and identification with the leader. Bass and Avolio (2000) and Bass & Riggio, (2006) further state that through such idealized influence, leaders become role models for their followers and are admired, respected and trusted. According to Bass and Riggio (2006), leaders with great idealized influence are willing to take risks

and are consistent rather than arbitrary by demonstrating high standards of ethical and moral conduct.

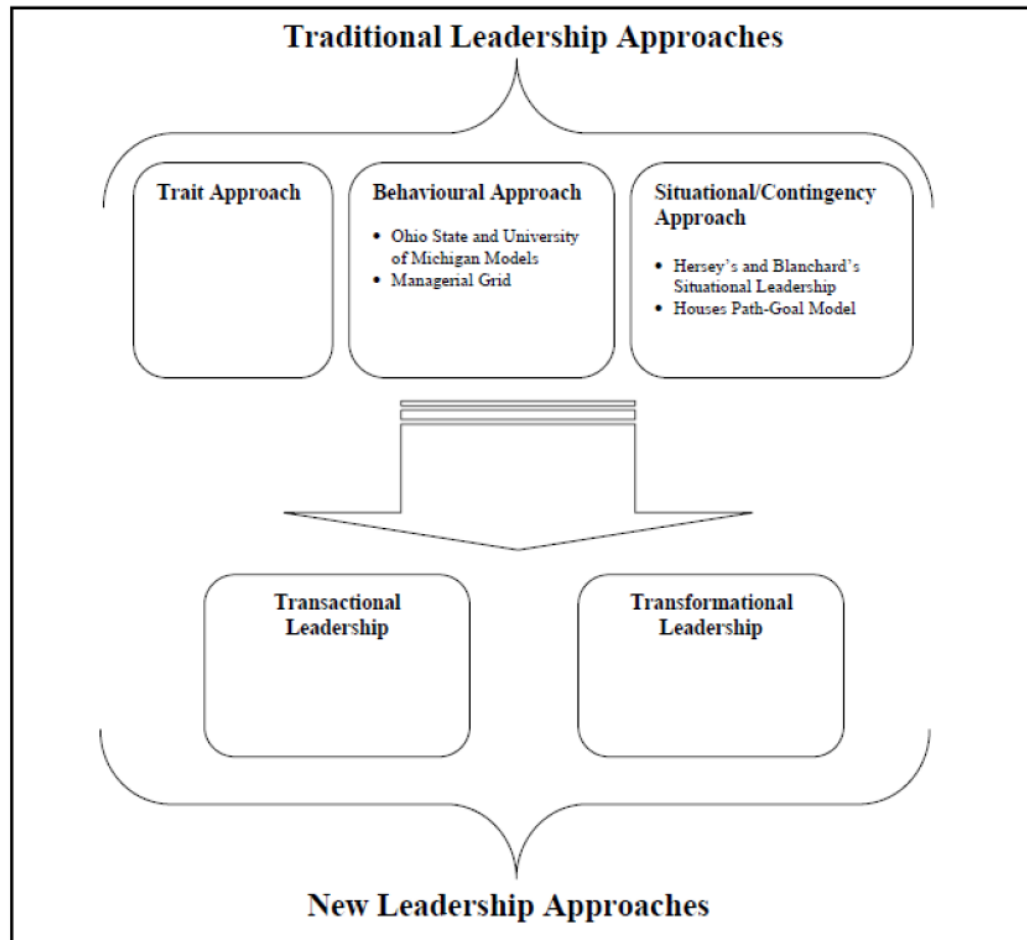
Inspirational motivation includes behavior that motivates and inspires followers by communicating high expectations and expressing purposes in simple ways, which provides meaning and challenge to their followers' work (Bass, 1997). This inspirational motivation arouses individual and team spirit with enthusiasm and optimism (Yukl, 1998; Bass and Avolio, 2000).

Individualized consideration includes mentoring, support, encouragement and coaching of followers (Lagomarsino and Cardona, 2003). Transformational leaders link the individuals' current needs to the organization and new learning opportunities are created (Mester, et al., 2003).

Intellectual stimulation involves leaders stimulating their followers' effort to be innovative and creative by questioning assumptions, reframing problems and approaching old situations in new ways (Nicholson, 2007). Leaders with this trait stimulate and encourage creativity in their followers (Covey, 2007). New leadership styles will be seen in figure 2.1 of this study.

Figure 2.1: Evolution of leadership

Figure 1: Evolution of Leadership



(Adapted from Ristow, 1998)

2.2.3. Organizational Performance

The topic of performance is not a straightforward one (Corvellec, 1995). The correct interpretation of the word performance is important and must never be misread in the context of its use. In other words performance is the competency of an organization to transform the resources within the firm in an efficient and effective manner to achieve

organizational goals (Daft, 1997).

On the other hand, organizational performance refers to ability of an enterprise to achieve such objectives as high profit, quality product, large market share, good financial results, and survival at pre-determined time using relevant strategy for action (Koontz and Donnell, 1993).

Organizational goals vary depending on the purpose for which they are established. Business organizations have profit, growth, stability and survival as the main goals. A high performance organization is characterized largely by the following: high outputs or productivity, sustained and increasing market share, greater profitability or shareholder value, innovation, and differentiation of service from that of its competitors in its sector in one way or another (Stevens, 2000).

The popular ratios that measure organizational performance in terms of financial performance can be summarized as profitability and growth: return on asset (ROA), return on investment (ROI), return on equity (ROE), return on sale (ROS), revenue growth, market shares, stock price, sales growth, liquidity and operational efficiency (Drury, 2008).

Venkatraman and Ramanujam (1986) in their study presented the organizational performance measurement methods such as the financial performance, business performance and organizational effectiveness, which were adopted as the dimensions of the organizational performance (Wang, et al., 2010)

This study will emphasize organizational performance as a dependent variable measured by financial performance in terms of profitability by using measurements such as ROI, ROA, ROE, ROS and in terms of turnover measurements including stock turnover, creditor turnover, debtor turnover, fixed asset turnover and total assets turnover.

Also, non – financial performance will be also considered in measuring the organizational performance in this study. Non-financial performances which will be considered include employee morale and satisfaction, conducive working environment, organizational reputation, organizational attraction to professionals, corporate social responsibility and customer satisfaction.

2.3 Empirical Studies

Empirical literature reviews attempt to analyze, evaluate and synthesis the topic concerned by looking at different research findings and working paper to see what they declare on the effects of leadership styles to the performance of the organization.

There are different numbers of studies stating the effects of leadership styles in relation to organizational performance.

2.3. 1 Leadership Styles and Organizational Performance

During the past four decades, the impact of leadership styles on organizational performance has been a topic of interest among academics and practitioners working in the area of leadership (Giambatista, 2004). Different leadership styles may affect organizational effectiveness or performance (Nahavandi 2002).

The most dominant reason for this impact is that the organizational performance can be affected by the leadership (Shah, 2011). So, it is clearly stated that leadership has a strong link between the performance of the people and organizational effectiveness at a level of organization. There are many causes which show that there should be a strong relationship between the organizational performance and leadership depending upon the cultural variables. Researchers and scholars strongly point out that the behavior of effective leadership can assist in the improvement of organizational performance (Fenwick & Gayle, 2008).

Effective leadership is the major source for the development of the management and to get the competitive advantage to improve the organizational performance. Effective leadership is determined by the degree to which it facilitates adequate or high productivity (Dubrin, 2007).

By considering the leadership styles all over the world there are different researches which have been undertaken regarding the performance of the organization (Wang, et al., 2010). Researches and studies related to leadership and management styles have been done substantially in many countries (Taleghani, et al., 2010). The findings obtained reveal positive and negative results of leadership styles on the performance of the organization.

Most of the research results showed that the leadership style has a significant relation with the organizational performance, and different leadership styles may have a positive correlation or negative correlation with the organizational performance, depending on the variables used by researchers (Wang, et al., 2010).

According to the research conducted by Lawal and Chukwuebuka (2007) on evaluation of leadership and organizational performance in small scale industries, the leadership significantly affects the overall performance of the business outfit.

It is apparent that quality of work life is influenced by effective leadership which in turns to improve the motivation of workers with intention to enhance the performance of the organization. A research conducted by (Nanjundeswaraswamy and Swamy, 2012) on quality of work life and leadership styles, the study revealed that leadership style, organizational commitment and work satisfaction are interrelated whereby leadership styles can affect quality of work life.

According to Rukmani, at al., (2010) on Organizational effectiveness with transformational and transactional leadership styles, the result showed that the transformational leadership is highly related to effectiveness of the organization. In other words, the research conducted by Sandbakken, (2006) on leadership practices and organizational performance, the study found that transformational leadership has a very strong positive relationship with organizational performance.

Khan, at al., (2012) observed that there is a significant relationship between transactional leadership style and transformational leadership style and organizational performance, but transformational leadership style is more flexible increases employees' creativity and autonomy hence the performance of employees' increases that leads to the increase of organizational performance.

Also the words of Rehman, at al., (2012) on transformational and transactional leadership styles towards organizational commitment concluded that both transformational and transactional leadership have positive relationship with the organizational commitment, nevertheless transformational leadership is used mostly than transactional leadership.

On the other hand the research conducted by the Obiwuru, at al., (2011) showed that transactional leadership style is more appropriate in inducing performance in small scale enterprises than transformational leadership style.

As it was found by Wang, at al., (2010) on the effect of leadership style on organizational performance as viewed from human resource management strategy, the study showed that an enterprise can promote recognition and devotion of employees for

it under different strategies or leaderships and then furthermore create the overall organizational performance.

In the analysis of Rao, et al., (2008) on the leadership styles and their contribution to performance and satisfaction of leaders and followers in state owned and private enterprises, it was concluded that leadership styles of managers in state owned enterprises have not been contributing significantly to performance and satisfaction enhancement, but the leadership styles of managers in private owned enterprises have been contributing moderately to performance and satisfaction of followers and leaders which has a great impact to the organizational performance.

It was argued that in developed communities of the democratic world, leaders of all types – political, social, economic, educational and religious - know that they are in the public eye and are subjected to a twenty four hours vigilant scrutiny Ota, (1988). In those communities, a leader is seen as a servant of the people, and he who serves best is loved most. The public becomes the guardian of the society and of the leaders themselves.

Also, organizations in developed countries such as the United States, England and Germany not only use leadership theories to shape their organizational policies but also to manage and improve the organizational culture by gaining widespread support for change from followers Hofstede, (1980). For instance in the United States, these leadership strategies have support and are practiced at the highest level of government and private organizations.

In the lives of the people of most developing countries, failed or ineffective leadership continues to be a challenge Gaba, (1994). At the international and domestic levels discussions concerning the progress and plight of developing countries have taken a

variety of directions. Most organizational leaders in third world countries, their leadership preference varies between two basic modalities: either an authoritative style (no holds barred), in which there is no accommodation for affected stakeholders, or a transactional style that is focused on pragmatic measured results Champagne, (2004).

Actually third world countries do not lack organizations; rather, what is needed is the careful and patient adaptation of applied leadership theories by engaging the followers rather than intimidation Marcoulides, (1995).

Africa's history, even before the slave trade, is one of cross-cultural interaction and often antagonistic dynamics, normally within systems of power relations. Modern organizations in Africa still contain these diverse cultural elements: ideas and practices as well as people. Not only is an understanding of these dynamics necessary, but also a reconciling, integrating and synergizing of disparities contained within dynamics are essential to management and organization development efforts in Africa Jackson, (2004).

In many literatures it is apparently that the leadership in Africa influenced by various factors in terms of natural factors as well as manmade factors which are outside the normal characteristics of human being such as corruption, theft, embezzlement and frauds. These literatures includes Ota, (1988) Jackson, (2004) and Marcoulides, (1995). This involves the ongoing democratic process in Africa to be very costly in terms of the organization of different elections. Business leaders provide the majority of finances necessary to organize elections. For example, in 2006 in Benin a private operator in the cotton sector was the principal backer of the campaign for the current president Igue, (2010).

A part from that African leaders tend to display an attitude of contempt and disregard for the people, even as they claim to govern in the name of the masses Ota, (1988).

Actually they do not care about what the citizens' say and need, they just stand for their own benefit and their families. In Africa, it was observed that, servants often abuse the public they serve; even a bus driver bullies the passengers. The African public often tolerates this abuse for too long and tends to explode against bad leaders when it is too late. In short, Africa does not have a political issue; it has a leadership issue Tatu, (2009).

Tanzania is like other African countries in the process of decision making using leadership styles for the governmental and organizational activities. Different factors influence the styles of leadership of Tanzanian leaders in their administrative perspectives. For example, Nyerere's behaviors in his leadership were attributed to the effectiveness of several significant factors including self-reliance, education, pleasant personality, intelligence, consistently honest, reliability and sincerity. Tanzanian leadership had chosen a non-violent and gradual approach to achieve relatively successful, pragmatic socialism Yousuf, (1990). This happened because the followers had respected the rule of leader with great confidence and fear. But in this era whereby Mwalimu Nyerere died the people can talk and argue the practices of the ruler with great openness and freedom.

On the other hand, Zanzibar resembles with Tanganyika in the leadership but their leaders almost influenced by kindness mutual relationship as the unique factors affects the style of leadership in administering the government and private organizations.

2.3.2 Research Gap

Despite increased research into the leadership-performance relationship, many gaps remain in existing studies Jing and Avery, (2008). For stance House and Aditya (1997) criticized leadership studies for focusing excessively on superior-subordinate relationships to the exclusion of several other functions that leader performs, and to the exclusion of organizational and environmental variables that are crucial to mediate the leadership-performance relationship.

The study considered not only superior-subordinate relationship but also with inclusion of other stakeholders relationship such as general public and customer level that had a great influence on the organizational performance.

On the other hand when selecting the measurements of performance, previous researchers such as Keller, (2006); Lim and Ploy hart, (2004) have employed financial measurements or non-financial measurements, rather than employing both kinds of measures in order to enhance the validity of the research. For example, when selecting measurements of performance, many researchers like Hofmann and Jones, (2005); Keller, (2006); Lim and Ploy hart, (2004) neglected to focus on the correlation between financial performance and customer satisfaction and employee satisfaction, employing either financial measurements or non-financial measurements rather than employing both in order to enhance the validity of the research. In this study both financial and non-financial measurements were used as shown in chapter three of this study.

2.4 Conceptual Framework and Research Model

The below research conceptual framework is a modified model adapted from four models:

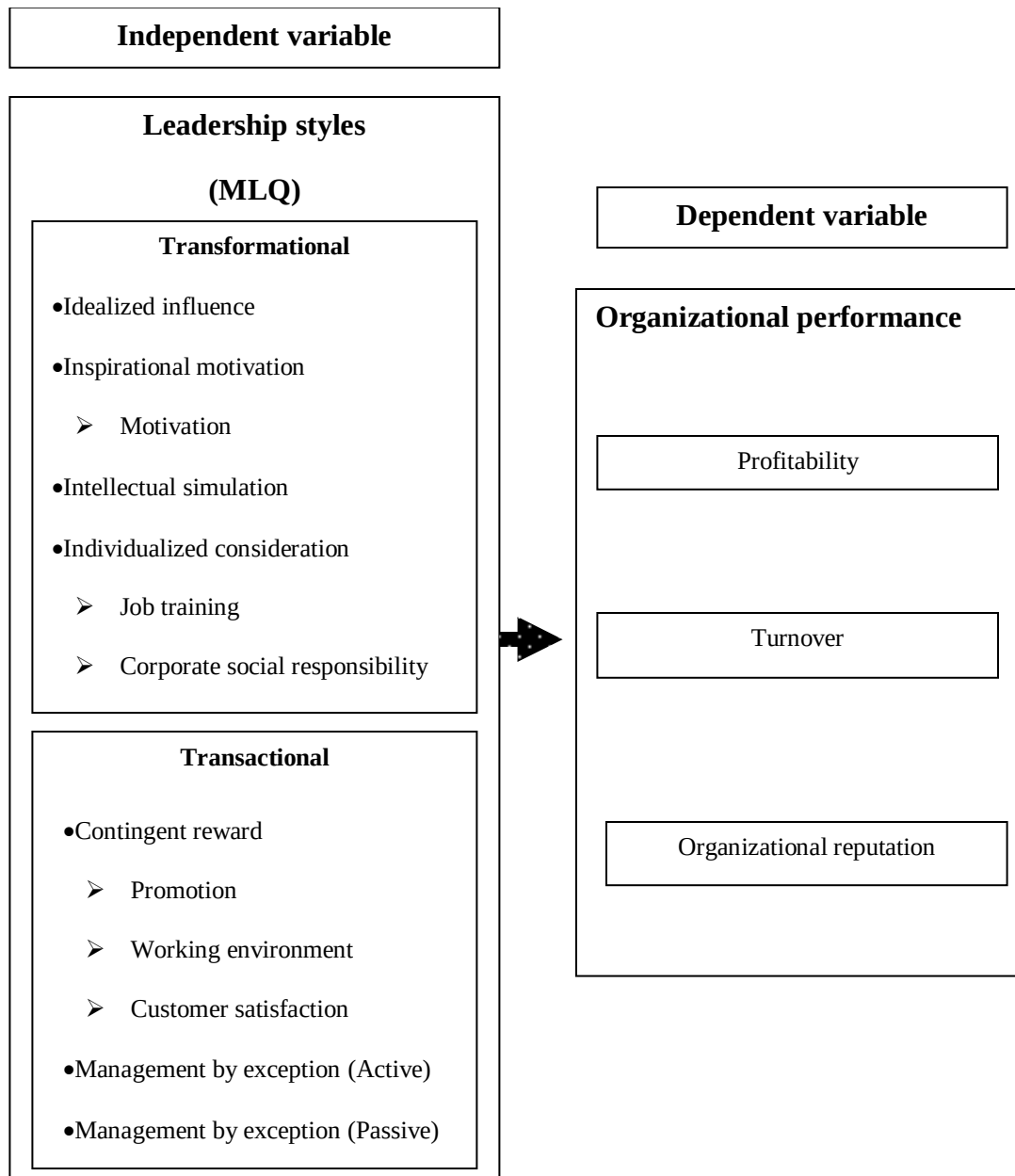
Rukmani, Ramesh and Jayakrishnan's (2010), Khan, Hafeez, Rizvi and Hasnain's (2012), Hamidifar's (2009) and Wang, Chich-Jen and Mei-ling's (2010) models.

As Figure 2.2 shows, it reflects the fact that organizational performance, as measured in terms of financial and non-financial performance can be influenced by either one of the two different leadership styles considered in this study: transformational, and transactional.

Four factors were identified as characteristics of transformational leadership: idealized influence, inspirational motivation, individualized consideration, and intellectual stimulation. Three factors were found to be characteristic of transactional leadership: contingent reward, management by exception-active, and Management by exception-passive.

Thus, leadership style as measured the Multifactor Leadership Questionnaire is the independent variable and organizational performance as measured by performance is dependent variable.

Figure 2.2: Leadership styles and performance model



Source: Researcher's Model, 2013

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

This research followed a survey design, and analysis was based on primary data generated through a structured questionnaire administered on respondents. Survey instrument which was used in data generation is the Multifactor Leadership Questionnaire (MLQ) developed by Bass (1985) in his study. The survey technique was used to collect data directly from the respondents and understand and predict some aspects of the behavior of the sample of interest and to explain the casual relationships between variables (Madishet, 2012). The same type of the study was used by (Lawal, at al., 2007, Hamidifar, 2009 and Obiwiru, at al., 2011) in the particular topic of the study.

3.2 Study Area and Justification

The area in which the study was carried out is Zanzibar Bottlers Company limited situated at the northern part of Unguja Island in Zanzibar. This is due to its services to the society and economic contribution to the nation at large.

Moreover, it was the oldest company compared to other companies in Zanzibar, hence it provided a chance to access different information for our study, not only that but also, it was the company which was not far from the researcher's settlement the matter that it contributed to high extent in the transportation costs reduction.

3.3. Study Population

The definition of population in this study based on three parts such as employees of Zanzibar Bottlers Company Limited, customers and general public surrounding the company.

3.4. Units of Analysis

In the employees unit, the study based on management level and subordinates, for the case of subordinates the analysis concentrated on each department of the company including finance, market, administrate, storing, purchasing, and production departments. On the other hand, customers looked on the whole sale customers group. Lastly, the general public including the community that is nearer to the company was studied.

3.5. Variables and their Measurement

A variable is anything we measure. This is a broad definition that includes most everything we will be interested in for an experiment. It could be the age or gender of participants, their reactions times, or anything we might be interested in. In our study as mentioned in previous chapters, there are dependent and independent variables.

Dependent variables included profitability, turnover, and organizational reputation, but independent variables involve transformational and transactional leadership styles.

These variables need to be measured in precision and exactness to prove their effects in the subject matter of the study.

In meaning, measurement is the process of observing and recording the observations that are collected as part of a research effort. In this study The Multifactor Leadership Questionnaire (self-rated) were used to get evaluation of leadership behavior and organizational performance (Bass and Avolio, 2000).

The questionnaire contained 45 statements that identify and measure the key aspects of leadership behavior, and each statement in the questionnaire relates to transactional, transformational or non-transactional leadership factors. The respondent is required to judge how frequently the behavior described in the statement is exhibited.

The MLQ uses a scale of 0 to 4, with 0 indicating a “not at all” rating of the behavior described in the statement. The other end of the scale, 4, indicates a “frequently if not always” rating of the behavior described in the statement (Bass and Avolio, 1997).

The MLQ consists of two versions, one for the leader to complete, and one for the raters of the leaders to complete. The leaders complete a questionnaire describing their own leadership style, whilst the raters complete a questionnaire regarding the leadership style of their specific leader. These two versions consist of exactly the same statements, except that they are written from different perspectives. These two versions are known as the “leader version” and “rater version” respectively.

By administering questionnaires to at least two subordinates/raters per leader, this study attempted to obtain a holistic view of each leader’s leadership style (Bass, 1985). In this study, leader versions completed by a supervisor in the sample, and between 2 and 5 rater versions of the MLQ were completed by the supervisor’s subordinates, depending on the number of subordinates reporting to the relevant supervisor.

The leader respondents were asked to complete the MLQ leader version by scoring each individual question on a scale from 0 to 4. Similarly the rater respondents were asked to complete the MLQ rater version by scoring each individual question on a scale from 0 to 4. The MLQ question papers for the leaders provided in Appendix 1, and the MLQ question paper for Subordinates/rater provided in Appendix 2.

Nevertheless, the questionnaires which were structured by the author of this study on the base of MLQ could be used for the units selected. This indicated in Appendix 3 and 4 respectively. In this part of the study, there was a need to specify the measurement parameters of the variables which enable to show the exactly data needed of the research (Nivas, 2012). The fundamental idea of measurement scale is the contention that when you are talking about and express it in numbers, you know something about it

(Ndunguru, 2007).

Also this part helped to specify a measurement procedure for measuring an external observable behavior and uses the resulting measurements as a definition and a measurement of the hypothetical construct. The study used nominal and ordinal as the measurement scales in mapping aspects in relation to the variables used (see questionnaire attachment in appendices 3 and 4). But appendix 6 shows in a systematic form those key variables and their operational definitions which will be used in this study.

3.6. Sample Size and Sample Techniques

This study used Probability sampling through stratified random sampling in selecting key informants whose information could be relevant to the study whereby employees, customers and community listed and selected to give an equal opportunity of their participation. This is because the study divided in to three main sampling units of the stakeholders pertaining to the company.

The choice of participants depended on the researcher perception of their ability to increase improvement of data which was likely to enhance the quality of the study results and due to their knowledge, skill and experience on matters of leadership styles and organizational performance.

The total sample size was 150 in different categories of respondents in the entire company and its environment as shown in table 3.1. The logic behind of selecting such sample size is that the study actually based on survey design and having budget constraint, although, most of independent variables and many dependent variables were studied. On the other hand a study based on such categorizations because Zanzibar Bottlers Company Limited (ZBCL) deals with different stakeholders in the country, hence it was suitable to touch many stakeholders as we can so as to get enough

information on performance in relation to leadership styles.

Table 3.1: Respondents and sample size

Nature of Respondents	Population	Sample size (A)	Number of respondents (B)	Percentage A/B
Staff/Raters	150	40	36	31.03%
Leaders	40	20	12	10.34%
Customers	200	40	35	30.17%
General public	500	50	33	28.45%
Total	890	150	116	100%

Source: Field Data, 2013.

3.7. Types and Source of Data

The study used both primary and secondary data sources of information; Primary data collected from ZBCL to represent wider population in the study area through interview, focus group discussion and questionnaires. Secondary data are those data for which have already been collected by someone else, may be either published or unpublished data. Most of the secondary data based on what has been done or known in relation to document review at ZBCL. Information from secondary sources helped to create a state of knowledge on the subject and enable to determine the missing information about the subject.

3.8. Data Collection Methods

3.8.1 Questionnaire

A structured questionnaire developed, reviewed and administered for data collection. This questionnaire divided in to three parts which reflect the type of information needed to address specific objectives of the study. This includes leadership styles, performance and people perceptions on the ZBCL. Closed ended questions used since MLQ used in this study due to its wider coverage on leadership styles. Hence, a checklist of answers was provided to pick the most appropriate answers, also author's own questionnaires used for other parts of this study which could not be covered by MLQ.

3.8.2 Focus Group

The community surrounds the company who are well aware on the environment of ZBCL involved in focus group discussion. This is to solicit and evaluate the accuracy of data collected from questionnaire (Kasemir et al., 2003). In this method, the researcher collected information concerning to the services provided by ZBCL to the community.

3.8.3 Interview

The interview method of collecting data involves presentation of oral – verbal stimuli and reply in terms of oral – verbal responses. This method can be used through personal interviews and, if possible, through telephone interviews (Kothari, 2004). For the purpose of this study the researcher based on personal interview because the researcher was nearer to field area. This method enabled us to have deep information on the company issues from the beginning up to the current operation of that company. The researcher used this method within the company to collect information in relation to organizational performance of ZBCL from the employee.

3.9. Validity Issues

When evaluating or formulating a specific instrument, reliability and validity are two of the most important aspects to be considered (Booth, 1995). Reliability and validity are the statistical criteria used to assess whether the research provides a good measure (Whitelaw, 2001). Reliability refers to the dependability of a measurement instrument, that is, the extent to which the instrument yields the same results on repeated trials (Babbie and Mouton, 2001).

Reliability is concerned with the consistency of the particular instrument, while validity is concerned with systematic or consistent error. There are three fundamental methods that are accepted for assessing the reliability of a measurement scale: test-retest, internal consistency and alternative forms (Booth, 1995). The foremost ways to estimate the validity of the measurement are content validity, concurrent validity and construct validity (Booth, 1995).

The MLQ has been tested for reliability and validity in a number of settings (Pruijn and Boucher, 1994). Yammarino and Bass (1990) have proved the content and concurrent validity of the MLQ. Bass and Avolio (1997) also demonstrate the construct validity of the MLQ.

The reliability of the MLQ has also been proven on many occasions through test-retest, internal consistency methods and alternative methods (Bass and Avolio, 1997). The results of these test-retest studies indicate that the components of transformational, transactional and non-transactional leadership are reliably measured by the MLQ (Bass and Avolio, 1997).

The Cronbach's alpha reliability coefficients calculated by Pruijn and Boucher (1994) substantiate the reliability of the MLQ. Bycio, Hackett and Allen (1995) conducted a factor analysis on the various transformational and transactional leadership variables;

their findings provide further evidence of the reliability of the MLQ.

On the other hand this study used three parts of the sample units and three methods of collecting data as mentioned in this chapter. When testing this study validity the author used two mainly sources of evidence interviews and industry documents as shown in the secondary source of data of this study. To increase the external validity, the researcher gathered data from sample within and outside the company. However, because the researcher did only one case study he believed that external generalizations could be done carefully.

Always when conducting interviews the interviewer has to be as neutral as possible to avoid the interview effect (Denscombe, 2000). In this study the interviewer was independent without any bias to ensure that reliable and valid data were obtained to smooth the research.

3.10. Data Analysis Methods

The data were presented and analyzed in a manner that allowed for easy analysis and testing, using the statistical package for Social Science (SPSS). The same package used by (Khan, et al., 2012 and Amirul, 2012) in their studies. Once the data has been imported into a SPSS spreadsheet, the researcher proceeded to calculate the necessary leadership factors or scales as per the MLQ scoring key. The factor scores were calculated for each respondent by using the sum of the relevant questions.

A table containing the relevant sample sizes, means, confidence intervals and standard deviations for each of the factors generated. All of the hypotheses were tested using correlations and the multiple regression analysis models by regarding the relationship between the respective leadership styles and each of the performance measures of the ZBCL. This analysis helped this study to make a prediction about the dependent variable based on its covariance with all the concerned independent variables (Kothari,

2004). The same models used by (Khan, at al., 2012, Hamidifar, 2009, Obiwiru, 2011 and Rehman, at al., 2012) with regarding to their topics relating to leadership styles.

3.11 Ethical Consideration

Permission in conducting the study was sake from Managing Director of ZBCL. On top of that, ethical issues were considered through the special form provided to the potential respondents seeking their consent to participate in the research study.

Moreover, confidentiality and principles of anonymity assured to the respondents. A part from that, professional behavior and discipline in conducting the research taken in to account so that all participants to be happy and providing their almost full corporation to our study.

CHAPTER FOUR

PRESENTATION OF RESEARCH FINDINGS

4.1 Introduction

In this chapter the researcher presents the study findings. The information was collected through questionnaires, interview, and documentary source. An analysis corresponds to specific objectives of the study as well as research questions which were used in collecting the information in the study. The information is presented in figures and tables, and then they are analyzed after the presentation as shown below.

4.2 Demographic Characteristics of Rrespondents

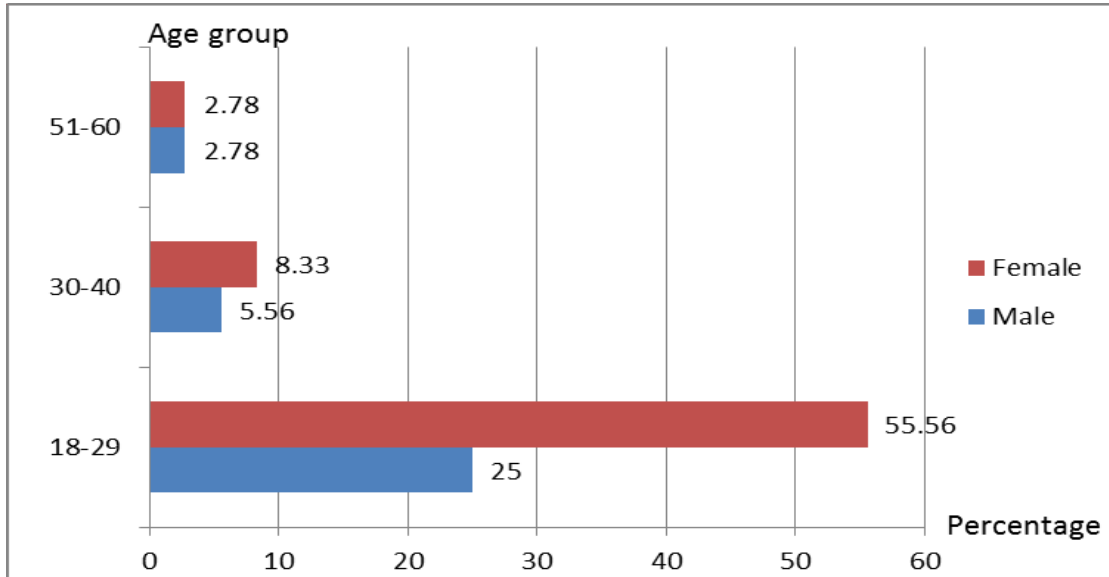
4.2.1 Sex and Age group

Table 4.1: Sex and Age group

Age	Sex				Total (%)	Total (F)
	Frequency(F)	Male	Frequency(F)	Female		
18-29	9	25.00%	20	55.56%	80.56%	29
30-40	2	5.56%	3	8.33%	13.89%	5
51-60	1	2.78%	1	2.78%	5.56%	2
Total	12	100.0%	24	100.0%	100.0%	36

Source: Field Data, (2013)

Figure 4.1: Age and sex status



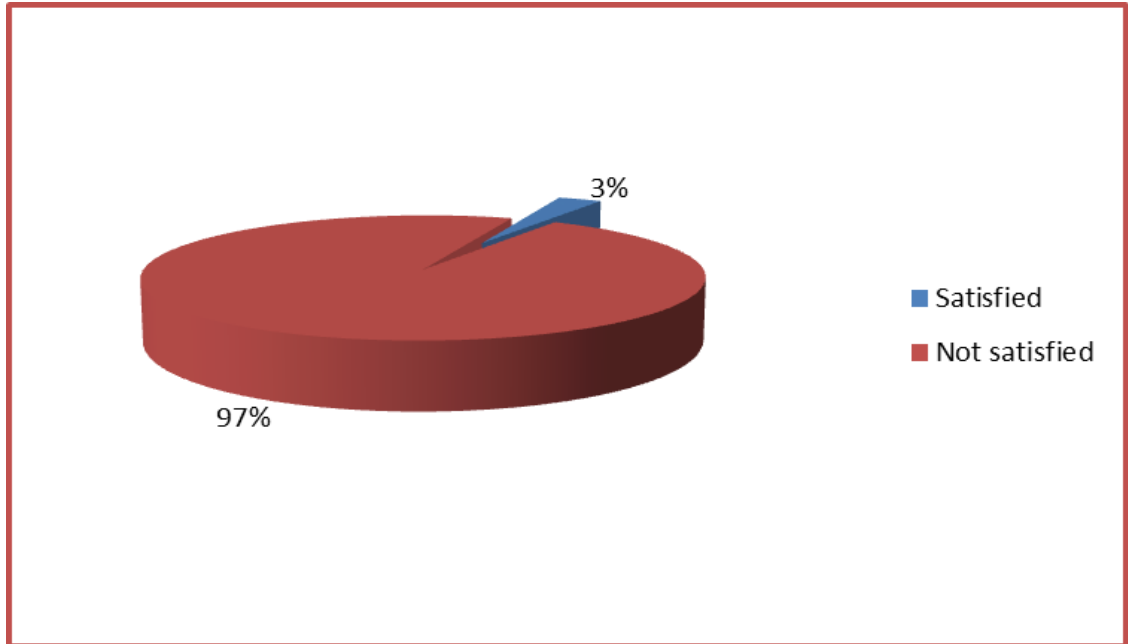
Source: Field Data, (2013)

Figure 4.1 and table 4.1 shows that women at age group of 18 - 29 employed than men throughout all other groups. This connotes that women at that group participate in many activities of the entire organization. Only 25% of men at the same young group participate fully in the operation of the organization. This shows that the young age group is almost served by ZBCL for both women and men which in turns to the leaders encourage followers to envision attractive future states because youth are the leaders of tomorrow, which they can ultimately envision for themselves.

4.2.2 Level of Salary for the Staff

This is influenced by inspirational motivation in transformational leadership style. Figure 4.2 indicates how the salary perceived by the respondents in the particular company.

Figure 4.2: Level of salary status for the staff



Source: Field Data, (2013)

Figure 4.2 shows the perceptions of the level of the salary to the staff in the particular company. About ninety seven per cent (97%) of the staffs are not satisfied with the amount of the salary which leads to demotivation in the working place. It is only three per cent (3%) of the respondents are satisfied with the level of the salary in the company.

4.2.3 Organizational Attraction to Professionals

Level of education based on inspirational motivation in leadership behavior since the leaders motivate their employees on the basis of their works in relation to qualifications. Figure 4.3 and Table 4.2 indicate that, respondents who are in other group were (47.22%) in professional status compared to other levels of education. About 5.56% of the respondents covered bachelor degrees. Furthermore, 2.78% of the respondents were in primary level. This signifies that to some extent the professionals are attracted in the

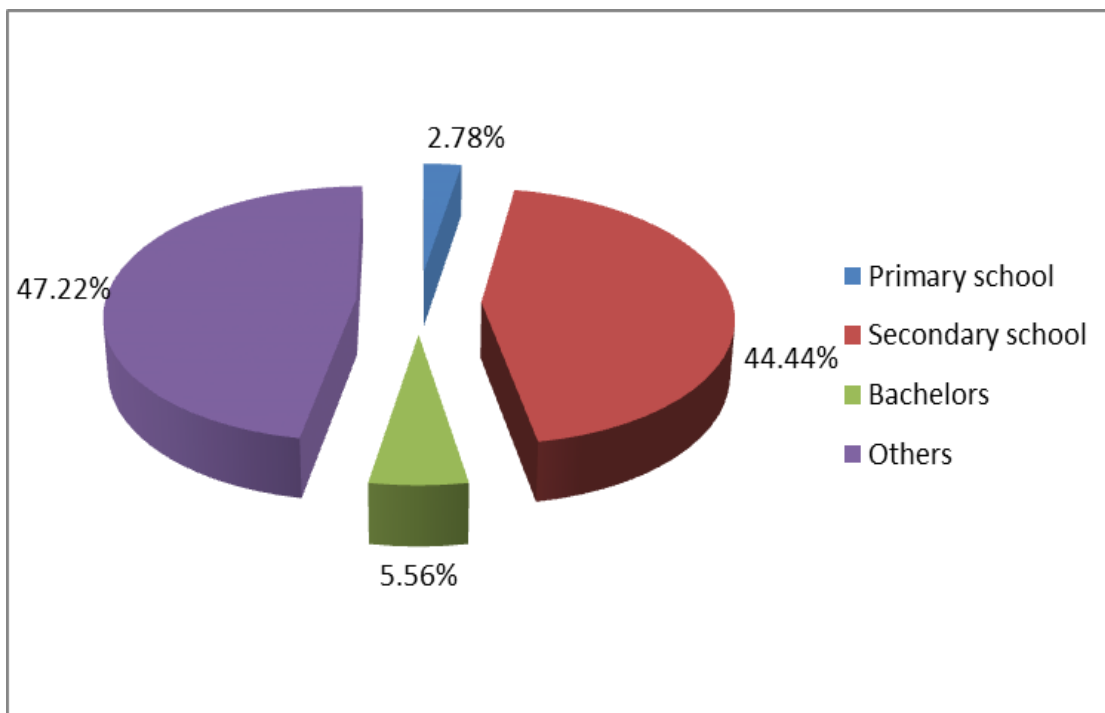
company.

Table 4.2 Level of education

Education levels		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Primary school	1	2.8	2.8	2.8
	Secondary school	16	44.4	44.4	47.2
	Bachelors	2	5.6	5.6	52.8
	Others	17	47.2	47.2	100.0
	Total	36	100.0	100.0	

Source: Field Data, (2013)

Figure 4.3: Level of education

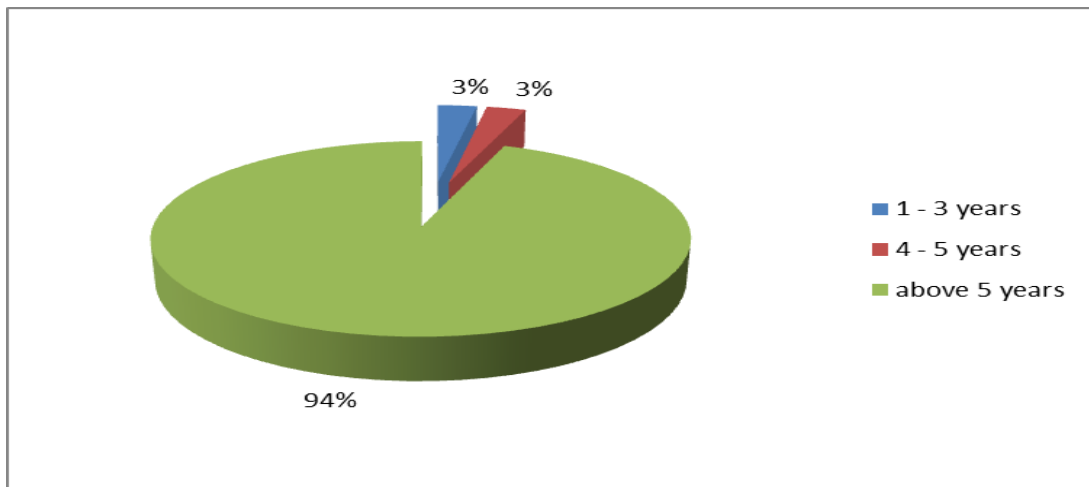


Source: Field Data, (2013)

4.2.4 Staff Experience on Company Performance

Figure 4.4 indicates period spent by the staff while performing the assigned tasks at the company. It was shown that 94% of the respondents are more experiencing in serving the company operations. It is almost 6% of the staff is less experiencing in providing services in the company. This implies that a large part of the staff in ZBCL experiencing the company performance for more than five years, hence it may articulate the compelling vision of the future for the company whereby it is under inspirational motivation in leadership behavior.

Figure 4.4: Staffs' Period of services in the company



Source: Field Data, (2013).

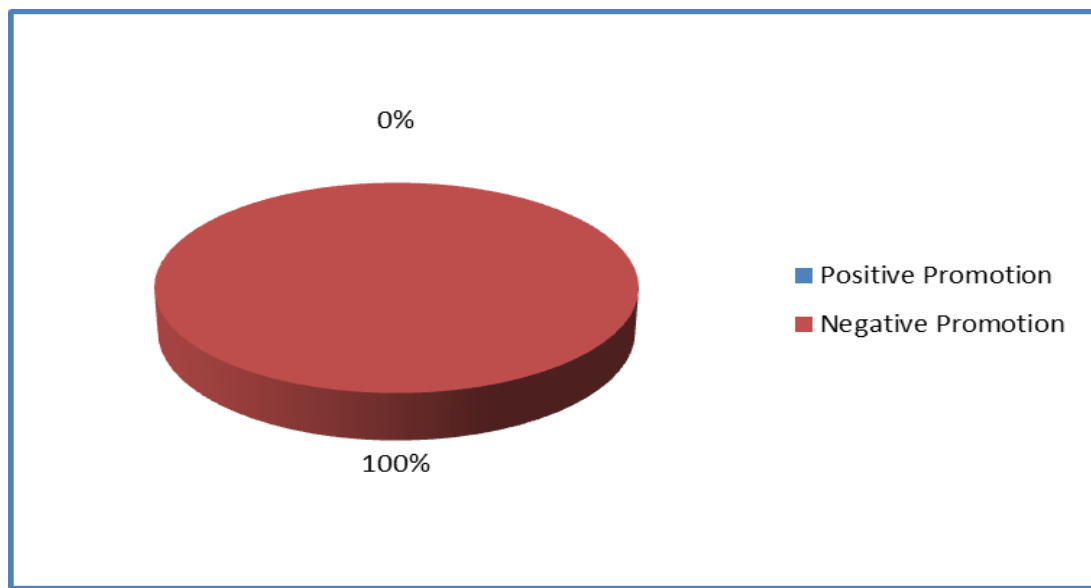
4.3 The Relationship between Dimensions of Transactional Leadership with Organizational Performance

Specific objective one aimed at determining the relationship between dimensions of transactional leadership with organizational performance in the soft drinks industry. This objective was made up by the following different variables:-

4.3.1 Opinions on Promotion from the Staff

Promotion issues in the company are seemed as contingent rewards in the transactional leadership style whereby the leadership clarifies expectations and offers recognition when goals are achieved. They induce to the better performance of the company whenever they are implemented accordingly. Figure 4.5 shows the results of promotion status from the respondents.

Figure 4.5: Promotion status from the respondents



Source: Field Data, (2013)

Figure 4.5 indicates that hundred per cent (100%) of the responses based on promotion issues were negative in such a way that it is seemed that there is no promotion at all in the particular company. Hence such results affected to high extent on the performance of ZBCL since the staff were not promoted.

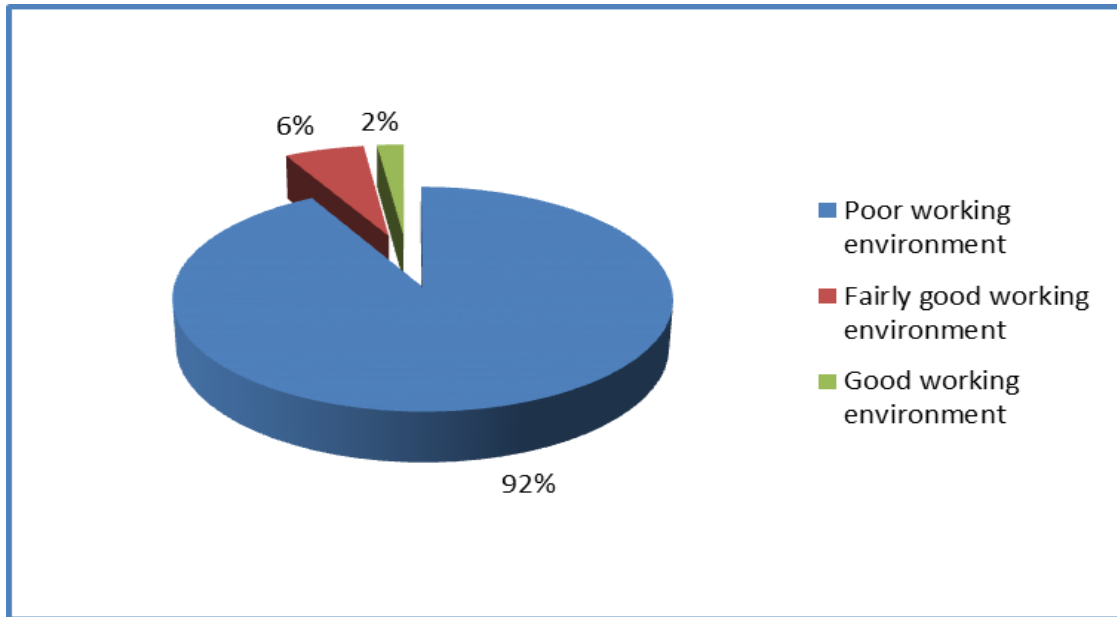
4.3.2 Working Environment

The company performance is also composed by working environment, at this point a leadership may assist employees in exchanging their efforts by promising them rewards so as to sharpen their working environment, when the working environment is conducive a company will have an ability to implement various activities related to its operations, hence the conducive working environment can become a possible indicator of company performance. Figure 4.6 and Table 4.3 shows respondents views on working environment in the company.

Table 4.3 Working environment status

	Frequency	Percent	Valid Percent	Cumulative Percent
Poor working environment	33	91.7	91.7	91.7
Fairly good working environment	2	5.6	5.6	97.2
Good working environment	1	2.8	2.8	100.0
Total	36	100.0	100.0	

Figure 4.6: Working environment status



Source: Field Data, (2013)

Figure 4.6 and Table 4.3 show the responses of the staff members on the status of the working environment of the particular company as follows:-

Ninety two percent (92%) of responses indicates the poor working environment in the company. This may lead the staff to be unhappy for their company operations. About six percent (6%) of the responses shows the fairly good working environment and only two percent (2%) indicates the good working environment.

4.3.3 Customer satisfaction

These data were directly collected from the customers to measure their satisfaction status on company services; customer satisfaction indirectly is influenced by the employee promotion in the organization because employees are regarded as internal customers of the company, hence it is under contingent rewards in transactional leadership style. Figure 4.7 and Table 4.4 indicate the responses of the customers in

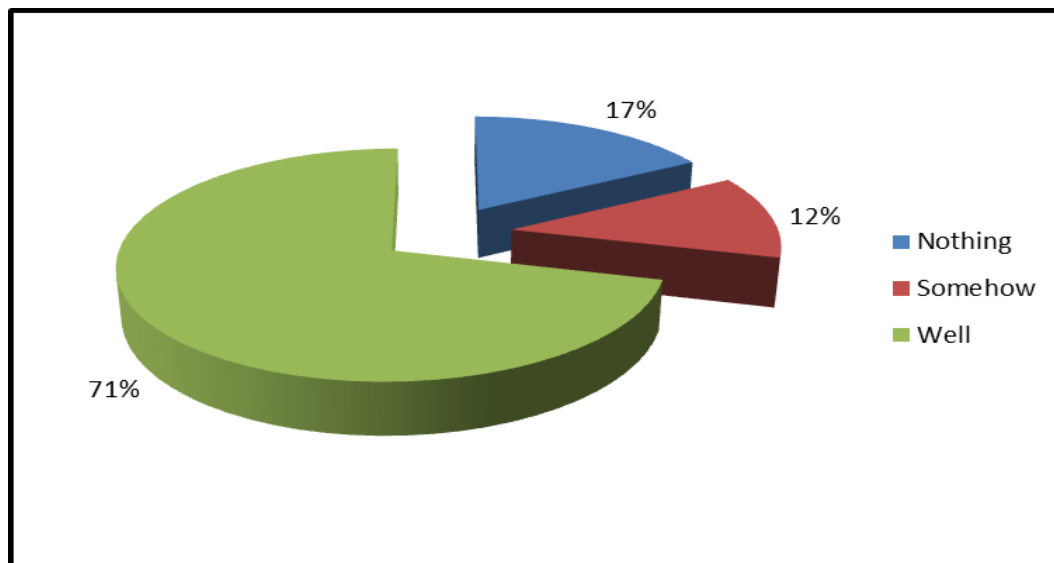
relation to satisfaction.

Table 4.4 Customer satisfaction opinions from the respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Nothing	6	17.1	17.1	17.1
Somehow	4	11.4	11.4	28.6
Well	25	71.4	71.4	100.0
Total	35	100.0	100.0	

Source: Field Data, (2013)

Figure 4.7: Customer satisfaction opinions



Source: Field Data, (2013)

The opinions from the different categories of the customers were obtained from three responses as shown in figure 4.7. About (12%) responses declared that for somehow there is satisfaction on company services provided to the customers.

Customers who argued that there was no satisfaction on those services propounded by the company increased compared to previous ones. This was represented by 17 percent responses of the accessed and consented respondents.

Moreover, the positive satisfaction from the respondents has been revealed for the data collected. These were computed by 71% of responses from the accessed customers. The results showed that there is clear relationship between customer satisfaction and organizational performance since in the year 2012 the turnover increased to 3000 crates of soda from 500 crates per day which was exactly influenced by customer satisfaction.

4.4 The Relationship between aspects of Transformational Leadership with Organizational Performance

Specific objective two aimed at examining the relationship between aspects of transformational leadership with organizational performance among employees in the soft drinks industry.

4.4.1 Motivational Status

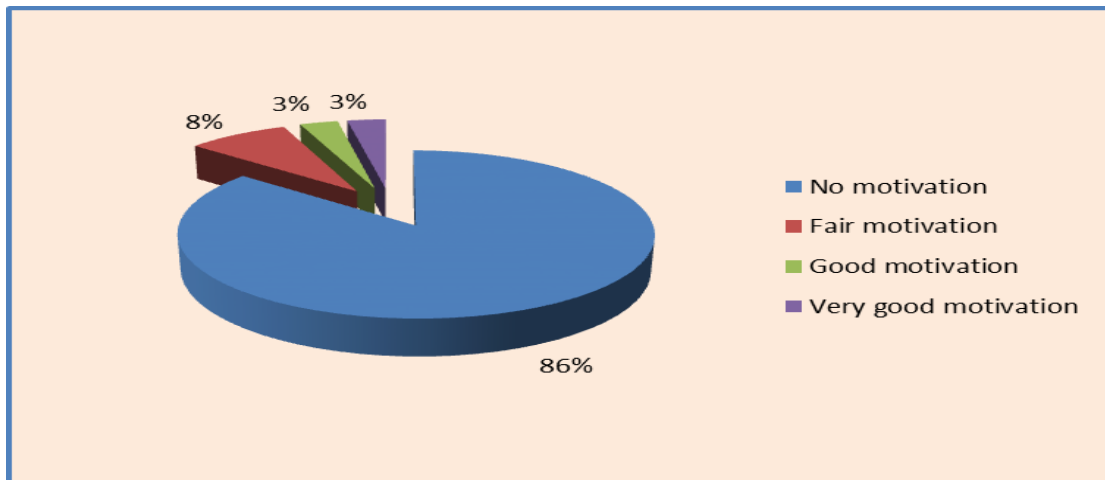
Transformational leadership style involves inspirational motivation in which whenever it is well fulfilled the goals of the company will be achieved. The company performance is one among the goals of any company; hence motivation takes an integral part to ensure that the performance is achieved. Figure 4.8 and Table 4.5 clearly indicates the results of motivation from the respondents.

Table 4.5 Motivational Status from the Respondents

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
No motivation	31	86.1	86.1	86.1
Fair motivation	3	8.3	8.3	94.4
Good motivation	1	2.8	2.8	97.2
Very good motivation	1	2.8	2.8	100.0
Total	36	100.0	100.0	

Source: Field Data, (2013)

Figure 4.1: Motivational Status from the Respondents



Source: Field Data, (2013)

Figure 4.8 and Table 4.5 show that eighty six per cent (86%) of the responses were negative ones whereby there was no motivation at all in the company. But there was an indication of fair motivation of eight per cent (8%). It was only about three percent (3%) of good motivation and very good motivation.

4.4.2 Job Training in the Working Areas

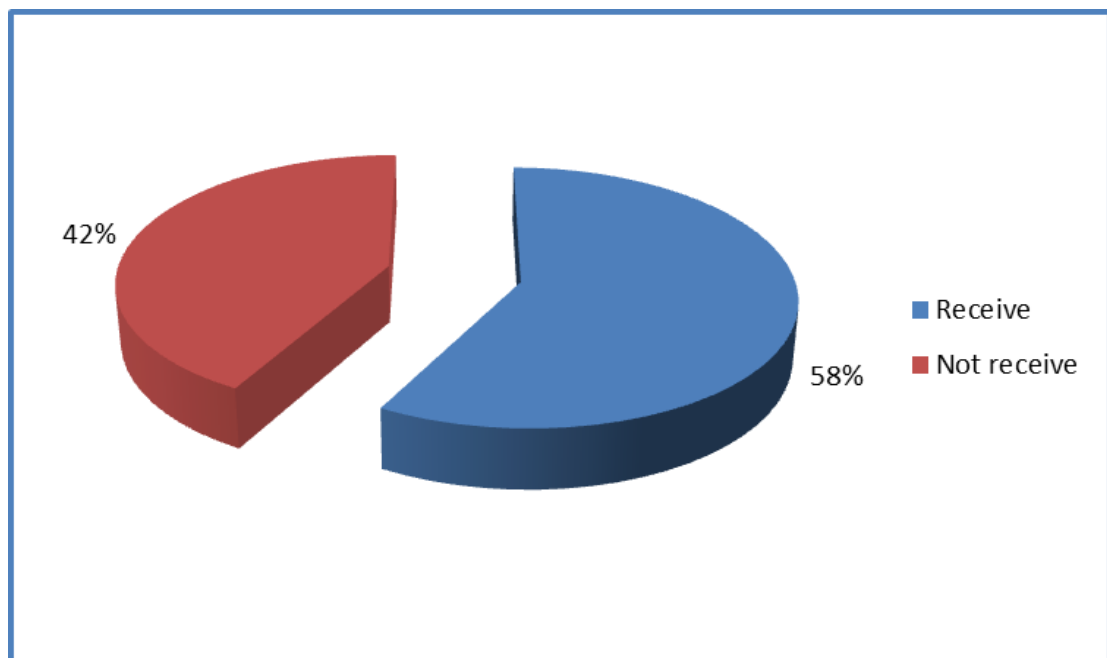
Individualized consideration as a part of transformational leadership style includes job training for the staff. It also contributes toward the company performance. Figure 4.9 and Table 4.6 highlight the responses of job training in ZBCL.

Table 4.6 Job training responses from the staff

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	21	58.3	58.3	58.3
No	15	41.7	41.7	100.0
Total	36	100.0	100.0	

Source: Field Data, (2013)

Figure 4.2: Job training responses from the staff



Source: Field Data, (2013)

Figure 4.9 indicates that fifty eight per cent (58%) of the staff receive job training in positions of the work, but forty two per cent (42%) of those staff do not receive any job training which will resist the performance of the company.

4.4.3 Corporate social responsibility

4.4.3.1 Opinions on the social services provided by the company to the society

Social services are included in individual consideration as the leaders consider each individual as having different needs; hence a society is one among the stakeholders of ZBCL with some needs from the organization. From the data collected from the respondents as indicated in table 4.7 below, about 75.8 per cent remembered the social services provided to the society, but almost 24 per cent of the respondents argued any social service has ever provided to the society.

Table 4.7: Opinions from the society on social services provided

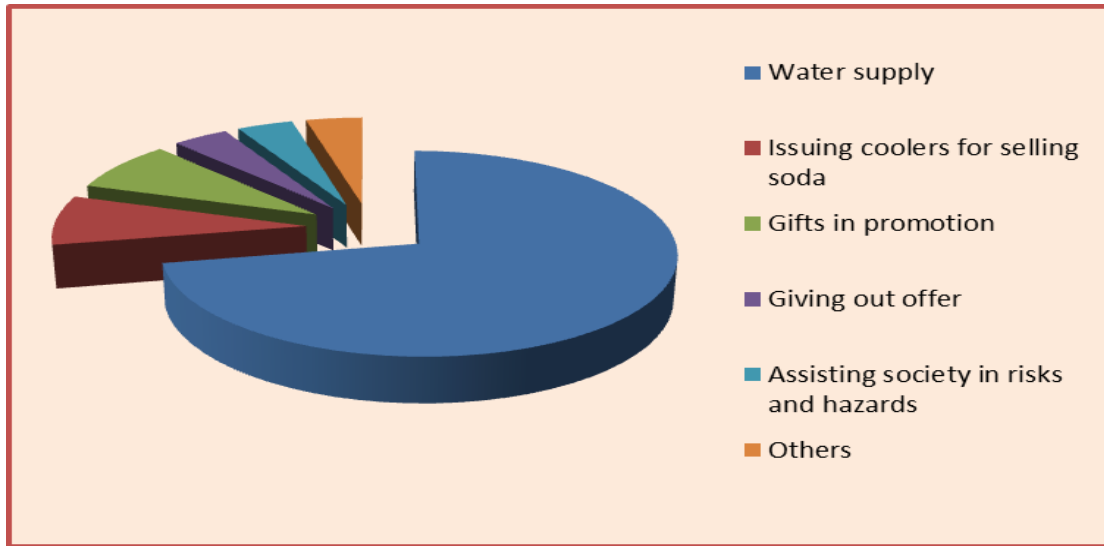
Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	25	75.8	75.8	75.8
No	8	24.2	24.2	100.0
Total	33	100.0	100.0	

Source: Field Data, (2013)

4.4.3.2 Types of social services provided to the society

There are number of social services provided to the society according to data collected from the interviewees. Figure 4.10 indicated the responses on the types of social services issued.

Figure 4.10: Responses on the types of social services provided



Source: Field Data, (2013)

The data in Figure 4.10 shows the types of social services as follows: water supply 12 percent which contributes a large part of social services provided. Issuing fridges for selling soda takes 8% of the responses. Likewise, Gifts in promotion contributes 8% of the entire mainstream of the responses. Also, giving out free offer, assisting society in risks and hazards together with other types of social services contributes each one about 4 per cent of responses.

4.5 Possible Leadership styles Solutions to increase the Performance of Soft Drinks Industry

Specific objective three aimed at identifying the possible solutions to increase the performance of soft drinks industry. In this objective the following variables were analyzed:-

4.5.1 Factors that obscure the organizational performance

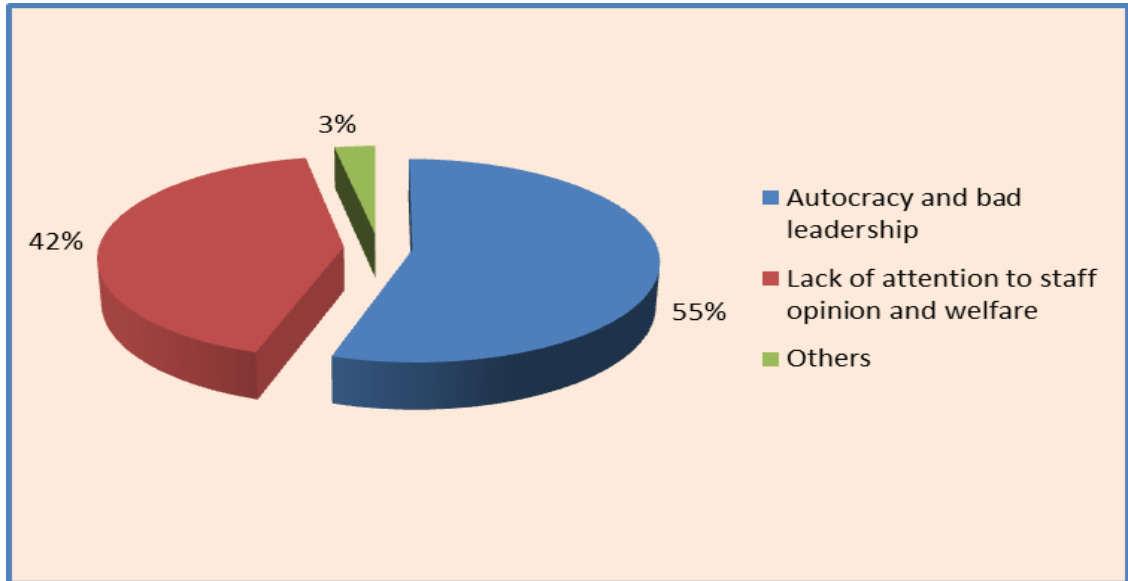
Failure of organization performance is influenced by various factors depending up on the nature of the particular organization. The data collected from the respondents as indicated in Figure 4.11 and Table 4.8 clearly shows the major factors that restrict the performance of the organization.

Table 4.8 Factors obscuring the organizational performance

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Autocracy and bad leadership	20	55.6	55.6	55.6
Lack of attention to staff opinion and welfare	15	41.7	41.7	97.2
Others	1	2.8	2.8	100.0
Total	36	100.0	100.0	

Source: Field Data, (2013)

Figure 4.11: Factors obscuring the organizational performance



Source: Field Data, (2013)

The collected data in Figure 4.11 shows the factors obscuring organizational performance as follows: Autocratic and bad leadership 55 percent. Lack of attention to staff opinion and welfare has been revealed to be another conflicting factor for the performance of the company from the respondents, and this was accounted by 42 percent responses. However, other factors form part of the factors for poor organizational performance in the company, and this was accounted by 3 percent of responses of company staff respondents.

4.5.2 Factors enhancing the organizational performance

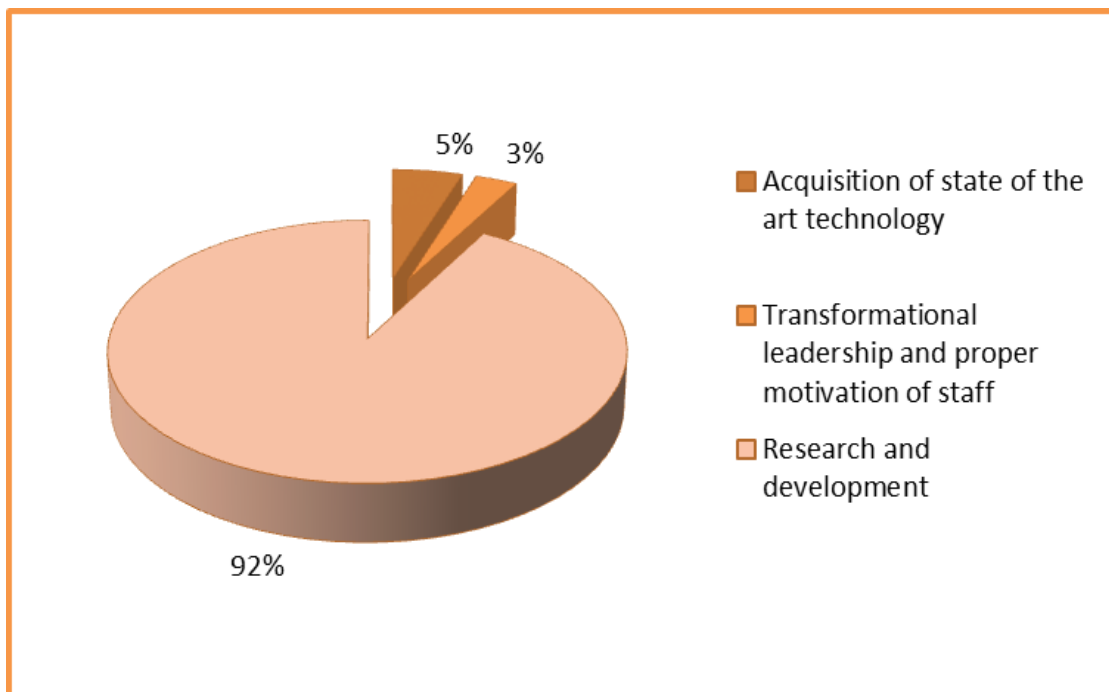
The reasons for organizational performance were obtained from the staff that had spent many years in serving the company. These reasons are the contributing factors for enhancing organizational performance as indicated in figure 4.12 and Table 4.9.

Table 4.9 Factors enhancing organizational performance

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Acquisition of state of the art technology	2	5.6	5.6	5.6
Transformational leadership and proper motivation of staff	1	2.8	2.8	8.3
Research and development	33	91.7	91.7	100.0
Total	36	100.0	100.0	

Source: Field Data, (2013)

Figure 4.12: Factors enhancing organizational performance



Source: Field Data, (2013)

The data in Figure 4.12 shows the factors enhancing organizational performance as

follows: Acquisition of state of the art technology 5 percent. Transformational leadership and proper motivation of staff have been revealed to be another driving force for the performance of the company from the experienced staff, and this was accounted by 3 percent responses. Moreover, research and development forms part of the factors for organizational performance in the company, and this was accounted by 92 percent of responses of company staff respondents.

4.6 The Pattern of Leadership and its Extent on Organizational Performance

Specific objective four aimed at determining the pattern of leadership and its extent on organizational performance in the soft drinks industry. There are various variables analyzed in this objective as shown below:-

4.6.1 Leadership Behaviors

The Multifactor Leadership Questionnaire provides an assessment of leadership based on nine leadership behaviors and three leadership outcomes. Through the components of transformational leadership, five leadership behaviors assess the leader's transformational dimensions and four leadership behaviors assess the leader's transactional dimensions. Transformational describes leadership behaviors that inspire, motivate, stimulate and are considerate of others' higher potential and Transactional describes leadership behaviors that predicts contingent rewards, management by exception passive and active together with the laissez faire. The Table 4.9 below indicates the responses from the leaders on leadership behavior.

Table 4.9 Responses on Leadership Behaviors

Responses	Frequency	Percent	Valid Percent	Cumulative Percent
Sometimes	6	40.0	50.0	50.0
Fairly often	2	13.3	16.7	66.7
Frequently if not always	4	26.7	33.3	100.0
Total	12	80.0	100.0	
	3	20.0		
Total	15	100.0		

Source: Field Data, (2013)

Table-1 in appendix shows the self-perception of managers and rater - perception on leadership styles and organizational performance. Based on rater – perception the mean and standard deviation values indicate that the managers are often using transformational leadership style. Further, the range of transformational leadership profile of managers were Idealized Influence - Behavior (2.81), Idealized Influence - Attributed (2.78), Inspirational Motivation (2.50), Intellectual Stimulation (2.44) and Individualized Consideration (2.36).

The mean value of overall transactional leadership behaviors of the managers based on rater - perception is 2.38 and standard deviation is 1.25. It shows that they are also using transactional style to some extent. The leaders are monitoring and controlling outcomes at the mean time they are given the chance to follower's independent growth. Further, transactional leadership describes Contingent Reward, Management- by- Exception (Active), Management- by- Exception (Passive) and Laissez-faire. The mean values of these dimensions are 2.69, 2.53, 2.31and 2.00 respectively.

4.6.2 Linkage of Leadership Behavior and Organizational Performance

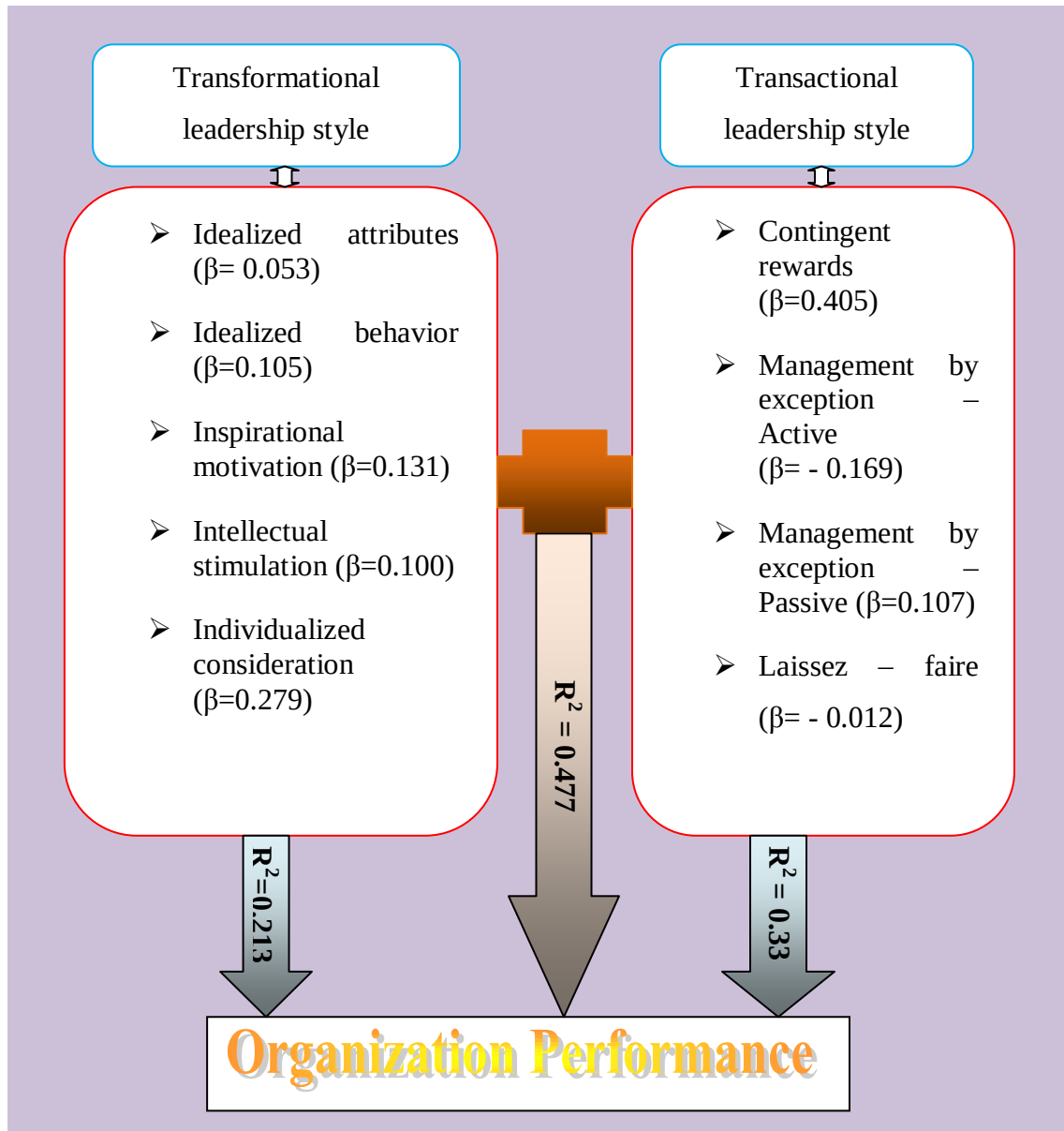
In order to identify the predictors of organizational performance, multiple regressions are employed. The result is explained by the figure 4.13 and Table 4.10. It is observed that organizational performance is influenced by the transformational and transactional behavior about 47.7 percent. Transformational leadership behavior is influenced to the organizational performance at 21.3 percent. Transactional leadership behavior is influenced to the organizational performance at 33.0 percent level.

Table 4.10 Leadership styles and organizational performance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	2	4.4	5.6	5.6
	Once in a while	2	4.4	5.6	11.1
	Sometimes	10	22.2	27.8	38.9
	Fairly often	10	22.2	27.8	66.7
	Frequently if not always	12	26.7	33.3	100.0
	Total	36	80.0	100.0	
Missing	System	9	20.0		
Total		45	100.0		

Source: Primary data collected through questionnaire, (2013)

Figure 4.13: Leadership styles and organizational performance



Source: Field Data, (2013).

4.6.3 Organizational turnover and profitability status

The results of this study showed that there were changes of leadership for different periods of time in the history of ZBCL. Before a company being privatized, it was owned by the government in 1977 whereby it was not performed well in terms of its profit and turnover. During 1994 the company privatized and operated under the Enk-Bottlers. In 1999 an expert from Holland came and changed the structure of the management from pyramid management to flat management whereby in every country there is country manager and his supportive staff. During 2001 again the management changed whereby it is in this year the company enjoyed a profit, this line provides a picture that the changes of management may result a good return in the organization if the previous management performed inefficiently. In 2012 the management was restructured which resulted to higher turnover compare to last years. It was almost 3000 crates of soda sold per day compared to previous years whereby 500 crates were being sold per day.

4.6.4 Organizational reputation

Interms of organizational reputation, Zanzibar Bottlers Company Limited got a lot of awards in relation to its performance towards the development of the company. Up to the year 2007 ZBCL enjoyed much of reputation in the quality and production in general. It got Production Basics Award in the year 2001 and 2002, Quality Achievement Award for the year 2001, 2002, 2003, 2004, 2005 and 2006 and President's Quality Award for the year 1996, 1998, 1999 and 2000. But for the period in which the researcher based on this report as mentioned in the scope of the study, it is only three years (that is; 2005, 2006 and 2007) ZBCL got praises on its operation, this shows that currently its reputation is not good.

CHAPTER FIVE

DISCUSSION OF RESEARCH FINDINGS

5.1 Introduction

This chapter covers a discussion of research findings. The discussion is based on the relationship between transactional leadership dimensions and organizational performance, the pattern of leadership styles and its extent on the performance of soft industry, the relationship between transformational leadership dimensions and organizational performance among employees of soft drinks industry, the possible solutions to improve soft drinks industry performance under study.

5.2 Relationship between transactional leadership and organizational performance

The study showed a significant relationship between transactional leadership style and organizational performance. The coefficient of determination ($R^2 = 0.33$) as indicated in figure 4.1 predicts the effect of transactional leadership on the performance. Transactional leadership style bears more relevance in explaining performance in soft drink industry than transformational leadership style. The square root of this coefficient ($R = 0.574456$) indicates differing degrees of positive correlation between performance and transactional leadership style.

That is, in the studied soft drink industry, performance is more positively correlated with transactional leadership style than transformational leadership style. The Pearson correlation coefficient value relative to the examined relationships amongst the four variables of transactional leadership was found to be 0.0712 as indicated in Table 2, which can be termed as a fair positive correlation. As a significant positive relationship exists, therefore, there is a support for the first hypothesis. There are four components of transactional leadership style which are contingent reward, MBEA, MBEP and laissez-faire. Between of these four components, contingent rewards has a significant

positive relationship (0.451) compared to others as indicated in Table 2. This portrays that the leaders clarify expectations and offer recognition when goals are achieved resulting in individuals and groups achieving expected levels of performance. These findings are consistent with the other researchers (Obiwiru, et al, 2011, Amirul, 2012, and Khan, et al, 2012)

5.3 Relationship between transformational and organizational performance

The Pearson correlation coefficient value for the five variables of transformational leadership was found to be 0.1166, which can be termed as a fair positive correlation.

The study indicated a significant relationship between transformational leadership style and organizational performance. The coefficient of determination ($R^2 = 0.213$) as indicated in figure 4.1 forecasts the effect of transformational leadership on the organizational performance. Based on the coefficient of determination transformational leadership style bears less relevance in explaining performance in soft drink industry than transactional leadership style.

The square root of this coefficient ($R = 0.46152$) indicates differing degrees of positive correlation between performance and transformational leadership style. As a significant positive relationship exists, therefore, there is a support for the third hypothesis. There are five components of transactional leadership style which are idealized influence – attributes, idealized influence – behavior, inspirational motivation, intellectual stimulation and individual consideration.

Among these five components, inspirational motivation has a strong significant positive relationship (0.185) compared to others as indicated in Table 2. This shows that the leaders behave in ways that motivate those around them by providing meaning and

challenge to their followers' work. Individual and team spirit is aroused. Enthusiasm and optimism are displayed. These findings are consistent with the other researchers (Obiwiru, et al, 2011, Amirul, 2012, Rukmani, 2010 and Khan, et al, 2012).

5.4 The pattern of leadership styles and its extent on the performance

The overall statistical findings show a clear picture of the relationship and impact of Leadership styles on organization performance. Overall results show that both transformational and transactional leadership have positive relationship with the organizational performance. The result of the multiple regressions for both leadership styles showed 47.7% as indicated in figure 4.1.

This means that the leadership pattern and its extent in soft drink industry significantly affect the overall performance of the business. It shows that good leadership in all its ramifications leads to high organizational performance.

In considering the extent to which an organizational performance influenced by leadership styles, the result shows that there is no great relationship among them because the effect of relationship could not achieve even 50% of the entire correlation, but since it is a positive relationship, then it is enough to conclude that both leadership styles affect the overall performance of soft drink industry.

5.5 The possible leadership styles solutions to improve organizational performance

- An organization should make sure that it conducts a research and development on its products features to the entire society so as to identify the needs of the customers. The results found in this study showed that about 92% of the respondents claimed research and development will enhance the organization performance. This seemed

that participative leadership style would have been used to serve the opinions of the staff.

- Employees are the most important asset in an organization. Therefore, organizations need to have capable leaders to lead and motivate their employees in their daily operation and achieve the organizational goals. Although in this study the results indicated application of contingent rewards based on transactional leadership in the organization, the contribution of contingent rewards still is seemed to be narrower ones since its effect on performance is only about 0.451 as indicated in Table 2. Transactional leadership style would have been ideal if it is adopted in ZBCL.
- Also an organization should consider undesirable factors which restrict the organization performance in order to avoid them. Autocratic and bad leadership obscures the performance of organization, it is about 55% of respondents concluded that this factor is an enemy for the organization performance. A part from that, lack of attention to staff opinions and welfare is predicted to affect the performance which makes the organization to put in to account, 42% of responses from the respondents indicated the extent of its effect to the overall performance. Hence according to the findings transactional leadership style would have been solution to be followed in ZBCL.
- Motivation is one of the key factors influencing the welfare of the staff, hence any organization should be aware on this issue; but this is a big problem in the particular organization in which this study conducted. It is about 86% of the responses from the particular group of the respondents confirmed on the lack of motivation in the organization which actually affects the organization performance. *One of the respondent quoted saying that, “since I employed in this organization, there is no*

motivation I received.” This would be mean if Transactional leadership style were applied in ZBCL.

- In general an organization should emphasize on the conducive working environment, it happened that about 92% of respondents discredited the entire working environment of the particular organization. When the working environment become attractive to the workers, they will increase their efforts to their jobs resulting the overall performance of the organization. According to the findings transactional leadership style is a better solution in ZBCL.

CHAPTERS SIX

CONCLUSION AND RECOMMENDATIONS

6.1 Conclusion

The study was directed to examine the effect of leadership styles on the performance of soft drink industry at Zanzibar Bottlers Company limited. The analysis showed a significant relationship between transactional leadership style and organizational performance.

Transactional leadership style contains four dimensions, among these, contingent rewards has a strong significant positive relationship on the performance compared to MBEA, MBEP and Laissez -faire. On the other hand, transformational leadership style bears less relevance in explaining performance in soft drink industry than transactional leadership style. But, both leadership styles are needed.

Transactional leadership behavior is needed for effective organization management, identifying performance, standards and classification of job expectation. Transformational behavior provides a vision, motivates and inspires their followers during this era of environmental and professional change.

The study concluded that transactional leadership style is more appropriate in inducing performance in soft drink industries than transformational leadership style.

6.2 Recommendations

- ❖ The study recommends that ZBCL should adopt full transactional leadership style rather than to emphasize much on contingent rewards and strategize to transit to transformational leadership style as their company develops, grows and matures.
- ❖ In achieving the organizational goals, it would be necessary for ZBCL to focus on the level of motivation of employees by employers to improve their life styles. It will also be of interest to study how and determine the extent to which high performance variables promotes maximization of objectives in ZBCL as well as how high performance of soft drink industry contributes to the national economy as a whole.
- ❖ Focusing into the future of ZBCL in soft drink industry, it is important to aspire for leaders who are ready to accommodate and respect their subordinates. The leaders of tomorrow in this area of study need to compensate all staff according to their contributions to the organization, since it is seemed no motivation gained in relation to efforts and contributions of the employees to the organization. The readiness to motivate and provide adequate training as well as freedom to use individual discretion at some specific levels by employees will further enhance leaders' role in soft drink industry in this area and contributing to the performance of the entire organization.
- ❖ Though, there is a high degree of satisfaction for the customers of ZBCL, still the company suffer on the profitability, this is mostly due to aggressive competition of substitutes soft drinks in Zanzibar including water, juices and soda produced by Bakharesa group of companies, Zainab bottlers Company limited and Drop of Zanzibar. Hence, ZBCL should reduce its cost of production and produce portable products for winning a competitive advantage and satisfying so much their customers.

- ❖ It is almost six years; ZBCL could not receive any awards from neither international awarding institutions nor local institutions due to services offered. This shows to high extent reduced the organizational reputation. There is a need to ensure that a company producing its products in quality in order to return back to its original reputation position.

6.3 Limitation of the study

Apart from the limitations seen under delimitation of the study above, the researcher faced other difficulties in accessing respondents to secure information from the respondents since when the researcher arrived at study area- ZBCL office, staff and other officers were busy with their daily exercises and also were obliged to provide reports to head office in Dar es salam.

Also delay of information because of filling questionnaires, some respondents accepted to do the work but requested to fill it later prior to the appointment which was not fulfilled, others lost the questionnaires. However, the effects were partly solved by effective communication between the researcher and the respondents as well as the efforts taken by the researcher to make follow up.

In addition to that, the time allocation to carry out this study was inadequate for assigning larger sample and engages every aspect related to the soft drinks company. As a strategy to overcome this limitation, the study narrowed it down into 150 respondents and keep questions in feasible limits.

Not only that but also, some information could not obtained whereby multiple sources of data collection techniques were adopted in advance so as to curb unavailability of data.

6.4 Areas for further research

In Future, the research will be conducted on the full range of leadership styles rather than considering only two leadership styles namely transactional and transformational on the performance of both financial and non-financial issues. This study was also conducted in soft drink industry as the private sector. Future studies should attempt to cover more on other areas of public sectors.

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APPENDECIES

Appendix. 1: Covering letter

Mzumbe University

Morogoro - Tanzania

Dear sir/madam,

I am a Master's degree student of the above named university involved in a research work on the effects of leadership styles to the performance of soft drinks industry in Zanzibar Bottlers Company Limited.

The questionnaire is strictly to provide vital information regarding this research work. I assure full confidentiality of all information given.

Yours Sincerely,

Khamis Mb. Khamis.

Appendix 2: MLQ Leader Questionnaire and Answer sheet

Multifactor Leadership Questionnaire

Leader Booklet (MLQM)

by Bernard M. Bass and Bruce J. Avolio

DIRECTIONS: This questionnaire is designed to help you describe your leadership style as you perceive it. Please answer all items on the separate Leader Answer sheet. Be sure the answer sheet has your name on it. Judge how frequently each statement fits you. The word "others" may mean your peers, clients, direct reports, supervisors, and/or all of these individuals. If an item is irrelevant, or if you are unsure or do not know the answer, leave the answer blank.

Use the following rating scale:

0	1	2	3	4
Not at all	Once in a while	Sometimes	Fairly often	Frequently if not always

1. I provide others with assistance in exchange for their efforts
2. I re-examine critical assumptions to question whether they are appropriate
3. I fail to interfere until problems become serious
4. I focus attention on irregularities, mistakes, exceptions, and deviations from standards
5. I avoid getting involved when important issues arise
6. I talk about my most important values and beliefs
7. I am absent when needed
8. I seek differing perspectives when solving problems
9. I talk optimistically about the future
10. I instill pride in others for being associated with me
11. I discuss in specific terms who is responsible for achieving performance targets
12. I wait for things to go wrong before taking action
13. I talk enthusiastically about what needs to be accomplished
14. I specify the importance of having a strong sense of purpose
15. I spend time teaching and coaching

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Contin-

0	1	2	3	4
Not at all	Once in a while	Sometimes	Fairly often	Frequently if not always

16. I make clear what one can expect to receive when performance goals are achieved
17. I show that I am a firm believer in 'If it ain't broke, don't fix it.'
18. I go beyond self-interest for the good of the group
19. I treat others as individuals rather than just as a member of a group
20. I demonstrate that problems must become chronic before I take action
21. I act in ways that build others' respect for me
22. I concentrate my full attention on dealing with mistakes, complaints, and failures
23. I consider the moral and ethical consequences of decisions
24. I keep track of all mistakes
25. I display a sense of power and confidence
26. I articulate a compelling vision of the future
27. I direct my attention toward failures to meet standards
28. I avoid making decisions
29. I consider an individual as having different needs, abilities, and aspirations from others
30. I get others to look at problems from many different angles
31. I help others to develop their strengths
32. I suggest new ways of looking at how to complete assignments
33. I delay responding to urgent questions
34. I emphasize the importance of having a collective sense of mission
35. I express satisfaction when others meet expectations
36. I express confidence that goals will be achieved
37. I am effective in meeting others' job-related needs
38. I use methods of leadership that are satisfying
39. I get others to do more than they expected to do
40. I am effective in representing others to higher authority
41. I work with others in a satisfactory way
42. I heighten others' desire to succeed
43. I am effective in meeting organizational requirements
44. I increase others' willingness to try harder
45. I lead a group that is effective

When you are finished please place your Answer Sheet in an envelope large enough - DO NOT FOLD - and send to the address below.

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MULTIFACTOR LEADERSHIP QUESTIONNAIRE

Leader Answer Sheet (MLQM)

by Bernard M. Bass and Bruce J. Avolio

Leader Name

Leader# #Raters

Leader Name:

Organization:

Business Unit:

Region:

Level of Leadership:

LEADER

• Please mark the number of rater forms you have distributed. If you are distributing less than ten forms mark zero in the first box; e.g., for six forms mark **06** and fill in the corresponding circles.

1	☐	☐
2	☐	☐
3	☐	☐
4	☐	☐
5	☐	☐
6	☐	☐
7	☐	☐
8	☐	☐
9	☐	☐
0	☐	☐

IMPORTANT: This answer sheet must be completed & placed in envelope for Scoring by:

DIRECTIONS: First mark the number of rater forms you have distributed in the box provided. Then use this answer sheet to respond to the questions in the MLQ Leader Booklet. Be sure the Leader Booklet has your name on it. This survey is designed to describe your leadership style as you perceive it. Please answer all the items in the question booklet. If an item is irrelevant, or if you are unsure or do not know the answer, leave the answer blank. Forty-five descriptive statements are listed in the MLQ Leader Booklet. Judge how frequently each statement fits you. Use the rating scale shown below:

Proper Mark: ☐ ☐ ☒ ☐

Improper Marks: ☒ ☒ ☒ ☒

0 Not at all	1 Once in a while	2 Sometimes	3 Fairly often	4 Frequently if not always
0 1 2 3 4	0 1 2 3 4	0 1 2 3 4		
1. ☐ ☐ ☐ ☐ ☐	16. ☐ ☐ ☐ ☐ ☐	31. ☐ ☐ ☐ ☐ ☐		
2. ☐ ☐ ☐ ☐ ☐	17. ☐ ☐ ☐ ☐ ☐	32. ☐ ☐ ☐ ☐ ☐		
3. ☐ ☐ ☐ ☐ ☐	18. ☐ ☐ ☐ ☐ ☐	33. ☐ ☐ ☐ ☐ ☐		
4. ☐ ☐ ☐ ☐ ☐	19. ☐ ☐ ☐ ☐ ☐	34. ☐ ☐ ☐ ☐ ☐		
5. ☐ ☐ ☐ ☐ ☐	20. ☐ ☐ ☐ ☐ ☐	35. ☐ ☐ ☐ ☐ ☐		
6. ☐ ☐ ☐ ☐ ☐	21. ☐ ☐ ☐ ☐ ☐	36. ☐ ☐ ☐ ☐ ☐		
7. ☐ ☐ ☐ ☐ ☐	22. ☐ ☐ ☐ ☐ ☐	37. ☐ ☐ ☐ ☐ ☐		
8. ☐ ☐ ☐ ☐ ☐	23. ☐ ☐ ☐ ☐ ☐	38. ☐ ☐ ☐ ☐ ☐		
9. ☐ ☐ ☐ ☐ ☐	24. ☐ ☐ ☐ ☐ ☐	39. ☐ ☐ ☐ ☐ ☐		
10. ☐ ☐ ☐ ☐ ☐	25. ☐ ☐ ☐ ☐ ☐	40. ☐ ☐ ☐ ☐ ☐		
11. ☐ ☐ ☐ ☐ ☐	26. ☐ ☐ ☐ ☐ ☐	41. ☐ ☐ ☐ ☐ ☐		
12. ☐ ☐ ☐ ☐ ☐	27. ☐ ☐ ☐ ☐ ☐	42. ☐ ☐ ☐ ☐ ☐		
13. ☐ ☐ ☐ ☐ ☐	28. ☐ ☐ ☐ ☐ ☐	43. ☐ ☐ ☐ ☐ ☐		
14. ☐ ☐ ☐ ☐ ☐	29. ☐ ☐ ☐ ☐ ☐	44. ☐ ☐ ☐ ☐ ☐		
15. ☐ ☐ ☐ ☐ ☐	30. ☐ ☐ ☐ ☐ ☐	45. ☐ ☐ ☐ ☐ ☐		

Please retain a copy of this form and the question booklet. Be sure to include your phone number in case there are any queries. If you have any questions, please contact: The Scoring Department, Productivity Development (Pty) Ltd., P.O. Box 756, Randburg 2125, Tel: 787-3349, Fax: 789-4628



Appendix 3: MLQ Rater Questionnaire and Answer sheet

Multifactor Leadership Questionnaire

Rater Booklet (MLQM)

by Bernard M. Bass and Bruce J. Avolio

Rater No.

DIRECTIONS: This questionnaire is to describe the leadership style of the person named on the answer sheet. Describe the leadership style as you perceive it. Please answer all items on this answer sheet. If an item is irrelevant, or if you are unsure or do not know the answer, leave the answer blank. Please answer this questionnaire anonymously.

Forty-five descriptive statements are listed on the following pages. Judge how frequently each statement fits the person you are describing.

Use the following rating scale:

0	1	2	3	4
Not at all	Once in a while	Sometimes	Fairly often	Frequently if not always

THE PERSON I AM RATING...

1. Provides me with assistance in exchange for my efforts
2. Re-examines critical assumptions to question whether they are appropriate
3. Fails to interfere until problems become serious
4. Focuses attention on irregularities, mistakes, exceptions, and deviations from standards
5. Avoids getting involved when important issues arise
6. Talks about their most important values and beliefs
7. Is absent when needed
8. Seeks differing perspectives when solving problems
9. Talks optimistically about the future
10. Instills pride in me for being associated with him/her
11. Discusses in specific terms who is responsible for achieving performance targets
12. Waits for things to go wrong before taking action
13. Talks enthusiastically about what needs to be accomplished
14. Specifies the importance of having a strong sense of purpose
15. Spends time teaching and coaching

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Continued =>

0	1	2	3	4
Not at all	Once in a while	Sometimes	Fairly often	Frequently if not always

THE PERSON I AM RATING...

16. Makes clear what one can expect to receive when performance goals are achieved
17. Shows that he/she is a firm believer in "if it ain't broke, don't fix it."
18. Goes beyond self-interest for the good of the group
19. Treats me as an individual rather than just as a member of a group
20. Demonstrates that problems must become chronic before taking action
21. Acts in ways that builds my respect
22. Concentrates his/her full attention on dealing with mistakes, complaints, and failures
23. Considers the moral and ethical consequences of decisions
24. Keeps track of all mistakes
25. Displays a sense of power and confidence
26. Articulates a compelling vision of the future
27. Directs my attention toward failures to meet standards
28. Avoids making decisions
29. Considers me as having different needs, abilities, and aspirations from others
30. Gets me to look at problems from many different angles
31. Helps me to develop my strengths
32. Suggests new ways of looking at how to complete assignments
33. Delays responding to urgent questions
34. Emphasizes the importance of having a collective sense of mission
35. Expresses satisfaction when I meet expectations
36. Expresses confidence that goals will be achieved
37. Is effective in meeting my job-related needs
38. Uses methods of leadership that are satisfying
39. Gets me to do more than I expected to do
40. Is effective in representing me to higher authority
41. Works with me in a satisfactory way
42. Heightens my desire to succeed
43. Is effective in meeting organizational requirements
44. Increases my willingness to try harder
45. Leads a group that is effective

When you are finished please place your Answer Sheet in an envelope large enough - DO NOT FOLD - and send to the address below.

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MULTIFACTOR LEADERSHIP QUESTIONNAIRE

Answer Sheet (MLQM)

by Bernard M. Bass and Bruce J. Avolio

Leader Name (Person You Are Rating)

Leader# Rater#

Leader Name:

Business Unit:

Region:

RATER

IMPORTANT (necessary for processing):
Which best describes you?

- ☐ I am at a higher organizational level than the person I am rating
- ☐ The person I am rating is at my organizational level
- ☐ I am at a lower organizational level than the person I am rating
- ☐ I do not wish my organizational level to be known

IMPORTANT: This answer sheet must be completed & placed in envelope for Scoring by:

DIRECTIONS: First mark your organizational level in the box provided. Then use this answer sheet to respond to the questions in the MLQ Rater Booklet. Please answer every item. If an item is irrelevant, or if you are unsure or do not know the answer, leave the answer blank. Please answer this questionnaire anonymously. This survey is designed to describe the leadership style of the above-mentioned individual as you perceive it. Forty-five descriptive statements are listed in the MLQ Rater Booklet. Judge how frequently each statement fits the person you are describing. Use the rating scale shown below:

Proper Mark: ○ ○ ● ○

Improper Marks:

0 Not at all	1 Once in a while	2 Sometimes	3 Fairly often	4 Frequently if not always
0 1 2 3 4	0 1 2 3 4	0 1 2 3 4		
1. ○ ○ ○ ○ ○	16. ○ ○ ○ ○ ○	31. ○ ○ ○ ○ ○		
2. ○ ○ ○ ○ ○	17. ○ ○ ○ ○ ○	32. ○ ○ ○ ○ ○		
3. ○ ○ ○ ○ ○	18. ○ ○ ○ ○ ○	33. ○ ○ ○ ○ ○		
4. ○ ○ ○ ○ ○	19. ○ ○ ○ ○ ○	34. ○ ○ ○ ○ ○		
5. ○ ○ ○ ○ ○	20. ○ ○ ○ ○ ○	35. ○ ○ ○ ○ ○		
6. ○ ○ ○ ○ ○	21. ○ ○ ○ ○ ○	36. ○ ○ ○ ○ ○		
7. ○ ○ ○ ○ ○	22. ○ ○ ○ ○ ○	37. ○ ○ ○ ○ ○		
8. ○ ○ ○ ○ ○	23. ○ ○ ○ ○ ○	38. ○ ○ ○ ○ ○		
9. ○ ○ ○ ○ ○	24. ○ ○ ○ ○ ○	39. ○ ○ ○ ○ ○		
10. ○ ○ ○ ○ ○	25. ○ ○ ○ ○ ○	40. ○ ○ ○ ○ ○		
11. ○ ○ ○ ○ ○	26. ○ ○ ○ ○ ○	41. ○ ○ ○ ○ ○		
12. ○ ○ ○ ○ ○	27. ○ ○ ○ ○ ○	42. ○ ○ ○ ○ ○		
13. ○ ○ ○ ○ ○	28. ○ ○ ○ ○ ○	43. ○ ○ ○ ○ ○		
14. ○ ○ ○ ○ ○	29. ○ ○ ○ ○ ○	44. ○ ○ ○ ○ ○		
15. ○ ○ ○ ○ ○	30. ○ ○ ○ ○ ○	45. ○ ○ ○ ○ ○		

Please retain a copy of this form and the question booklet. Be sure to include your phone number in case there are any queries. If you have any questions, please contact: The Scoring Department, Productivity Development (Pty) Ltd., P.O. Box 756, Randburg 2125, Tel: 787-3349, Fax: 789-4628



Appendix 4: Organizational Performance

Please Mark (x) in the boxes as appropriate unless otherwise indicated.

1. Sex: Male () Female ()

2. Age group: 18 – 29 (), 30 – 40 (), 41 – 50 (), 51 – 60 (), 61 – 70 ()

3. Level of Education: Primary School (), Secondary School (),

Bachelors () Others, Specify

4. How long have you been with the company?

Under 1 year (), 1- 3 years () 4-5 years () above 5 years ()

5. What Post do you hold now in the company?.....

6. Is the managing director the owner of the company?

Yes () No ()

8. Do all sectional heads report to the managing Director?

Yes () No ()

9. How do heads of sections run their Sections?

Freely () With M/D's intervention ()

10. Is the working environment Conducive for you?

Rank the rate of conducive working environment using a scale of 0 – 4 (with 0 being poor working environment)

11. Are you satisfied with your Present Salary level?

Yes () No ()

12. Were you recently promoted?

Yes () No ()

13. What decides who is to be promoted?

- i. Year of Service ()
- ii. Input to the Company ()
- iii. Favoritism ()
- iv. Managing Director's Discretion ()
- v. Other:

14. Are you motivated in the company?

Rank your level of motivation using a scale of 0 – 4 (with 0 being no motivation)

15. Do you receive job training in the organization?

Yes () No ()

If yes, specify the kind of training you received.....

16. Do managers delegate duties to subordinates?

Yes () No ()

17. If Yes, is responsibilities backed up by adequate authority?

Yes () No ()

18. How can you describe the performance of the company so far?

Rank the level of performance using a scale of 0 – 4 (with 0 worst performance)

19. What do you think may be responsible for this level of performance indicated in question 17?

.....

.....

.....

.....

.....

20. From the experience with the company, what type of the leadership style used in this company?

.....

21. Do you think workers are motivated in response to their efforts and contributions?

If yes, rank the level of motivation using a scale of 0 – 5.

22. Are there any form(s) of performance measurement existing in your company?

Yes () No ()

23. If yes, give examples

.....

.....

.....

24 What factor(s) will enhance Organizational performance in your company?

Rank the following in order of importance (0 – 5)

- a) Recruitment of well educated / experienced Managers and leaders ()
- b) Acquisition of State of the art technology ()
- c) Transformational Leadership and proper Motivation of staff ()
- d) Research and development ()
- e) Free Flow of information and personal recognition ()

25. What factor(s) could counter high organizational performance?

Rank the following in order of importance (0 – 5)

- a) Lack of good equipment ()
- b) Insufficient Staff and fund ()
- c) Autocracy and bad leadership ()
- d) Lack of attention to staff opinion and welfare ()
- e) Others ()

Appendix 5: Interview Guide

Customer:

1. What is your name?
2. How long have you been served by the company?
3. Do you think a company produces a quality product or not?
4. Are you satisfied with the company's services?
5. How do you feel when using a company product?
6. How many times have you ever bought the company products?

General public

1. What is your name?
2. Do you remember any social service provided by the company to the society?

Yes () No ()

If Yes, specify the service.....

If Yes, do you think the service provided is preferable to society?

3. What service attracted you from the company?
4. What people's perception on company operations?
5. Do you think an existence of this company is benefit to you and society?

Appendix 6: Key variables and operational definitions

Variable	Operational definition	Measurement
Idealized influence	MLQ	Whether the staff is aware with the existence of vision and goals of the company. Whether management level communicate with their staff regarding the importance of accomplishing the required organizational goals. Extent to which methods and how many times the management level has discussed regarding the teaching and coaching the vision and goals of organization.
Inspirational motivation	MLQ	Whether the staff is well motivated. To what extent the staff is motivated. By regarding the motivation to what extent the performance is achieved.
Intellectual stimulation	MLQ	Whether the staff is given an opportunity to use their ideas in creativity and innovation for the performance benefit of an organization. To what extent innovation and creativity occurred in an organization. How much time management level stimulates the followers for creativity and innovation.
Individualized consideration	MLQ	Whether there is any management level consideration to the individual staff needs. Extent to which individual consideration has been taken place in ZBCL.

Variable	Operational definition	Measurement
Contingency rewards	MQL	Whether there is system of rewarding staff in ZBCL. Extent to how many staff are rewarded in ZBCL.
Management by exception	MQL	Whether actions taken before or after mistakes happened. To what extent the actions are taken to solve the mistakes.
Profitability and turnover	Performance measures	To check whether the profit and turnover are increased or not. To check whether the performance on profit and turnover is achieved.
Employee morale	Whether	Whether the employee morale exists in ZBCL. Extent to which employee morale could be achieved.

Variable	Operational definition	Measurement
Conducive working environment	Whether	Whether the staff is happy with working environment. To what extent working environment has been improved.
Organizational reputation	Whether	Whether the reputation of ZBCL seen in the eyes of the customers and general public. Extent of ZBCL reputation in the marketing perspective.
Organizational attraction to professionals	Whether	Whether the professionals from different disciplines are attracted with ZCBL. Proportion of professionals employed/hired in ZBCL.
Corporate social responsibility	Whether	Whether the ZBCL has any CSR policy Extent of CSR implemented by ZBCL.

Variable	Operational definition	Measurement
Customer satisfaction	Whether	To what extent the customers are satisfied through ZBCL services. Whether the customers are well satisfied or not.

Source: Created by author of this study, 2012.

Appendix 7: Quantitative analysis

Table 1: Descriptive statistics

Leadership behavior	LEADERS		RATERS	
	Mean	SD	Mean	SD
Idealized Influence – attributes	2.8333	0.9374	2.7778	1.0552
Idealized influence – behavior	2.6667	1.2309	2.8056	1.0370
Inspirational Motivation	2.9167	0.9003	2.5000	1.1140
Intellectual Stimulation	3.2500	0.8660	2.4444	1.1720
Individual Consideration	3.0000	0.6216	2.3611	1.4200
Contingent Rewards	3.3333	0.6513	2.6944	1.1228
MBE – Active	1.7500	1.5448	2.5278	1.1365
MBE – Passive	1.7500	1.6036	2.3056	1.3496

Leadership behavior	LEADERS		RATERS	
	Mean	SD	Mean	SD
Laissez – faire	1.0833	1.3790	2.0000	1.3780
Extra effort	2.7778	1.2790	2.1481	0.9999
Effectiveness	2.9167	0.6830	2.3889	1.1970
Satisfaction	3.3333	0.7887	2.7222	1.1972

Source: Analyzed from SSPS (2013)

Table 2: Correlation analysis

Leadership Behavior				
	Effectiveness	Extra effort	Satisfaction	Average
Idealized Attributes	0.022	0.081	0.159	0.087
Idealized behavior	0.215	0.001	0.247	0.154
Inspirational Motivation	0.186	0.226	0.143	0.185
Intellectual Stimulation	-0.099	0.31	-0.037	0.058
Individual Consideration	-0.49	0.42	0.366	0.099
Average				0.1166
Contingent Rewards	0.601	0.337	0.415	0.451
MBE – Active	-0.104	-0.105	-0.243	-0.151
MBE – Passive	-0.093	-0.029	0.551	0.143
Laissez – faire	-0.295	0.017	0.016	-0.087
Average				0.0712

*, Correlation is significant at the 0.05 level (2-tailed).

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

Source: Analyzed from SSPS (2013)

Table 3: Regression analysis each leadership style

Model Summary				
Model	R	R square	Adjusted R square	Std. Error of the Estimate
1	0.59 ^a	0.353399	0.199446	1.014215
2	0.37 ^b	0.138	-0.019	1.14432
3	0.309 ^c	0.096	-0.055	1.28239
4	0.642 ^d	0.412	0.336	1.01700
5	0.438 ^e	0.192	-0.144	1.26074
6	0.663 ^f	0.440	0.267	1.00885

Source: Analyzed from SSPS (2013)

- a. Predictors: (Constant), TRNF
- b. Predictors: (Constant), TRNS
- c. Predictors: (Constant), TRNF
- d. Predictors: (Constant), TRNS
- e. Predictors: (Constant), TRNF
- f. Predictors: (Constant), TRNS

Table 4: Regression analysis for both leadership styles

Model Summary				
Model	R	R square	Adjusted square	Std. Error of the Estimate
1	0.639 ^a	0.409	0.096	1.07796
2	0.704 ^b	0.496	0.321	1.02875
3	0.725 ^c	0.526	-0.007	1.18276

Source: Analyzed from SSPS (2013)

- a. Predictors: (Constant), TRNF, TRNS
- b. Predictors: (Constant), TRNS, TRNF
- c. Predictors: (Constant), TRNF, TRNS

Table 5: Analysis of variances

M/No	Model name	Sum of squares	Df	Mean square	F	Sig
1	Regression	11.806	5	2.361	2.296	0.82
	Residual	21.601	21	1.029		
	Total	33.407	26			
2	Regression	4.599	4	1.150	0.878	0.493
	Residual	28.808	22	1.309		
	Total	33.407	26			
3	Regression	5.220	5	1.044	0.635	0.675
	Residual	49.336	30	1.645		
	Total	54.556	35			
4	Regression	22.493	4	5.623	5.437	0.002
	Residual	32.063	31	1.034		
	Total	54.556	35			
5	Regression	4.537	5	0.907	0.571	0.721
	Residual	19.074	12	1.589		
	Total	23.611	17			
6	Regression	10.380	4	2.595	1.550	0.089

M/No	Model name	Sum of squares	Df	Mean square	F	Sig
	Residual	13.231	13	1.018		
	Total	23.611	17			

Source: Analyzed from SSPS (2013)

- a. Predictors: (Constant), TRNF
- b. Predictors: (Constant), TRNS
- c. Predictors: (Constant), TRNF
- d. Predictors: (Constant), TRNS
- e. Predictors: (Constant), TRNF
- f. Predictors: (Constant), TRNS
- g. Dependent variables: OE, EM, ES

Table 6: Coefficient analysis

Coefficient						
Model		Unstandardized Coefficient		Standardized Coefficients	T	Sig
		B	Std. Error	Beta		
1	Constant	0.004	0.927		0.005	0.996
	Idealized (Attribute)	0.017	0.180	0.017	0.092	0.927
	Idealized					

Coefficient						
Model		Unstandardized Coefficient		Standardized Coefficients	T	Sig
		B	Std. Error	Beta		
	(Behaviour)	-0.069	0.219	-0.057	-0.314	0.757
	Inspirational Motivation	0.149	0.155	0.171	0.957	0.349
	Intellectual stimulation	0.398	0.191	0.382	2.081	0.050
	Individual consideration	0.395	0.152	0.465	2.598	0.017
	Total	0.894	1.824	0.978	5.419	3.096
	Average	0.149	0.304	0.1956	0.903166667	0.516
2	Constant	1.598	0.799		2.000	0.058
	Contingent rewards	0.325	0.183	0.355	1.775	0.090
	MBE – Active	-0.111	0.175	-0.128	-0.634	0.532
	MBE – Passive					
	Laissez – Faire					

Coefficient						
Model		Unstandardized Coefficient		Standardized Coefficients	T	Sig
		B	Std. Error	Beta		
	Total	-0.075	0.191	-0.082	-0.390	0.700
	Average	0.083	0.170	0.105	0.489	0.630
		1.82	1.518	0.25	3.24	2.01
		0.364	0.3036	0.0625	0.648	0.402
3	Constant	1.479	0.956		1.548	0.132
	Idealized attributes	0.045	0.192	0.041	0.233	0.818
	Idealized					

Coefficient						
Model		Unstandardized Coefficient		Standardized Coefficients	T	Sig
		B	Std. Error	Beta		
	behavior	0.260	0.214	0.216	1.211	0.235
	Inspirational motivation	0.177	0.179	0.175	0.988	0.331
	Intellectual stimulation	-0.164	0.186	-0.158	-0.884	0.384
	Individual consideration	0.007	0.160	0.007	0.041	0.968
	Total	1.804	1.887	0.281	3.137	2.868
	Average	0.300666667	0.3145	0.0562	0.522833333	0.478
4	Constant	1.437	0.661		2.173	0.038
	Contingent rewards	0.608	0.147	0.580	4.122	0.000
	MBE – Active	-0.100	0.148	-0.094	-0.673	0.506
	MBE – Passive					

Coefficient						
Model		Unstandardized Coefficient		Standardized Coefficients	T	Sig
		B	Std. Error	Beta		
	Laissez – faire					
	Total	-0.059	0.156	-0.056	-0.379	0.707
		-0.146	0.134	-0.165	-1.088	0.285
	Average					
		1.74	1.246	0.265	4.155	1.536
		0.348	0.2492	0.06625	0.831	0.384
5	Constant	0.765	1.535		0.498	0.627
	Idealized attributes	0.112	0.291	0.103	0.385	0.707
	Idealized behavior	0.177	0.329	0.157	0.539	0.600
	Inspiration motivation	0.042	0.241	0.047	0.173	0.865
	Intellectual stimulation	0.087	0.338	0.077	0.259	0.800

Coefficient						
Model		Unstandardized Coefficient		Standardized Coefficients	T	Sig
		B	Std. Error	Beta		
	Individual consideration	0.331	0.264	0.364	1.251	0.235
	Total	1.514	2.998	0.748	3.105	3.834
	Average	0.252333333	0.499666667	0.1496	0.5175	0.639
6	Constant	1.440	0.847		1.700	0.113
	Contingent rewards	0.257	0.205	0.280	1.255	0.231
	MBE – Active	-0.246	0.181	-0.286	-1.360	0.197
	MBE – Passive					
	Laissez – faire	0.497	0.239	0.460	2.076	0.058
	Total	0.021	0.176	0.025	0.120	0.906
	Average					
		1.969	1.648	0.479	3.791	1.505
		0.3938	0.3296	0.11975	0.7582	0.301

Source: Analyzed from SSPS (2013)

- a. Dependent variables: OE, EM, ES

Table 7: Analysis of R-Square

Dependent variable	R square	
	TRNF	TRNS
Employee morale	0.353399	0.138
Organization effectiveness	0.096	0.412
Employee Satisfaction	0.192	0.44
Average	0.213799667	0.33

Source: Analyzed from SSPS (2013)

Analysis of Beta				
Leadership behavior	Emp.Morale	Org.effectiveness	Emp.satisfaction	Average
Idealized (Attribute)	0.017	0.041	0.103	0.053666667
Idealized (Behavior)	-0.057	0.216	0.157	0.105333333
Inspirational Motivation	0.171	0.175	0.047	0.131
Intellectual stimulation	0.382	-0.158	0.077	0.100333333
Individual consideration	0.465	0.007	0.364	0.278666667
Contingent rewards	0.355	0.58	0.28	0.405
MBE – Active	-0.128	-0.094	-0.286	-0.169333333
MBE – Passive	-0.082	-0.056	0.46	0.107333333
Laissez – Faire	0.105	-0.165	0.025	-0.011666667

Source: Analyzed from SSPS (2013)