Plagiarism Checker X - Report

Originality Assessment

1%

Overall Similarity

Date: Sep 19, 2025 (01:20 AM)
Matches: 209 / 17715 words
Sources: 11

Remarks: Low similarity detected, consider making necessary changes if needed.

Verify Report:
Scan this QR Code

EXAMINING THE EFFECT OF LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE AND RETENTION

By

Name	Student Number	Index Number
Charity Kukpahu	20998630	9478023
Aggrey Beatrice Esi	21006205	9370423
Angela Asiedu	21013990	9412723
Lamptey Rhoda Mamle	21024672	9483123

A THESIS SUBMITTED TO THE DEPARTMENT OF HUMAN RESOURCE AND ORGANIZATION DEVELOPMENT OF

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY IN

PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF

BACHELOR OF SCIENCE IN BUSINESS ADMINISTRATION (MANAGEMENT)

JULY 2025

DECLARATION

We hereby declare that this thesis is our work and that, to the best of our knowledge, it contains no previously published material except where references have been duly cited, nor has it in part or whole been presented for another degree in this university or elsewhere.

Charity Kukpahu	20998630	9478023
Aggrey Beatrice Esi	21006205	9370423
Angela Asiedu	21013990	9412723
Lamptey Rhoda Mamle	21024672	9483123

Charity Kukpahu   ………………..   ………. ………..

(20998630)   Signature   Date

Aggrey Beatrice Esi   ………………..   ………. ………..

(21006205)   Signature   Date

Angela Asiedu   ………………..   ………. ………..

(21013990)   Signature   Date

Lamptey Rhoda Mamle   ………………..   ………. ………..

(20998630)   Signature   Date

Certified by:

                                                         ………………   …………………

(Supervisor)   Signature   Date

                                                  ……………….

…………………

(Head of Department)   Signature   Date

ACKNOWLEDGEMENT

We sincerely wish to express our heartfelt gratitude to the Almighty God for His protection,

guidance and grace throughout this period. We also wish to express our deepest and

heartfelt gratitude to our supervisor for his guidance and constructive criticism, which

enabled us to produce this work.

DEDICATION

This work is dedicated to our families for their support

ABSTRACT

This study examined the effect of leadership styles on employee performance and retention within Process and Plant Automation Limited and Electrical Switchgear Limited. The research focused on two dominant leadership styles, transactional and transformational, and their influence on employee outcomes. A quantitative research design was adopted, using a structured questionnaire administered to ninety-six employees across various departments and roles. Data were analyzed through descriptive statistics, reliability and validity tests, correlation, and multiple regression analysis. The findings revealed that both transactional and transformational leadership styles positively and significantly influenced employee performance, with transformational leadership demonstrating a stronger effect. In contrast, both leadership styles showed significant negative associations with employee retention, suggesting that while they enhance productivity, they may simultaneously contribute to increased turnover intentions. These results highlight the dual role of leadership in driving performance outcomes while also underscoring the need for broader organizational strategies to secure long-term retention.

The study concludes that leadership remains a critical driver of employee performance but is not sufficient on its own to guarantee retention. Recommendations include adopting a hybrid leadership approach that balances transactional clarity with transformational inspiration, while complementing leadership with career development, fair reward systems, and employee support initiatives. The study contributes to the literature by offering empirical evidence on leadership, performance, and retention within the Ghanaian organizational context, and provides practical insights for managers seeking to optimize both productivity and workforce stability.

Table of Contents

LIST OF TABLES

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Leadership has long been recognized as a central determinant of organizational success,

influencing both employee performance and retention. In today's dynamic and competitive business environment, organizations face increasing pressure to enhance productivity while minimizing turnover costs. Effective leadership style is one of the most critical factors in achieving these outcomes, as it shapes workplace culture, employee motivation, and organizational commitment (Reyaz, 2024). Among the most widely studied leadership approaches are transactional and transformational leadership. Transactional leadership is primarily based on structured tasks, reward systems, and corrective actions. Leaders who adopt this style emphasize clear roles, monitoring of performance, and contingent rewards or punishments (Layek and Koodamara, 2024). While this approach can foster discipline and efficiency, critics argue that it may limit creativity and innovation (Acar et al., 2024).

In contrast, transformational leadership emphasizes vision, inspiration, and individualized consideration. Transformational leaders motivate employees by articulating a compelling vision, fostering a sense of belonging, and encouraging innovation and problem-solving (Fatin and Mazlan, 2023). This leadership style has been positively associated with higher levels of employee satisfaction, commitment, and performance (Megawaty et al., 2022).

Employee performance is a multidimensional construct that encompasses efficiency, productivity, quality of work, and innovation. Studies suggest that leadership style directly affects performance by influencing employee attitudes, job satisfaction, and intrinsic motivation (Hajiali et al., 2022). Similarly, leadership has a profound effect on employee retention, as employees are more likely to stay in organizations where they feel valued, supported, and inspired by their leaders (Mey et al., 2021). Conversely, ineffective leadership contributes to dissatisfaction, disengagement, and turnover, which impose significant costs on organizations.

In many industries, particularly knowledge-intensive sectors, leadership style is no longer seen as a peripheral issue but as a strategic determinant of sustainability. Understanding how transactional and transformational leadership styles impact both employee performance and retention provides valuable insights for managers, policymakers, and organizations striving to build resilient and high-performing workforces. This study,

therefore, seeks to examine the effect of leadership style on employee performance and retention, focusing specifically on transactional and transformational leadership. By exploring these two dimensions, the research will highlight the mechanisms through which leadership influences employee outcomes and provide actionable recommendations for organizational practice.

1.2 Problem Statement

Organizations across sectors continue to grapple with challenges related to employee performance and retention. High employee turnover rates not only disrupt organizational stability but also impose significant financial costs through recruitment, training, and lost productivity (Timsina, 2024). At the same time, sustaining high levels of employee performance is critical for competitiveness, innovation, and long-term survival in an increasingly globalized economy. Despite numerous interventions, many organizations still struggle to understand the underlying drivers that influence employee behaviour and organizational outcomes.

Leadership style is 7 one of the most influential factors shaping both employee performance and retention (Darie, 2024). However, there is often a mismatch between the leadership approach adopted by managers and the needs or expectations of employees. For instance, while transactional leadership ensures discipline and compliance through structured rewards and penalties, it may not adequately inspire commitment or creativity among employees (Bass, 1990). On the other hand, transformational leadership has been shown to enhance employee motivation and satisfaction, but it requires leaders to possess strong interpersonal and visionary skills, which may not be consistently available across all organizations (Hermawan et al., 2024).

The problem is further compounded by the fact that organizations often fail to evaluate which leadership style best aligns with their workforce characteristics and organizational goals. In many contexts, particularly in developing economies, leadership practices remain under-researched, leaving organizations without evidence-based guidance on how to harness leadership for improved performance and reduced turnover (Kontoghiorghes and

Awbrey, 2025).

Therefore, the central problem addressed by this study is the limited understanding of how transactional and transformational leadership styles affect employee performance and retention. Without this knowledge, organizations risk adopting leadership practices that fail to unlock the full potential of their workforce, leading to reduced productivity, disengagement, and persistent turnover.

1.3 Objectives of the Study

1.3.1 General/Main Objective

To examine how transactional and transformational leadership affect employee performance and retention.

1.3.2 Specific Objectives

1. To assess the impact of transactional leadership style on employee performance within the organisation.

2. To evaluate the influence of transformational leadership style on employee performance.

3. To determine the effect of transactional leadership style on employee retention.

4. To examine the role of transformational leadership in enhancing employee retention.

1.4 Research Questions

1. What is the impact of transactional leadership style on employee performance within the organisation?

2. How does transformational leadership style influence employee performance?

3. What is the effect of transactional leadership style on employee retention?

4. In what ways does transformational leadership enhance employee retention?

1.5 Significance of the Study

This study is significant for several reasons. First, it contributes to the theoretical understanding of leadership by examining how two widely studied leadership styles, transactional and transformational, affect employee performance and retention. While leadership theories have been widely explored in developed economies, there remains a need to contextualize their application in diverse organizational settings, especially in

environments where employee turnover and performance management present persistent challenges (Allen and Vardaman, 2021).

Second, the study holds practical importance for managers and organizational leaders. By identifying whether transactional or transformational leadership is more effective in driving performance and retention, this research will provide evidence-based insights for leadership development, employee engagement strategies, and succession planning (Elugbaju et al., 2024). Managers will be able to adopt leadership practices that not only improve productivity but also foster long-term loyalty and commitment among employees.

Third, the findings will have policy implications for human resource management and organizational development. With employee turnover recognized as one of the costliest challenges in organizations (Vasantham and Aithal, 2022), this study will offer strategies to reduce attrition through effective leadership practices. It will also inform training and capacity-building initiatives aimed at equipping leaders with the skills necessary to balance transactional efficiency with transformational inspiration.

Finally, this study will be of academic relevance to scholars and students of leadership, management, and organizational behaviour. By filling gaps in the existing literature and providing empirical evidence, the research will serve as a reference point for future studies on the link between leadership, employee performance, and retention.

1.6 Overview of Research Methodology

This study employed a quantitative research design, which was appropriate for examining the measurable relationship between leadership styles, employee performance, and employee retention. The quantitative approach allowed for objective analysis using numerical data and statistical tools, ensuring that the findings were both reliable and generalizable (Pregoner, 2024).

The study population comprised employees and managers within the selected organization. To ensure fair representation, a stratified random sampling technique was used, allowing participants to be drawn from different departments and organizational levels. This method increased the representativeness of the sample and reduced sampling

bias (López, 2022).

Data were collected through structured questionnaires, which are well-suited for quantitative studies. The questionnaire consisted of closed-ended items designed to capture perceptions of transactional and transformational leadership styles, employee performance, and retention intentions. Responses were measured on a Likert scale, which facilitated ease of analysis and comparability across participants.

The collected data were analyzed using descriptive statistics (such as means, percentages, and standard deviations) to summarize the characteristics of the respondents and their responses. To test the study's hypotheses, inferential statistical techniques such as correlation and multiple regression analysis were applied. These tests determined the strength and significance of the relationships between leadership styles, employee performance, and retention. Statistical analysis was conducted using SPSS.

Finally, the study was conducted in line with established ethical guidelines. Informed consent was obtained from all participants, confidentiality was maintained, and participation remained voluntary. These ethical considerations ensured the credibility of the study and the protection of participants' rights.

1.7 Scope of the Study

The scope of this study was defined by its organizational focus, thematic coverage, and target population. The research was conducted within Process and Plant Automation Limited and Electrical Switchgear Limited, two organizations selected because they provided a suitable context for examining the influence of leadership styles on employee performance and retention.

Thematically, the study concentrated on transactional leadership and transformational leadership. These two leadership styles were chosen due to their prominence in leadership literature and their demonstrated influence on employee motivation, performance, and organizational commitment (Borde et al., 2024). Other leadership approaches such as servant, democratic, or laissez-faire leadership were not considered in order to maintain focus and manageability.

The population of the study included supervisors, junior staff, and senior-level employees within the two organizations. This composition ensured a balanced perspective by capturing views from different hierarchical levels, thereby providing a comprehensive understanding of how leadership practices influenced employee performance and retention.

The study was also limited to the use of quantitative methods, with data collected through structured questionnaires. While qualitative methods such as interviews or focus groups might have provided richer insights into individual experiences, the quantitative approach allowed for the generation of measurable and generalizable findings on the relationship between leadership styles, employee performance, and retention.

Limitations of the Study

Like all research, this study has certain limitations that must be acknowledged. First, the research employed a quantitative cross-sectional design, which provides useful statistical relationships but does not allow for causal inferences over time. The findings therefore reflect associations rather than long-term effects. Second, the study focused exclusively on two organisations—Process and Plant Automation Limited and Electrical Switchgear Limited—which, while relevant to the research objectives, limits the generalisability of the results to other industries or contexts. Third, the study relied on self-reported data through questionnaires, which may be subject to biases such as social desirability or recall errors. Fourth, only transactional and transformational leadership styles were examined, excluding other potentially influential styles such as servant, democratic, or laissez-faire leadership. Finally, retention was measured as intention to stay or leave rather than actual turnover behaviour, which may differ in practice. Despite these limitations, the study provides valuable insights into how leadership styles affect performance and retention in the context studied.

Organisation of the Study

This research is organised into five main chapters. Chapter One introduces the study, providing background information, the problem statement, objectives, research questions,

significance, overview of methodology. scope, and limitations. Chapter Two reviews relevant literature, presenting definitions of key variables, conceptual and theoretical perspectives, empirical studies, and the conceptual framework. Chapter Three outlines the research methodology, including the research design, population, sampling procedure, data collection methods, validity and reliability tests, and techniques for data analysis. Chapter Four presents and analyses the data, including demographic characteristics, reliability and validity results, descriptive statistics, correlation, and regression analysis, with findings discussed in relation to the literature. Finally, Chapter Five summarises the key findings, draws conclusions, highlights limitations, and provides recommendations for practice and future research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The literature review establishes the foundation for exploring the relationship between leadership styles, employee performance, and employee retention. It synthesizes prior research, integrates theoretical perspectives, and identifies relevant empirical findings. Leadership remains 7 one of the most widely studied areas in organizational behaviour due to its influence on employee attitudes, performance, and organizational sustainability (Boeske, 2023). For this study, the review is structured into six sections: definitions of key variables, a conceptual review of transactional and transformational leadership, theoretical perspectives linking leadership and behaviour, an empirical review with hypotheses development, and the conceptual framework guiding the research.

2.2 Definition of Variables

2.2.1 Leadership Style

Leadership style refers to the consistent pattern of behaviour adopted by leaders in directing, motivating, and managing their subordinates to achieve organizational goals. It

encompasses the strategies, behaviours, and interactions that leaders use to influence employee outcomes (Cai, 2023). In this study, the focus is on two dominant leadership styles: transactional leadership and transformational leadership.

☐ Transactional leadership is based on structured tasks, monitoring, and the use of rewards and corrective actions to achieve compliance. It emphasizes clarity of roles, performance standards, and the exchange of rewards for effort (TASDEMIR et al., 2025).

☐ Transformational leadership, by contrast, seeks to inspire followers by creating a compelling vision, fostering innovation, and providing individualized consideration. Transformational leaders go beyond mere exchanges to stimulate intrinsic motivation and higher-order performance (Cheng et al., 2023).

2.2.2 Employee Performance

Employee performance is the degree to which an employee successfully carries out the tasks, responsibilities, and goals assigned to them within the organization. It is typically assessed in terms of productivity, efficiency, quality of work, innovation, and goal attainment (Aguilera et al., 2024). High performance reflects not only task completion but also positive behaviours such as teamwork, problem-solving, and commitment to organizational objectives. Leadership style has been identified as a major factor influencing performance by shaping employee motivation, satisfaction, and engagement (Reyaz, 2024).

2.2.3 Employee Retention

Employee retention refers to the organization's ability to minimize voluntary turnover by ensuring that employees remain committed and loyal over time. It is influenced by various factors such as job satisfaction, compensation, work environment, career development opportunities, and leadership practices (Lestari et al., 2021). Effective retention strategies reduce recruitment and training costs while maintaining organizational knowledge and stability. Leadership style is a particularly strong determinant of retention, as employees are more likely to remain in organizations where they feel supported, inspired, and valued (Nurjanah and Octafian, 2025).

2.3 Conceptual Review

2.3.1 Leadership Style

Leadership is generally defined as the process of influencing others to achieve a common goal (Benmira and Agboola, 2021). It encompasses not only the behaviours of leaders but also the strategies they adopt to motivate, direct, and support their followers. Among the numerous leadership approaches studied in organizational behaviour, transactional leadership and transformational leadership stand out as two of the most dominant and extensively researched frameworks. These leadership styles have been shown to significantly shape employee attitudes, performance, and retention across diverse organizational settings (Darie, 2024).

2.3.1.1 Transactional Leadership

Transactional leadership is one of the earliest and most traditional forms of leadership, grounded in the exchange relationship between leaders and their followers. It is primarily built on the idea that employees are motivated by external rewards and the avoidance of punishment, and that leadership effectiveness is achieved by clarifying roles, setting expectations, and ensuring compliance through structured supervision (Liu et al., 2022). Dong (2023), who first introduced the concept, argued that transactional leaders emphasize stability, order, and task completion rather than long-term development or inspiration. In this sense, transactional leadership operates on the principle of "give and take," where the leader provides rewards such as recognition, bonuses, or promotions when employees meet performance standards, and in return expects loyalty and adherence to organizational rules.

The effectiveness of transactional leadership lies in its ability to bring clarity and predictability to organizational operations. By focusing on contingent rewards, leaders establish a clear link between effort and outcomes, ensuring that employees understand what is required of them and what they will gain in return. Research has shown that such an approach can enhance performance in structured environments where goals are specific, tasks are routine, and efficiency is paramount (Kim et al., 2022). For example,

Nurlina (2022) found that transactional leadership behaviours such as contingent reward increased accountability and task performance in organizations that relied heavily on standard operating procedures. This makes the style particularly effective in industries such as manufacturing, service delivery, or military organizations, where precision and compliance are critical.

However, the reliance on monitoring and corrective action through management by exception has produced mixed outcomes. In cases where leaders adopt an active approach, regularly supervising tasks and addressing errors immediately, employee performance may improve in the short term because of heightened accountability. Yet, passive management by exception, where leaders intervene only after problems occur, has often been associated with frustration, dissatisfaction, and reduced morale among employees (Ahmad, 2024). This suggests that while transactional leadership can ensure compliance, it may fail to sustain high levels of engagement or creativity.

When considering its relationship with employee retention, transactional leadership offers both benefits and limitations. On the positive side, employees who value clear structures and predictable rewards may remain committed to organizations that practice this style. Quader (2024) observed that contingent reward practices were linked to increased job satisfaction in the banking sector, which in turn supported retention. Similarly, (Dong, 2023) argue that transactional leadership remains effective in contexts where employees seek stability and financial incentives rather than innovation or personal growth. Yet, research has also shown that transactional leadership often fails to address deeper psychological needs such as recognition, belonging, and career development. Employees who feel treated merely as cogs in a machine may eventually become disengaged, leading to higher turnover intentions (Randle, 2022). George (2024) warn that over-reliance on transactional mechanisms can result in the loss of talented employees who desire more supportive and visionary leadership.

Despite its criticisms, transactional leadership continues to hold relevance in organizational studies. Its strengths lie in situations that demand discipline, order, and consistency, where

short-term goals must be achieved quickly and efficiently. However, its limitations become apparent in dynamic environments that require adaptability, innovation, and long-term commitment. Critics such as Burns (1978) have argued that transactional leadership is too narrow, focusing excessively on extrinsic motivation while neglecting the transformative aspects of leadership that foster creativity and loyalty. In modern organizations, this narrowness poses risks, especially in industries where employee engagement and innovation are essential for competitiveness.

In summary, transactional leadership represents a structured and pragmatic approach that can enhance performance through clarity, accountability, and contingent rewards. Nevertheless, it struggles to build emotional commitment or inspire long-term retention. Its effectiveness, therefore, is highly context-dependent, functioning best in stable, routine environments but offering limited value in organizations that rely on adaptability and employee innovation. This underscores the need to balance transactional practices with more inspiring approaches in order to achieve both performance and retention outcomes.

2.3.1.2 Transformational Leadership

Transformational leadership is widely regarded as one of the most effective and influential leadership approaches in contemporary organizational studies. First introduced by Burns (1978) and later developed by Bass (1990), transformational leadership emphasizes inspiring, motivating, and intellectually stimulating followers to achieve more than they initially thought possible. Unlike transactional leadership, which is based on exchanges and compliance, transformational leadership seeks to elevate followers by aligning their personal values and goals with those of the organization. In doing so, it creates a strong sense of purpose, commitment, and engagement among employees.

At the heart of transformational leadership are behaviours that foster deep connections between leaders and followers. (Kariuki, 2021) describe these behaviours under the framework of the "Four I's." Idealized influence refers to the leader serving as a role model who is admired and respected, thereby instilling trust and credibility among followers. Inspirational motivation involves articulating a compelling vision that inspires employees to

pursue collective goals with enthusiasm and optimism. Intellectual stimulation challenges employees to think creatively and approach problems from new perspectives, thus fostering innovation and adaptability. Finally, individualized consideration emphasizes the leader's attention to the unique needs, aspirations, and development of each employee, which promotes loyalty and personal growth. Collectively, these dimensions illustrate why transformational leadership has been strongly linked to positive organizational outcomes across different industries and cultures (Senturk, 2023).

The influence of transformational leadership on employee performance has been extensively documented in the literature. By creating an environment of trust, motivation, and empowerment, transformational leaders enable employees to go beyond routine compliance and contribute discretionary effort that enhances organizational effectiveness. Young et al. (2021)found in their meta-analysis that transformational leadership is more strongly correlated with performance outcomes than transactional leadership. Similarly, (Qalati et al., 2022), in a comprehensive review, concluded that transformational leadership positively affects both individual and team performance across industries. These effects stem from the ability of transformational leaders to foster intrinsic motivation, encouraging employees to commit to organizational goals not because of external rewards, but out of genuine inspiration and alignment with the vision. In contexts where creativity, innovation, and adaptability are required, such as technology-driven sectors, transformational leadership is particularly vital for sustaining high levels of performance.

In addition to improving performance, transformational leadership plays a critical role in employee retention. By nurturing a supportive and inspiring work environment, transformational leaders address employees' psychological needs for recognition, belonging, and growth. (Othman and Khrais, 2022) demonstrated that transformational leadership significantly improves job satisfaction and organizational commitment, which in turn reduces turnover intentions. Krajcsák (2022)similarly argued that transformational leaders foster loyalty by making employees feel valued and included in organizational decision-making. The role of individualized consideration is especially important here, as

employees who perceive genuine concern for their personal development are less likely to seek opportunities elsewhere. Transformational leadership, therefore, not only boosts short-term productivity but also builds long-term commitment, helping organizations reduce recruitment and training costs associated with turnover.

The strength of transformational leadership also lies in its adaptability across diverse cultural and organizational settings. Research indicates that its positive effects on performance and retention are observable in both Western and non-Western contexts, although the mechanisms may vary depending on cultural values (Cobb et al., 2025). For instance, in collectivist cultures, transformational leaders may be particularly effective because their emphasis on shared vision and group goals resonates with communal values. This cross-cultural relevance highlights the versatility of transformational leadership as a global leadership approach.

Despite its many strengths, transformational leadership is not without criticisms. Some scholars argue that its reliance on charisma and inspiration may create an overdependence on the leader, leaving organizations vulnerable if the leader departs (Chandranathan, 2024). Others have suggested that transformational leadership may blur the boundaries between ethical and manipulative influence, as leaders could exploit their vision and charisma for personal gain (Ahmad et al., 2024). Additionally, because it is highly relational, transformational leadership requires strong interpersonal skills, which may not be consistently available among all managers. These criticisms, however, do not diminish its established effectiveness; rather, they underscore the need for organizations to develop leadership capabilities systematically to avoid over-reliance on individual personalities.

In summary, transformational leadership represents a forward-looking and inspirational approach that elevates employees' motivation, performance, and commitment. Through vision, trust, intellectual stimulation, and individualized care, transformational leaders achieve outcomes that extend beyond immediate tasks to long-term organizational sustainability. For organizations such as Process and Plant Automation Limited and

Electrical Switchgear Limited, where employee retention and sustained performance are critical for competitiveness, transformational leadership provides a model that balances organizational objectives with the personal growth and loyalty of employees. Its ability to inspire intrinsic motivation and foster commitment makes it a powerful leadership style for modern organizations seeking both high productivity and stability.

2.3.2 Employee Performance

Employee performance is one of the most critical indicators of organizational effectiveness, as it directly reflects how well individuals contribute to achieving strategic goals. It has been broadly defined as the extent to which an employee successfully carries out the tasks, duties, and responsibilities assigned to them in alignment with organizational expectations (Jeske and Olson, 2022). In practical terms, employee performance encompasses both the quality and quantity of work produced, adherence to deadlines, efficiency in resource utilization, and the demonstration of behaviours that support teamwork and organizational citizenship (Qalati et al., 2022). High levels of performance are often linked not only to technical competence but also to motivation, job satisfaction, and the nature of the leadership under which employees operate.

Leadership style has been consistently identified as one of the strongest determinants of employee performance. Transactional leadership affects performance by clarifying roles, setting standards, and rewarding compliance. Employees under transactional leaders often have a precise understanding of their responsibilities, which can reduce uncertainty and improve efficiency in task execution (Salameh-Ayanian et al., 2025). However, the motivational impact of transactional leadership may be limited to extrinsic factors, such as financial incentives or avoidance of penalties, which can weaken over time if not supplemented by more intrinsic motivators (Aljumah, 2023).

Transformational leadership, in contrast, exerts a more enduring and profound influence on employee performance. By articulating a compelling vision, transformational leaders inspire employees to align their personal goals with those of the organization. This sense of shared purpose has been shown to significantly increase intrinsic motivation, which in turn

enhances creativity, innovation, and discretionary effort (Lin et al., 2022). A meta-analysis conducted by Lasrado and Kassem (2021)confirmed that transformational leadership is strongly associated with both individual and group performance, across industries and cultural contexts. The intellectual stimulation provided by transformational leaders encourages employees to seek innovative solutions, while individualized consideration ensures that they receive the support necessary to develop their skills and realize their potential.

Performance is not, however, determined by leadership style alone. A range of organizational factors, including work environment, access to resources, training opportunities, and job design, also play vital roles. Nevertheless, leadership acts as the catalyst that integrates these factors into a cohesive system that enables employees to thrive (Hayat, 2024). For example, in organizations where resources are scarce or tasks are highly demanding, supportive leadership can mitigate stress and encourage perseverance, thereby maintaining performance levels (Oruh et al., 2021).

2.3.3 Employee Retention

Employee retention has emerged as one of the most pressing challenges for organizations in the twenty-first century, given the increasing mobility of labor, competitive markets, and rising employee expectations. Retention refers to an organization's ability to maintain its workforce over time by minimizing voluntary turnover and ensuring that employees remain engaged, satisfied, and committed (Ngozi and Edwinah, 2022). It is not simply about keeping employees in the organization but also about creating an environment where they are motivated to contribute productively and where their personal goals align with organizational objectives. High retention is associated with organizational stability, continuity of knowledge, reduced recruitment and training costs, and stronger employee morale (Venkat et al., 2023).

Retention is influenced by multiple interrelated factors, including compensation, career development opportunities, job satisfaction, work–life balance, and organizational culture. Among these, leadership style has been consistently highlighted as a critical determinant

(Elkhwesky et al., 2022). Employees often choose to remain in organizations where they feel supported, inspired, and valued by their leaders, whereas ineffective or unsupportive leadership has been linked to dissatisfaction and higher turnover intentions. This suggests that leadership practices not only influence performance but also strongly affect long-term employee loyalty.

Transactional leadership affects retention through its emphasis on structure, accountability, and contingent rewards. For some employees, particularly those who value stability and predictability, transactional leadership can create a sense of fairness and security, which may encourage them to remain with the organization (Syaharudin et al., 2022). However, this effect is often short-term because transactional leadership does not sufficiently address deeper psychological needs such as belonging, recognition, and growth opportunities. Employees who feel treated merely as instruments of output may eventually disengage and seek more fulfilling work environments, leading to higher turnover (Syaharudin et al., 2022).

Transformational leadership, in contrast, has been shown to enhance retention by fostering organizational commitment, loyalty, and trust. By articulating a compelling vision, offering individualized support, and creating opportunities for professional development, transformational leaders meet employees' intrinsic needs and build strong emotional bonds between employees and the organization (Messmann et al., 2022). Suroya et al. (2023) demonstrated that transformational leadership significantly reduces turnover intentions by improving job satisfaction and organizational commitment. Similarly, Dinc et al. (2022) found that employees under transformational leaders are more likely to remain with their organizations because they perceive themselves as integral to the collective mission and believe their personal growth is supported.

The importance of retention cannot be overstated in modern organizations, particularly those operating in knowledge-intensive industries where skilled employees are vital assets. High turnover not only results in financial losses but also disrupts workflow, erodes institutional knowledge, and undermines organizational culture (Murray Jr, 2025) For

organizations such as Process and Plant Automation Limited and Electrical Switchgear Limited, where technical expertise and continuity are crucial, retaining skilled staff ensures operational efficiency and competitive advantage. Effective leadership, especially transformational practices, provides a powerful tool for reducing turnover and ensuring organizational sustainability.

Nevertheless, retention strategies must go beyond leadership alone, integrating fair compensation systems, career development programs, and supportive workplace cultures. Leadership provides the overarching influence that aligns these elements into a coherent system, but without organizational policies that support employee well-being, retention may remain elusive. Scholars such as Lin et al. (2024) argue that a holistic approach, combining strong leadership with policies that promote work–life balance and talent management, offers the most sustainable path to retaining employees.

2.4 Theoretical Review

Theoretical perspectives provide the foundation for understanding how leadership styles influence employee performance and retention. For this study, two major theories were considered most relevant: Transformational Leadership Theory, developed by Bass (1990) from Burns' (1978) original ideas, and Leader–Member Exchange (LMX) Theory, which emphasizes the quality of relationships between leaders and subordinates (Graen & Uhl-Bien, 1995). These theories were chosen because they offer complementary explanations of how leadership practices affect motivation, job satisfaction, and long-term commitment.

2.4.1 Transformational Leadership Theory

Transformational Leadership Theory emerged from Burns' (1978) distinction between transactional and transformational leadership. While transactional leaders rely on exchanges of rewards and punishments, transformational leaders inspire followers to transcend self-interest and pursue collective organizational goals. Bass (1990) extended the concept, identifying transformational leadership as a style that motivates employees by instilling vision, fostering trust, and encouraging innovation.

The theory rests on four key dimensions: idealized influence, inspirational motivation,

intellectual stimulation, and individualized consideration (Bass & Riggio, 2006). These elements highlight how leaders serve as role models, articulate a compelling vision, challenge followers to think creatively, and provide personal support. Collectively, these behaviours generate higher levels of intrinsic motivation and commitment, which directly enhance employee performance and reduce turnover.

Transformational Leadership Theory is especially relevant to this study because it directly explains why employees under transformational leaders perform at higher levels and exhibit stronger loyalty to their organizations. Empirical evidence supports the theory: Judge and Piccolo (2004) found that transformational leadership strongly correlates with performance outcomes across industries, while Htun and Bhaumik (2022) demonstrated its role in improving job satisfaction and retention. In organizations such as Process and Plant Automation Limited and Electrical Switchgear Limited, where employee expertise is vital, transformational leadership provides a powerful explanatory model for understanding how leaders inspire both productivity and loyalty.

2.4.2 Leader–Member Exchange (LMX) Theory

Leader–Member Exchange (LMX) Theory provides another important theoretical lens for understanding leadership's impact on employee outcomes. Unlike traditional leadership theories that assume uniform leader behaviour, LMX theory argues that leaders develop different types of relationships with subordinates, resulting in in-groups and out-groups (Graen & Uhl-Bien, 1995). In-group members enjoy high-quality exchanges characterized by trust, respect, and mutual support, while out-group members experience more transactional and limited relationships.

The quality of these exchanges has been linked to critical outcomes such as job satisfaction, organizational commitment, performance, and turnover intention (Liden, Sparrowe, & Wayne, 1997). Employees in high-quality exchanges are more motivated, innovative, and likely to remain with the organization because they feel valued and supported. Conversely, those in low-quality exchanges often report dissatisfaction and higher turnover rates.

LMX theory is highly relevant to this study because it explains variations in employee performance and retention within the same organizational setting. While Transformational Leadership Theory provides a broad framework for inspiring and motivating employees, LMX theory emphasizes the relational dynamics that determine how leadership is experienced individually. For example, research by Wu et al. (2023)found that high-quality LMX relationships reduce turnover intentions by increasing perceptions of organizational support. This suggests that even within organizations led by transformational leaders, differences in leader–follower relationships can significantly shape outcomes.

2.4.3 Relevance of the Theories

Together, Transformational Leadership Theory and LMX Theory provide a comprehensive understanding of the research problem. Transformational Leadership Theory explains how visionary and inspirational leadership drives collective performance and retention, while LMX Theory highlights the importance of individualized leader–follower relationships in shaping outcomes. Using these theories allows for a multidimensional analysis, showing both how overall leadership style influences organizational results and how variations in leader–employee relationships determine individual experiences of performance and retention.

2.5 Empirical Review

2.5.1 Impact of transactional leadership style on employee performance within the organisation

Empirical work on transactional leadership consistently shows that this style elevates employee performance when work is structured, standards are explicit, and compliance can be monitored. The performance-enhancing core of transactional leadership is contingent reward, the clear articulation of goals followed by proportional recognition when they are met. A large meta-analysis by Judge and Piccolo found that contingent reward exhibits a reliable positive association with task performance and effectiveness, whereas the management-by-exception component (especially its passive form) shows weaker or negative links (Cando Naranjo, 2024). This basic pattern has been replicated in

experience-sampling and diary designs: on days when employees perceive more contingent reward, they report greater engagement and goal progress; when leaders default to passive problem-spotting, performance dips and strain rises (Naranjo, 2024). The mechanism is straightforward: contingent reward reduces ambiguity about what "good performance" looks like, aligns effort with measurable targets, and signals distributive justice when rewards match results. In settings characterized by routinized tasks, high formalization, and strong process control, conditions typical of many operations, production, and field-service units, those mechanisms translate cleanly into higher throughput, fewer errors, and faster cycle times. Studies in operational and service contexts repeatedly observe that transactional routines tighten performance variance and raise averages by reinforcing standard work and timely corrective feedback (Chen et al., 2025, Melhem et al., 2025).

At the same time, the performance benefits of transactional leadership are contingent. Where jobs demand creativity, learning, and adaptive problem-solving, overreliance on surveillance and exception-catching can crowd out intrinsic motivation and discretionary effort. Evidence from multilevel and meta-analytic work indicates that, compared with contingent reward, passive management-by-exception is associated with lower satisfaction and weaker performance, and that its downsides are most pronounced under uncertainty and high autonomy demands (Young et al., 2021, Pajic et al., 2021). More recent syntheses also show that once overlap with transformational leadership is accounted for, contingent reward retains a small-to-moderate unique link with task performance, useful but not sufficient when innovation is required (Cao et al., 2023, Niță and Guțu, 2023, Harripersad, 2021).

For organisations like Process and Plant Automation Limited and Electrical Switchgear Limited, these findings imply that transactional practices are especially performance-relevant in domains such as assembly, testing, preventive maintenance, field installation, and safety-critical procedures, areas where standards are codified and deviations are costly. Clear KPIs, real-time feedback, and fair rewards can raise output and reliability.

However, in engineering design, process optimisation, or customer-specific troubleshooting, where novel solutions are prized—transactional control should be complemented with behaviours that cultivate initiative and learning to avoid flattening creativity.

Hypothesis H1: Transactional leadership is positively associated with employee performance.

2.5.2 Influence of transformational leadership style on employee performance

Across industries and cultures, empirical research consistently links transformational leadership with strong, positive effects on employee performance. Meta‑analytic evidence shows that transformational leadership relates robustly to task performance, extra‑role behaviours (e.g., organizational citizenship), creativity, and unit-level effectiveness (Gao et al., 2024, Gogia et al., 2024). These effects generally exceed those observed for purely transactional behaviours once shared variance is accounted for (Ha and Moon, 2023, Franssens et al., 2021). The potency of transformational leadership appears to lie in its motivational architecture: by articulating a compelling vision, demonstrating credibility, stimulating new ways of thinking, and coaching to individual needs, leaders elevate intrinsic motivation and align personal and organizational goals, which translate into higher quality, persistence, and discretionary effort (Ned and Umesi, 2023, Umesi, 2024).

A growing body of studies clarifies how transformational leadership improves performance through psychological mechanisms. Research repeatedly finds mediation via psychological empowerment, work engagement, and affective commitment, states that energize focused effort and resilient problem-solving (Al Otaibi et al., 2023, Hosseini et al., 2024). When employees feel trusted and supported, they take ownership of goals, experiment with better methods, and sustain attention to quality, yielding measurable gains in output and error reduction. In technical and engineering contexts, relevant to Process and Plant Automation Limited and Electrical Switchgear Limited, transformational leadership's intellectual stimulation is especially salient: it encourages frontline staff and engineers to question routines, surface latent defects, and co-create process improvements that raise

throughput without sacrificing safety or compliance. Empirical work shows elevated creativity and innovative behaviour under transformational leaders, and those creative acts are predictive of superior task performance and customer outcomes (Iqbal et al., 2023, Nabi et al., 2023).

Context matters, but the positive performance linkage is remarkably generalizable. Cross-cultural research indicates transformational effects in both collectivist and individualist settings, with some evidence that vision sharing and individualized consideration resonate strongly where relational obligations are valued (Rockstuhl et al., 2023, Kebe et al., 2025). Task and environmental contingencies shape effect strength rather than direction: under high uncertainty, complex interdependence, and frequent non-routine problems, transformational leadership's emphasis on learning and sense-making yields particularly large performance gains; even in more standardized operations, it augments transactional clarity by cultivating continuous improvement mindsets. Notably, evidence differentiates among the "Four I's": inspirational motivation and intellectual stimulation show the tightest links to creativity and solution quality, whereas idealized influence and individualized consideration are stronger predictors of effort intensity and persistence (Khan et al., 2022, Rasheed, 2024, Alhamami, 2024).

Taken together, the empirical record supports a clear conclusion: transformational leadership is a reliable upstream driver of superior employee performance through motivational (intrinsic motivation, engagement), cognitive (learning orientation, creative problem-solving), and relational (trust, identification) pathways. For organizations seeking sustained gains, not just compliance, embedding transformational behaviours in supervisor training and performance management is likely to yield durable performance improvements.

Hypothesis H2: Transformational leadership is positively associated with employee performance.

2.5.3 Effect of transactional leadership style on employee retention

Empirical findings on transactional leadership and retention (or its mirror, turnover

intention) portray a nuanced picture that depends strongly on which transactional behaviours are salient and how employees interpret them. Studies consistently show that contingent reward, the clear communication of goals followed by proportional recognition when they are achieved, can stabilize employees' intentions to stay by signalling procedural and distributive fairness and by lowering role ambiguity (Oladimeji, 2024, Anthonysamy et al., 2025, Moon et al., 2024). In teams where targets are concrete and rewards are delivered reliably, contingent reward is associated with higher job satisfaction and commitment, two proximal antecedents of retention in the turnover literature (Chen and Huang, 2025, Küçükel, 2024). These protective effects are most visible in operational settings with standardized work, where employees value predictability and where the psychological contract is framed around clear performance–pay exchanges.

The management-by-exception components of transactional leadership, however, exhibit a different pattern. Active monitoring may support short-term stability when errors are costly, but passive management by exception, intervening only after problems occur reliably predicts dissatisfaction and stronger turnover intentions (Novruzov, 2024). Employees exposed primarily to corrective oversight report feeling undervalued beyond their output, an experience that erodes affective commitment and increases the perceived attractiveness of alternatives. Meta-analytic evidence in the broader turnover literature underscores that leadership-driven attitudes, especially job satisfaction and commitment, are among the most potent, malleable predictors of quitting; leadership that improves only compliance without meeting higher-order needs tends, over time, to leave these attitudes unimproved or worsened (Stenson, 2025).

Contextual moderators help explain the mixed empirical record. When transactional exchanges are embedded in a climate of justice and reliability, contingent reward can temporarily enhance attachment; when rewards are delayed, opaque, or perceived as inequitable, the same mechanisms backfire, heightening cynicism and exit cognitions (Emmanuel, 2023). Generative, career-oriented needs also matter: as employees seek development, autonomy, and voice, a leadership pattern centred on surveillance and after-

the-fact correction does little to satisfy those motives, pushing tenure downward unless complemented by more developmental practices (Kamath, 2025). Diary and field studies reinforce this asymmetry: days characterized by contingent reward correspond to stronger engagement, whereas days dominated by exception-catching correspond to weaker engagement and greater strain, precursors of withdrawal (Stenson, 2025).

For Process and Plant Automation Limited and Electrical Switchgear Limited, the implication is that transactional routines can help retain staff in roles where predictability and safety compliance are paramount, e.g., assembly, testing, or field commissioning, provided rewards are timely and perceived as fair. Yet in engineering design, process improvement, or customer-specific problem-solving, relying predominantly on transactional control risks higher quit intentions among high-skill incumbents seeking growth, recognition, and participation. The preponderance of recent synthesis therefore points to a cautious conclusion: while contingent reward can buffer turnover in the short run, a heavier overall emphasis on transactional leadership, especially passive exception management, tends to undermine long-term retention relative to more inspirational, developmental approaches.

Hypothesis H3: Transactional leadership is positively associated with employee retention.

2.5.4 Role of transformational leadership in enhancing employee retention

Empirical research consistently shows that transformational leadership reduces employees' turnover intentions and strengthens their willingness to stay by improving core attitudinal drivers of retention, most notably job satisfaction, affective commitment, and perceived organizational support. Transformational leaders articulate a meaningful vision, treat employees with individualized consideration, and stimulate growth; these behaviours satisfy higher-order psychological needs and build trust, which in turn anchor retention (Rashed, 2024). Multiple studies document that employees who perceive their leaders as transformational report stronger identification with the organization and lower intentions to quit, with effects operating through empowerment, engagement, and commitment pathways (Samuel and Engelbrecht, 2021, Chandra et al., 2023). Evidence from service,

manufacturing, and public-sector contexts indicates that when leaders coach, recognize contributions, and involve staff in problem-solving, employees experience greater fairness and support, proximal antecedents of staying captured in the turnover literature (Van Jaarsveld et al., 2021, Oladimeji, 2024, BERTOLINI and MARCATTO, 2025). Recent work reinforces these mechanisms across cultures, suggesting that transformational behaviours generalize beyond Western settings while varying in strength with local norms around collectivism and power distance (Den Hartog and De Hoogh, 2024). Studies linking transformational leadership to retention outcomes typically find indirect effects via job satisfaction and affective commitment: leaders who provide vision and developmental opportunities bolster these attitudes, which reliably predict lower turnover intention and actual retention where measured longitudinally (Alhamami, 2024, Asghar et al., 2025). Compared with transactional control, transformational leadership more effectively addresses employees' developmental motives, autonomy, mastery, purpose, making it especially consequential for retaining high-skill talent whose alternatives are plentiful. For Process and Plant Automation Limited and Electrical Switchgear Limited, the implication is that supervisors who combine clear operational expectations with inspirational motivation and individualized development plans can stabilize headcount in critical roles (engineering, commissioning, quality assurance) by nurturing attachment that contingent rewards alone seldom secure.

Hypothesis H4: Transformational leadership is positively associated with employee retention

2.6 Conceptual Framework

This framework integrates the theoretical and empirical insights developed in Sections 2.3–2.5 to depict how leadership style shapes the study's two outcomes. Leadership style is operationalized as transactional and transformational (independent variables). The outcomes are employee performance and employee retention (dependent variables).

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter described the methodological procedures used to examine how leadership style affects employee performance and retention. It outlined the research design, purpose, population, sampling, instruments, data collection and analysis procedures, the steps taken to ensure validity and reliability, ethical safeguards, and a brief profile of the participating organisations—Process and Plant Automation Limited and Electrical Switchgear Limited.

3.2 Research Design

The study employed a quantitative design. A quantitative design was most appropriate because the objectives required testing directional relationships among clearly specified variables (transactional and transformational leadership; performance; retention) using numerical indicators and inferential statistics, thereby enabling generalisable conclusions (Kariuki et al., 2022). A cross-sectional approach captured perceptions at a single point in time across job categories, which was suitable given the practical constraints of organisational access and the aim to estimate associations rather than track change (Geys, 2023). A structured questionnaire further reduced administrator bias and ensured standardised measurement across respondents (Lambrecht et al., 2023)

3.3 Research Purpose

The purpose was explanatory: to test whether leadership style predicted variations in employee performance and retention within the two companies. Explanatory survey designs are recommended when the goal is to evaluate theoretically grounded cause–effect propositions with multivariate statistics (Cornelissen, 2025).

3.4 Population of the Study

The target population comprised employees of Process and Plant Automation Limited and Electrical Switchgear Limited, specifically supervisors, junior staff, and senior-level employees. These strata reflected meaningful differences in exposure to leadership practices and decision latitude and therefore supported comparisons across hierarchical levels.

3.5 Sample Size and Sampling Technique

Given that the total eligible population was 96 employees, the study adopted a census (complete enumeration) rather than a sample. All staff in the frame, supervisors, senior-level employees, and junior staff across Process and Plant Automation Limited and Electrical Switchgear Limited—were included. A census is recommended when the population is small and accessible because it eliminates sampling error, maximises precision, and permits reliable subgroup comparisons without the distortions of sampling variability (Sawlat and Masomi, 2025).

3.6 Data Collection

Data were collected with a self-administered structured questionnaire. Leadership style items were adapted from the Multifactor Leadership Questionnaire (MLQ-5X) to capture transactional (e.g., contingent reward, management-by-exception) and transformational (e.g., idealised influence, inspirational motivation, intellectual stimulation, individualised consideration) behaviours (Agyemang et al., 2017). Employee performance was assessed with validated task-performance/individual work performance (Xu and Zhang, 2024). Employee retention was proxied by turnover intention using a brief validated scale (Rosario-Hernández et al., 2022). Items were measured on Likert-type scales to facilitate parametric analysis. Prior to the main administration, the instrument underwent expert review for content validity and a pilot test to refine wording and layout (Honorato-Errázuriz et al., 2024). Questionnaires were distributed in person and via secure electronic links subject to organisational preference; participation was voluntary and uncompensated.

Table 3.1: Construct Measurement Items and Sources

Transformational Leadership

Source

My supervisor communicates a clear and motivating vision for our team.

Global Transformational Leadership (GTL) scale and the MLQ conceptualization (Carless, Wearing, & Mann, 2000; Bass & Riggio, 2006)

My supervisor encourages me to develop and improve my skills.

My supervisor treats me as an individual and supports my personal growth.

My supervisor fosters trust, cooperation, and team spirit.

My supervisor acts consistently with stated values and leads by example.

My supervisor stimulates me to think about problems in new and creative ways.

My supervisor expresses optimism and confidence about achieving goals.

Section B: Transactional Leadership — Contingent Reward

My supervisor makes clear what I will receive when I meet performance goals.

Podsakoff et al. (1984, 1990) and the MLQ framework (Bass & Avolio, 2004; Bass & Riggio, 2006).

When I achieve agreed targets, my supervisor provides appropriate recognition or rewards.

Good performance is acknowledged promptly by my supervisor.

If I perform well, I can count on tangible recognition (e.g., praise, bonuses, opportunities).

Section C: Transactional Leadership — Management by Exception (Active)

My supervisor closely monitors work to identify deviations from standards.

Podsakoff et al. (1984, 1990) and the MLQ framework (Bass & Avolio, 2004; Bass & Riggio, 2006).

When mistakes occur, my supervisor takes corrective action immediately.

My supervisor pays close attention to failures to meet expectations.

Section D: Transactional Leadership — Management by Exception (Passive)

My supervisor often waits until problems become serious before acting.

Podsakoff et al. (1984, 1990) and the MLQ framework (Bass & Avolio, 2004; Bass & Riggio, 2006).

Issues are addressed only after they have caused noticeable difficulties.

Corrective action is taken only when failures are obvious.

Section E: Employee Performance (Task Performance)

I adequately complete my assigned duties.

Koopmans et al., (2014)

I meet the formal performance requirements of my job.

I perform the tasks that are expected of me.

I plan my work so it is done on time.

I deliver the level of quality that is expected in my role.

I carry out my work efficiently.

Section F: Employee Retention (Turnover Intention)

I often consider leaving this organisation.

(Bothma & Roodt, 2013; Rubenstein et al., 2018).

I will probably look for a new job in the next 12 months.

I intend to remain with this organisation for the foreseeable future. (reverse-scored)

A relatively small change in my situation could lead me to leave this organisation.

3.7 Data Analysis

Completed responses were screened and analysed in SPSS. Descriptive statistics (means, standard deviations, frequencies) summarised sample characteristics and scale responses. Bivariate Pearson correlations inspected zero-order relationships. The hypotheses were tested with multiple regression, estimating the unique effects of transactional and transformational leadership on performance and retention while controlling for demographics (where appropriate). Standard diagnostic checks were conducted: normality and linearity (plots and tests), homoscedasticity (residual plots), and multicollinearity (VIF ≤ 5) in line with best practice (Field, 2013; Hair, Hult, Ringle, & Sarstedt, 2019). Statistical significance was evaluated at α = .05 (two-tailed).

3.8 Validity and Reliability

Psychometric evaluation in this study focused solely on internal consistency reliability

assessed with Cronbach's alpha. For each multi-item construct, transactional leadership, transformational leadership, employee performance, and retention (turnover intention), Cronbach's alpha coefficients were computed after data cleaning and reverse-coding where applicable. Interpretation followed established guidelines: coefficients ≥ .70 were treated as acceptable, ≥ .80 as good, and ≥ .90 as excellent indicators of internal consistency (Nunnally & Bernstein, 1994; Tavakol & Dennick, 2011). Item–total statistics were inspected, and any item that materially depressed alpha was reviewed and, if warranted, removed to improve scale coherence. Final alpha values and retained item counts are reported alongside the results in Chapter Four.

3.9 Ethical Issues

Ethical approval was obtained from the relevant institutional review body. Organisational permission was secured from both firms before contact with employees. Participants received an information sheet and provided informed consent. Responses were anonymous/confidential, stored on encrypted drives, and reported only in aggregate form. Participation was voluntary, with the right to withdraw at any point without penalty. No sensitive personal identifiers were collected, and the data were used exclusively for academic purposes (Di Minin et al., 2021).

3.10 Profile of Organization

Process and Plant Automation Limited and Electrical Switchgear Limited operate in the industrial engineering domain, delivering solutions that typically include panel fabrication and assembly; PLC/SCADA programming and commissioning; testing, inspection, and maintenance of electrical/control systems; and project services for manufacturing and utilities. Both organisations employ multi-disciplinary teams spanning engineering design, production/assembly, quality assurance, field service, and administration. The workforce is hierarchically structured into junior staff, supervisors, and senior-level employees, reflecting distinct spans of control and exposure to leadership practices. These firms were selected purposively because their operational routines and project-based tasks provide a relevant context for examining how transactional and transformational leadership map onto

measurable performance and retention outcomes.

CHAPTER FOUR

DATA PRESENTATION ANALYSIS AND DISCUSSION OF FINDINGS

4.1 Introduction

This chapter presents the results of the study and discusses them in relation to the research objectives and hypotheses. The analysis begins with the demographic characteristics of respondents, followed by tests of reliability and validity of the constructs. Descriptive statistics are then presented for the key variables—transactional leadership, transformational leadership, employee performance, and employee retention. Finally, the results of correlation and regression analyses are discussed, linking the findings to the literature reviewed in earlier chapters.

4.2 Demographic/Background Information of the Respondents

Table 4.2.1: Demographic Characteristics of the Respondent

Category

N

Organisation		Percent
Process & Plant Automation Ltd (PPA)	51	53.1
Electrical Switchgear Ltd (ESL)	45	46.9

Department		Percent
Engineering/Design	22	22.9
Production/Assembly	23	24
Quality/Testing	16	16.7
Field Service/Commissioning	14	14.6
Projects/Sales	11	11.5

Admin/HR/Finance

7

7.3

Other

3

3.1

Role

Junior staff

62

64.6

Supervisor

20

20.8

Senior-level/Management

14

14.6

Years with the organisation

< 1 year

11

11.5

1–2 years

32

33.3

3–5 years

25

26

6–10 years

18

18.8

> 10 years

10

10.4

Years with current supervisor

< 6 months

18

18.8

6–11 months

31

32.3

1–3 years

25

26

3–5 years

12

12.5

> 5 years

10

10.4

Age group

Age	Count	Percentage
18–24	7	7.3
25–34	39	40.6
35–44	33	34.4
45–54	16	16.7
55+	1	1

Gender

Gender	Count	Percentage
Male	62	64.6
Female	34	35.4

Highest education level

Secondary/SHS

3

3.1

Technical/Certificate

13

13.5

Diploma/HND

34

35.4

Bachelor's

34

35.4

Master's

12

12.5

Employment type

Full-time

79

82.3

Part-time

3

3.1

Contract/Temporary

12

12.5

Internship/National Service

2

2.1

The demographic profile of respondents shows a balanced representation between the two participating organisations, with Process & Plant Automation Ltd (PPA) accounting for 53.1% and Electrical Switchgear Ltd (ESL) representing 46.9%. In terms of departmental distribution, the highest proportion of respondents came from Production/Assembly (24%) and Engineering/Design (22.9%), followed by Quality/Testing (16.7%) and Field Service/Commissioning (14.6%). A smaller share of participants was drawn from Projects/Sales (11.5%), Admin/HR/Finance (7.3%), and other units (3.1%).

With respect to roles, the majority of respondents were junior staff (64.6%), while supervisors made up 20.8% and senior-level or management staff accounted for 14.6%. Regarding tenure with the organisation, most employees had been with their organisations between 1–2 years (33.3%) or 3–5 years (26%), while 18.8% reported 6–10 years of service, and 10.4% had over 10 years. Similarly, tenure with their current supervisor shows that 32.3% of respondents had worked with them for 6–11 months, 26% for 1–3 years, and 18.8% for less than 6 months, while only 10.4% had a working relationship spanning more than 5 years.

In terms of age, the workforce was predominantly youthful, with 40.6% aged 25–34 years and 34.4% aged 35–44 years. A smaller proportion fell within the 45–54 years category (16.7%), while 7.3% were aged 18–24 years, and only 1% were 55 years and above. Gender distribution revealed more male respondents (64.6%) compared to females (35.4%).

Regarding educational background, most employees held either a Diploma/HND (35.4%) or a Bachelor's degree (35.4%), with smaller proportions reporting Technical/Certificate qualifications (13.5%), Master's degrees (12.5%), or Secondary/SHS (3.1%). Finally, employment type data showed that the majority of respondents were employed on a full-time basis (82.3%), with others on contract/temporary terms (12.5%), part-time (3.1%), or

internship/national service (2.1%).

4.3 Reliable Tests and Validity Tests

Table 4.3.1: Reliability Test (Cronbach Alpha)

Scale	Number of Items	Alpha
Transformational	7	0.749
Transactional	7	0.736
MBEP_Passive	3	0.752
Performance	6	0.743
Retention	4	0.542

Table 4.3.1 presents the results of the reliability test using Cronbach's Alpha. The values for Transformational (0.749), Transactional (0.736), MBEP Passive (0.752), and Performance (0.743) all exceed the acceptable threshold of 0.70, indicating good internal

consistency. However, the Retention scale recorded a lower alpha value of 0.542, suggesting relatively weaker reliability.

Table 4.3.2: Convergent Validity-Composite Reliability (CR) and Average Variance Extracted (AVE) for Study Constructs

Construct	Number of items	CR	AVE
Transformational	7	0.754	0.313
Transactional	7	0.762	0.342
MBEP_Passive	3	0.767	0.532
Performance	6	0.752	0.35
Retention	4	0.588	0.6

Table 4.3.2 shows the Composite Reliability (CR) and Average Variance Extracted (AVE) for the study constructs. The CR values for Transformational (0.754), Transactional (0.762), MBEP Passive (0.767), and Performance (0.752) are above the recommended minimum of 0.70, indicating acceptable construct reliability. Retention, however, recorded a lower CR value of 0.588. In terms of AVE, only MBEP Passive (0.532) and Retention (0.600) exceeded the 0.50 threshold, while the other constructs fell below this benchmark.

4.4 Descriptives Analysis and Correlation

Table 4.4.1: Descriptive Statistics for Transformational Leadership Items (N = 96)

Item

N

Mean

SD

My supervisor communicates a clear and motivating vision for our team.

96

2.927

1.028

My supervisor encourages me to develop and improve my skills.

96

2.396

1.031

My supervisor treats me as an individual and supports my personal growth.

96

2.729

1.041

My supervisor fosters trust, cooperation, and team spirit.

96

2.729

1.1

My supervisor acts consistently with stated values and leads by example.

96

2.771

1.1

My supervisor stimulates me to think about problems in new and creative ways.

96

2.771

1.061

My supervisor expresses optimism and confidence about achieving goals.

96

2.802

1.082

Table 4.4.1 presents the descriptive statistics for transformational leadership items. The mean scores range from 2.396 to 2.927, indicating moderate agreement among respondents. The highest-rated item was "My supervisor communicates a clear and motivating vision for our team" (M = 2.927, SD = 1.028), while the lowest-rated was "My supervisor encourages me to develop and improve my skills" (M = 2.396, SD = 1.031). Standard deviations across items are relatively consistent, ranging between 1.028 and 1.100, suggesting moderate variability in responses.

Table 4.4.2: Descriptive Statistics for Transactional Leadership Items (N = 96)

Item

N

Mean

SD

Contingent Reward

My supervisor makes clear what I will receive when I meet performance goals.

96

2.719

1.158

When I achieve agreed targets, my supervisor provides appropriate recognition or rewards.

96

2.594

1.294

Good performance is acknowledged promptly by my supervisor.

96

2.781

1.116

If I perform well, I can count on tangible recognition (e.g., praise, bonuses, opportunities).

96

2.865

1.042

Management by Exception (Active)

My supervisor closely monitors work to identify deviations from standards.

96

2.604

1.051

When mistakes occur, my supervisor takes corrective action immediately.

96

2.729

1.156

My supervisor pays close attention to failures to meet expectations.

96

2.781

1.048

Management by Exception (Passive)

My supervisor often waits until problems become serious before acting.

96

2.927

0.997

Issues are addressed only after they have caused noticeable difficulties.

96

2.708

1.065

Corrective action is taken only when failures are obvious.

96

2.76

0.981

Table 4.4.2 shows the descriptive statistics for transactional leadership items. The mean scores range from 2.594 to 2.927, reflecting generally moderate agreement among respondents. The highest-rated item was "My supervisor often waits until problems become serious before acting" (M = 2.927, SD = 0.997), while the lowest-rated item was "When I achieve agreed targets, my supervisor provides appropriate recognition or

rewards" (M = 2.594, SD = 1.294). Standard deviations range between 0.981 and 1.294, indicating moderate variability in responses across items.

Table 4.4.3: Descriptive Statistics for Employee Performance Items (N = 96)

Item

N

Mean

SD

I adequately complete my assigned duties.

96

2.583

1.023

I meet the formal performance requirements of my job.

96

2.771

1.081

I perform the tasks that are expected of me.

96

2.865

1.032

I plan my work so it is done on time.

96

2.802

1.12

I deliver the level of quality that is expected in my role.

96

2.854

1.066

I carry out my work efficiently.

96

2.76

1.003

Table 4.4.3 presents the descriptive statistics for employee performance items. Mean scores range from 2.583 to 2.865, suggesting a generally moderate level of agreement with performance-related statements. The highest-rated item was "I perform the tasks that are expected of me" (M = 2.865, SD = 1.032), followed closely by "I deliver the level of quality that is expected in my role" (M = 2.854, SD = 1.066). The lowest-rated item was "I adequately complete my assigned duties" (M = 2.583, SD = 1.023). Standard deviations fall between 1.003 and 1.120, indicating modest variation across responses.

Table 4.4.4: Descriptive Statistics for Employee Retention Items (N = 96)

Item

N

Mean

SD

I often consider leaving this organisation.

96

2.688

1.069

I will probably look for a new job in the next 12 months.

96

2.844

1.019

I intend to remain with this organisation for the foreseeable future. (reverse-scored)

96

2.677

1.041

A relatively small change in my situation could lead me to leave this organisation.

96

2.927

0.954

Table 4.4.4 shows the descriptive statistics for employee retention items. The mean scores range between 2.677 and 2.927, reflecting moderate tendencies toward turnover intentions. The highest-rated item was "A relatively small change in my situation could lead me to leave this organisation" (M = 2.927, SD = 0.954), while the lowest was "I intend to remain with this organisation for the foreseeable future" (M = 2.677, SD = 1.041). The relatively consistent standard deviations (0.954–1.069) suggest a moderate spread in responses across items.

Table 4.4.5: Correlation Matrix of Leadership Styles, Performance, and Retention

TRANF

CONT

ACTIVE

PASSIVE

PERF

Transformational (TRASF)

1

Transactional (CONT)

0.436

1

Transactional (ACTIVE

0.421

0.538

1

Transactional (PASSIVE)

0.264

0.862

0.036

1

Performance (PERF)

0.533

0.394

0.486

0.174

1

Retention

-0.441

-0.366

-0.315

-0.244

-0.585

Table 4.4.5 presents the correlation matrix of leadership styles, performance, and retention. Transformational leadership is positively correlated with transactional leadership (r = 0.436), performance (r = 0.533), and moderately with retention in a negative direction (r = -0.441). Transactional leadership (overall) shows strong association with its sub-dimensions—active (r = 0.538) and passive (r = 0.862)—while also relating positively with performance (r = 0.394). Performance is positively correlated with both transformational (r = 0.533) and transactional active (r = 0.486), but negatively correlated with retention (r = -0.585). Overall, leadership styles appear to enhance performance, but higher performance and certain leadership traits are linked with lower retention levels.

4.5 Assumption Test

Table 4.5.1: Regression Assumption Tests (Normality, Homoscedasticity, and Independence) for Employee Performance

Test	Statistic	df	p-value
Shapiro–Wilk (residuals)	0.9805		0.1626
Breusch–Pagan (heteroskedasticity)	1.2260	2	0.5417
Durbin–Watson (independence)	2.2474		0.8927

DV: Employee Performance

Table 4.5.1 shows the regression assumption tests for employee performance. The Shapiro–Wilk test (p = 0.1626) indicates that residuals are normally distributed. The Breusch–Pagan test (p = 0.5417) suggests no evidence of heteroscedasticity, confirming homoscedasticity. The Durbin–Watson statistic (2.247, p = 0.8927) indicates no autocorrelation, supporting independence of errors. Overall, the assumptions of regression analysis are satisfied for employee performance as the dependent variable.

Table 4.5.2: Multicollinearity Statistics for Predictors of Employee Performance

Predictor	VIF	Tolerance
Transformational	1.23454	0.81
Transactional	1.23454	0.81

DV: Employee Performance

Table 4.5.2 presents the multicollinearity statistics for predictors of employee performance. The Variance Inflation Factor (VIF) values for both transformational (1.234) and transactional leadership (1.234) are well below the threshold of 10, and tolerance values (0.81) are above the acceptable cut-off of 0.2. These results confirm that multicollinearity is not a concern, indicating that both predictors can be included in the regression model without distortion.

Table 4.5.3: Regression Assumption Tests (Normality, Homoscedasticity, and Independence) for Retention

Test

	Statistic	df	p-value
Shapiro–Wilk (residuals)	0.9520		0.0014
Breusch–Pagan (heteroskedasticity)	3.3650	2	0.1859
Durbin–Watson (independence)	1.9633		0.4349

DV: Retention

Table 4.5.3 reports the regression assumption tests for retention as the dependent variable. The Shapiro–Wilk test yielded a significant result (p = 0.0014), suggesting a deviation from normality in the residuals. However, the Breusch–Pagan test for heteroskedasticity (p = 0.1859) was not significant, indicating homoscedasticity of residuals. The Durbin–Watson statistic (1.9633) falls within the acceptable range of 1.5–2.5, confirming independence of errors. Overall, while normality is slightly violated, the assumptions of homoscedasticity and independence are satisfied, allowing regression analysis to proceed with caution.

Table 4.10: Multicollinearity Statistics for Predictors of Retention

Predictor

	VIF	Tolerance
Transformational	1.2345	0.81
Transactional	1.2345	0.81

DV: Retention

Table 4.10 presents the multicollinearity statistics for the predictors of retention. Both transformational and transactional leadership had Variance Inflation Factor (VIF) values of 1.2345 and tolerance values of 0.81. Since VIF values are well below the common cutoff of 10 (and even the more conservative cutoff of 5) and tolerance values are above 0.20, there is no evidence of multicollinearity between the predictors. This indicates that both leadership styles can be included in the regression analysis without concern for redundancy or inflated variance.

4.6 Hypotheses Testing

Table 4.6.1: Regression Analysis of Leadership Styles on Employee Performance

term	estimate	std.error	statistic	p.value
(Intercept)	0.9672	0.2873	3.3665	0.0011

Transformational

0.4626

0.0989

4.6767

0.0000

Transactional

0.1987

0.0949

2.0935

0.0390

r.squared

0.3159

adj.r.squared

0.3012

sigma

0.5835

statistic

21.4745

p.value

0.0000

DV: Employee Performance

Table 4.6.1 shows the regression results assessing the effect of leadership styles on employee performance. The model explains 31.6% of the variance in employee performance (R^2 = 0.3159, Adjusted R^2 = 0.3012), indicating a moderate explanatory power. The regression coefficients show that both transformational leadership (β = 0.4626, $p < 0.001$) and transactional leadership (β = 0.1987, p = 0.039) are significant positive predictors of employee performance. This means that higher levels of both leadership styles are associated with improved employee performance, with transformational leadership having a stronger effect compared to transactional leadership. The overall model was statistically significant ($F_{(2, 93)}$ = 21.4745, $p < 0.001$), confirming that leadership style contributes meaningfully to explaining employee performance outcomes.

Table 4.7: Regression Analysis of Leadership Styles on Employee Retention

term

estimate

std.error

statistic

p.value

(Intercept)

4.1726

0.2170

19.2246

0.0000

Transformational

-0.2573

0.0747

-3.4429

0.0009

Transactional

-0.1523

0.0717

-2.1237

0.0363

r.squared

0.2319

adj.r.squared

0.2153

sigma

0.4408

statistic

14.0355

p.value

0.0000

DV: Retention

The regression analysis in Table 4.7 indicates that leadership styles have a significant negative influence on employee retention. The model accounts for approximately 23.2% of the variance in retention (R^2 = 0.2319, Adj. R^2 = 0.2153), with the overall model being statistically significant (F = 14.0355, $p < 0.001$). Transformational leadership shows a negative coefficient of –0.2573 (SE = 0.0747, t = –3.4429, p = 0.0009), suggesting that higher levels of transformational leadership are associated with lower employee retention. Transactional leadership similarly displays a negative effect with a coefficient of –0.1523 (SE = 0.0717, t = –2.1237, p = 0.0363), indicating that it too reduces the likelihood of employees staying, though to a lesser degree. The intercept of the model is 4.1726 ($p < 0.001$), reflecting the baseline level of retention when leadership style factors are absent. These results show that while leadership plays a significant role in retention, both transformational and transactional styles appear to decrease employees' intent to remain in the organisation.

4.7 Discussion of Results

4.7.1 Impact of Transactional Leadership on Employee performance

The regression results indicate that transactional leadership exerts a positive and significant influence on employee performance (β = 0.1987, t = 2.0935, p = 0.0390). This finding aligns with empirical evidence from Judge and Piccolo's meta-analysis, which

established a reliable positive association between contingent reward—a core element of transactional leadership—and employee performance and effectiveness. Consistent with this, the current study confirms that transactional behaviours, particularly when linked to explicit goals and proportional recognition, foster clarity, reduce ambiguity, and encourage greater effort among employees.

The results also resonate with Chen et al. (2025) and Melhem et al. (2025), who observed that transactional routines improve throughput, reduce errors, and reinforce standard work in operational contexts. In the studied organisations, where assembly, field-service operations, and preventive maintenance require precision and adherence to standards, transactional leadership practices appear to strengthen performance outcomes. This supports the argument by Naranjo (2024) that daily perceptions of contingent reward drive engagement and goal attainment.

At the same time, the smaller effect size compared to transformational leadership (β = 0.1987 vs. 0.4626) reflects the literature's cautionary stance that transactional leadership, while beneficial, may be insufficient in environments demanding creativity and innovation. As Pajic et al. (2021) and Young et al. (2021) emphasize, reliance on management-by-exception, particularly in its passive form, can undermine intrinsic motivation and discretionary effort. This nuance is consistent with the current study's findings, which show that transactional leadership contributes positively to performance but does not dominate as the primary driver.

Thus, the findings both affirm and contextualize the broader literature: transactional leadership is an effective mechanism for enhancing performance where tasks are structured and standards are explicit, but its benefits are moderated by the nature of work demands. For organisations such as Process and Plant Automation Limited and Electrical Switchgear Limited, transactional practices are most valuable when applied to safety-critical and routine operations, while transformational behaviours may be needed to complement them in areas requiring adaptability and innovation.

4.7.2 Impact of Transformational Leadership on Employee performance

The regression analysis demonstrates that transformational leadership has a strong, positive, and statistically significant effect on employee performance ($\beta = 0.4626$, $t = 4.6767$, $p < 0.001$). This effect size is notably larger than that observed for transactional leadership ($\beta = 0.1987$), highlighting the relative potency of transformational behaviours in shaping performance outcomes. These findings are highly consistent with meta-analytic evidence that transformational leadership is more strongly linked to task performance, creativity, and organizational citizenship behaviours compared to transactional approaches (Gao et al., 2024; Gogia et al., 2024).

The current study corroborates prior research emphasizing that transformational leaders achieve performance gains through motivational and psychological mechanisms. As suggested by Ned and Umesi (2023) and Hosseini et al. (2024), behaviours such as articulating vision, fostering trust, and stimulating intellectual engagement appear to enhance employees' intrinsic motivation, engagement, and sense of ownership. Within the studied organizations—Process and Plant Automation Limited and Electrical Switchgear Limited—this effect may be particularly pronounced in technical and engineering functions, where intellectual stimulation and creative problem-solving are central to operational improvements. The empirical observation that transformational leadership boosts innovative behaviour (Iqbal et al., 2023; Nabi et al., 2023) provides further support for the significant positive coefficient identified in this study.

Additionally, the cultural and contextual generalizability observed in prior studies (Rockstuhl et al., 2023; Kebe et al., 2025) resonates with these results, suggesting that the performance-enhancing effects of transformational leadership extend across different organizational subcultures within the two firms. The finding also aligns with evidence that different dimensions of transformational leadership contribute uniquely: inspirational motivation and intellectual stimulation promote creativity and solution quality, while individualized consideration and idealized influence foster sustained effort and persistence (Alhamami, 2024; Khan et al., 2022).

Overall, the study's results confirm Hypothesis H2, showing that transformational

leadership is a significant driver of employee performance. Compared to transactional leadership, it accounts for a greater share of variance in performance (R^2 = 0.3159 for the full model), emphasizing its central role in sustaining productivity, quality, and innovation. These findings reinforce the importance of embedding transformational practices in supervisory development and leadership training as a lever for boosting employee performance in both operational and innovation-driven contexts.

4.7.3 Effect of Transactional Leadership Style on Employee Retention

The regression analysis shows that transactional leadership exerts a significant but negative effect on employee retention (β = –0.1523, t = –2.1237, p = 0.0363). This finding suggests that higher reliance on transactional practices is associated with stronger turnover intentions rather than improved retention. Taken together, transformational and transactional leadership explained 23.2% of the variance in retention (R^2 = 0.2319, Adj. R^2 = 0.2153), underscoring the explanatory weight of leadership style in shaping whether employees remain in the organization.

These results only partially align with earlier empirical studies. For instance, consistent with Anthonysamy et al. (2025) and Moon et al. (2024), contingent reward has been shown to stabilize retention when rewards are fair, timely, and tied to clear expectations. However, the overall negative coefficient in this study suggests that transactional leadership, as enacted within Process and Plant Automation Limited and Electrical Switchgear Limited, may lean more heavily on exception management than on recognition. This resonates with findings by Novruzov (2024), who reported that management-by-exception—particularly its passive form—predicts dissatisfaction and stronger turnover intentions by creating a climate where employees feel undervalued and only noticed when mistakes occur.

The observed negative relationship also reflects broader evidence that transactional leadership, though effective for clarifying expectations and rewarding compliance, does little to satisfy employees' developmental and relational needs (Stenson, 2025). As Chen and Huang (2025) and Küçükel (2024) note, job satisfaction and commitment are the strongest predictors of retention; transactional practices that emphasize surveillance or

after-the-fact correction erode these attitudes over time. In the studied firms, this dynamic may be particularly relevant in engineering and design units, where employees prize autonomy, recognition, and career growth. For such staff, transactional control without complementary developmental support can heighten exit intentions despite adequate reward structures.

In short, while prior literature highlights the potential of contingent reward to buffer turnover under certain conditions, this study found that transactional leadership overall had a detrimental impact on retention. This confirms that its retention effects are highly contingent on context and implementation. Thus, Hypothesis H3 is not supported: transactional leadership was not positively but rather negatively associated with employee retention in the two organizations studied.

4.7.3 Effect of Transformational Leadership Style on Employee Retention

The regression analysis revealed that transformational leadership had a significant negative effect on employee retention (β = –0.2573, t = –3.4429, p = 0.0009). This indicates that higher levels of transformational leadership, as reported in this study, were associated with stronger turnover intentions rather than with improved retention. The model accounted for 23.2% of the variance in retention (R^2 = 0.2319, Adj. R^2 = 0.2153), reinforcing the idea that leadership style is a substantial predictor of employees' willingness to remain.

This finding diverges from the dominant empirical record, which typically demonstrates that transformational leadership reduces turnover intention and increases commitment (Rashed, 2024; Chandra et al., 2023; Samuel & Engelbrecht, 2021). In most contexts, transformational leaders enhance employees' sense of belonging and growth by fostering job satisfaction and empowerment, which in turn anchor retention (Bertolini & Marcatto, 2025; Oladimeji, 2024). The negative coefficient observed here suggests a potential contextual effect: in Process and Plant Automation Limited and Electrical Switchgear Limited, transformational leadership may raise expectations for career development, autonomy, or recognition that the organizations are not fully able to meet. When

aspirations stimulated by leaders exceed the organization's structural capacity to provide advancement or resources, employees may feel frustrated, heightening turnover intention despite inspirational leadership.

This interpretation is consistent with Alhamami (2024) and Asghar et al. (2025), who argue that transformational leadership's retention benefits are mediated by job satisfaction and organizational commitment. If those mediators are weak due to structural constraints (e.g., limited promotion opportunities, pay structures, or workload pressures), transformational leadership may not translate into retention and, paradoxically, may even highlight the gap between employee aspirations and organizational realities. In technical environments such as engineering and design, where skilled workers have alternative job opportunities, transformational behaviours that encourage vision and personal growth might inadvertently prompt employees to seek fulfillment elsewhere if they perceive limited prospects internally.

Thus, while the broader literature strongly supports transformational leadership as a positive driver of retention across settings (Den Hartog & De Hoogh, 2024; Van Jaarsveld et al., 2021), the current findings point to a boundary condition: its effectiveness depends on whether organizational systems can sustain the developmental promises made by transformational leaders. In this case, transformational leadership was significantly but negatively associated with retention, indicating that Hypothesis H4 is not supported in the context of the two organizations studied.

4.8 Summary of Hypothesis

Table 4.8.1: Summary of Hypotheses Testing Results

Hypothesis

Statement

Result (β, p-value)

Decision

H1

Transactional leadership is positively associated with employee performance.

β = 0.1987, p = 0.0390

Supported

H2

Transformational leadership is positively associated with employee performance.

β = 0.4626, p = 0.0000

Supported

H3

Transactional leadership is positively associated with employee retention.

β = –0.1523, p = 0.0363

Not Supported

H4

Transformational leadership is positively associated with employee retention.

β = –0.2573, p = 0.0009

Not Supported

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the discussion, conclusion, and recommendations based on the findings of the study that examined the effect of leadership styles on employee performance and retention within Process and Plant Automation Limited (PPA) and Electrical Switchgear Limited (ESL). The study focused on two major leadership styles, transactional and transformational, and their impact on two critical outcomes, employee performance and retention. Using quantitative analysis, the results were interpreted in relation to the research objectives and hypotheses developed earlier in the study. This chapter throws light on the key findings, draws conclusions, and outlines practical recommendations for managers and organizational leaders.

5.2 Summary of Findings

The study tested four hypotheses, examining the effect of transactional and

transformational leadership on employee performance and retention.

The results demonstrated that both transactional and transformational leadership styles significantly enhanced employee performance. Transactional leadership showed a positive but modest impact on performance ($\beta = 0.1987$, $p = 0.0390$), confirming that clear goal-setting, contingent rewards, and active supervision raise employees' task efficiency and output in structured work settings. Similarly, transformational leadership had a stronger effect on performance ($\beta = 0.4626$, $p = 0.0000$), reflecting the importance of vision sharing, individual support, and intellectual stimulation in motivating employees to exceed standard expectations.

On the other hand, the results for employee retention contradicted the proposed hypotheses. Transactional leadership showed a negative and significant effect on retention ($\beta = -0.1523$, $p = 0.0363$), suggesting that employees exposed predominantly to transactional behaviours were more likely to develop turnover intentions. Likewise, transformational leadership, though generally expected to foster retention, also showed a significant but negative relationship with retention ($\beta = -0.2573$, $p = 0.0009$). This indicates that while transformational leadership improves motivation and performance, it may inadvertently raise employees' career aspirations and mobility, thereby reducing long-term retention.

Overall, the findings reveal a consistent positive effect of leadership styles on employee performance but mixed evidence regarding employee retention, where both leadership styles were negatively related.

5.3 Conclusion

The study concludes that leadership style is a critical determinant of employee outcomes, particularly performance. Transactional leadership contributes to performance by clarifying expectations and rewarding compliance, while transformational leadership has a more powerful influence through vision, empowerment, and inspiration. However, when it comes to retention, both leadership styles showed negative associations, suggesting that leadership alone may not be sufficient to guarantee long-term employee attachment. Other

organizational factors, such as career growth opportunities, compensation, job security, and work-life balance, may moderate the retention outcomes.

For PPA and ESL, this means that while leadership interventions can reliably boost productivity and efficiency, retention requires a broader strategic approach that integrates leadership practices with human resource policies addressing job satisfaction and career development.

5.4 Recommendations

Based on the findings, the following recommendations are made:

☐ Leverage Transactional Leadership in Routine Tasks: Managers should continue applying transactional practices such as contingent rewards and close monitoring in operational areas like assembly, testing, and fieldwork, where compliance and safety are paramount.

☐ Strengthen Transformational Practices for Innovation: Supervisors should be trained in transformational skills such as coaching, mentoring, and vision sharing, particularly in departments like engineering design and process optimization, where creativity and innovation drive performance.

☐ Address Retention Beyond Leadership: Since both leadership styles showed negative effects on retention, organizations should adopt complementary retention strategies, including career progression pathways, competitive compensation, employee recognition, and flexible work arrangements.

☐ Develop Hybrid Leadership Approaches: A balanced leadership approach that blends transactional clarity with transformational inspiration may help organizations maximize performance while mitigating unintended retention challenges.

☐ Invest in Employee Engagement and Support: Programs focusing on psychological empowerment, employee voice, and wellbeing initiatives should be implemented to enhance employees' affective commitment and reduce turnover intentions.

REFERENCES

ACAR, O. A., TUNCDOGAN, A., VAN KNIPPENBERG, D. & LAKHANI, K. R. 2024. Collective creativity and innovation: An interdisciplinary review, integration, and research agenda. Journal of Management, 50, 2119-2151.

AGUILERA, R. V., DE MASSIS, A., FINI, R. & VISMARA, S. 2024. Organizational goals, outcomes, and the assessment of performance: Reconceptualizing success in management studies. Journal of Management Studies, 61, 1-36.

AGYEMANG, F. G., BOATENG, H. & DZANDU, M. D. 2017. Examining intellectual stimulation, idealised influence and individualised consideration as an antecedent to knowledge sharing: Evidence from Ghana. Knowledge management and e-learning.

AHMAD, S. 2024. Leadership Lapses: Their Impact on Employees' Wellbeing and Performance.

AHMAD, S., ZADA, D. M. & AHMAD, H. 2024. Impact of Decision making by charismatic leadership in conflicted and tangled circumstances. KASBIT Business Journal, 17.

AL OTAIBI, S. M., AMIN, M., WINTERTON, J., BOLT, E. E. T. & CAFFERKEY, K. 2023.

The role of empowering leadership and psychological empowerment on nurses' work engagement and affective commitment. International Journal of Organizational Analysis, 31, 2536-2560.

ALHAMAMI, M. A. 2024. Leading for Innovation: How Different Leadership Styles Shape Employee Innovation in Saudi Higher Education. Victoria University.

ALJUMAH, A. 2023. The impact of extrinsic and intrinsic motivation on job satisfaction: The mediating role of transactional leadership. Cogent Business & Management, 10, 2270813.

ALLEN, D. G. & VARDAMAN, J. M. 2021. Global talent retention: Understanding employee turnover around the world. Global talent retention: understanding employee turnover around the world. Emerald Publishing Limited.

ANTHONYSAMY, L., TAN, C. N.-L., LIM, O. W. & ZAINAL, Z. 2025. The Mediating Effect of Organizational Prestige on Extrinsic Rewards and Employee Retention. SAGE Open, 15, 21582440251330006.

ASGHAR, M. Z., IQBAL, J., ÖZBILEN, F. M., ABEDIN, J., JÄRVENOJA, H. & WIDANAPATHIRANA, U. 2025. The nexus of artificial intelligence literacy collaborative knowledge practices and inclusive leadership development among higher education students in Bangladesh China Finland and Turkey. Discover Computing, 28, 1-30.

BENMIRA, S. & AGBOOLA, M. 2021. Evolution of leadership theory. BMJ leader, leader-2020-000296.

BERTOLINI, D. & MARCATTO, F. 2025. Introducing the Ordinal Turnover Intention Scale (OTIS): A cross-sectional validation in Italian employees and foundation for longitudinal research. J Health Soc Sci, 10, 42-55.

BOESKE, J. 2023. Leadership towards sustainability: a review of sustainable, sustainability, and environmental leadership. Sustainability, 15, 12626.

BORDE, P. S., ARORA, R. & KAKOTY, S. 2024. Linkages of organizational commitment and leadership styles: a systematic review. European Journal of Training and Development, 48, 41-66.

CAI, J. 2023. Effects of leadership styles and organizational strategy to enhance

performance efficiency. Journal of Enterprise and Business Intelligence, 3, 012-022.

CANDO NARANJO, J. 2024. The Impact of Leadership Styles of Public Managers on Effectiveness, Job Satisfaction, and Employee Reward Systems.

CAO, W., LI, P., C. VAN DER WAL, R. & W. TARIS, T. 2023. Leadership and workplace aggression: A meta-analysis. Journal of Business Ethics, 186, 347-367.

CHANDRA, S., GHOSH, P. & SINHA, S. 2023. Addressing employee turnover in retail through CSR and transformational leadership. International Journal of Retail & Distribution Management, 51, 690-710.

CHANDRANATHAN, P. 2024. Entrepreneurial leadership and transformational leadership: a historical-comparative conceptual analysis. Journal of management history.

CHEN, Y.-Q. & HUANG, H.-H. 2025. The Art of Retention: Advancing Sustainable Management Through Age-Diverse Turnover Modeling. IEEE Access, 13, 47361-47374.

CHEN, Z., SWAMINATHAN, J. M., XU, Y., ZHOU, W. & ZHOU, Y. 2025. Real-Time Performance Feedback and Its Impact on Worker Performance. Available at SSRN.

CHENG, J., LI, K. & CAO, T. 2023. How transformational leaders promote employees' feedback-seeking behaviors: the role of intrinsic motivation and its boundary conditions. Sustainability, 15, 15713.

COBB, C. L., SCHWARTZ, S. J. & MARTINEZ JR, C. R. 2025. A theory of cultural continuity: Heritage culture retention as an important psychological motivation. Psychological Review.

CORNELISSEN, J. P. 2025. The problem with propositions: Theoretical triangulation to better explain phenomena in management research. Academy of Management Review, 50, 342-365.

DARIE, F. C. 2024. Impact of Leadership Styles on Organizational Performance and Employee Retention–Case Study of Germany, Switzerland and Austria. Revista de Management Comparat Internațional, 25, 352-362.

DEN HARTOG, D. N. & DE HOOGH, A. H. 2024. Cross-cultural leadership: What we know, what we need to know, and where we need to go. Annual Review of Organizational

Psychology and Organizational Behavior, 11, 535-566.

DI MININ, E., FINK, C., HAUSMANN, A., KREMER, J. & KULKARNI, R. 2021. How to address data privacy concerns when using social media data in conservation science. Conservation Biology, 35, 437-446.

DINC, M. S., ZAIM, H., HASSANIN, M. & ALZOUBI, Y. I. 2022. The effects of transformational leadership on perceived organizational support and organizational identity. Human Systems Management, 41, 699-716.

DONG, B. 2023. A systematic review of the transactional leadership literature and future outlook. Academic Journal of Management and Social Sciences, 2, 21-25.

ELKHWESKY, Z., SALEM, I. E., RAMKISSOON, H. & CASTAÑEDA-GARCÍA, J.-A. 2022. A systematic and critical review of leadership styles in contemporary hospitality: a roadmap and a call for future research. International Journal of Contemporary Hospitality Management, 34, 1925-1958.

ELUGBAJU, W. K., OKEKE, N. I. & ALABI, O. A. 2024. Human resource analytics as a strategic tool for workforce planning and succession 5 management. International Journal of Engineering Research and Development, 20, 744-756.

EMMANUEL, P. 2023. The Negative Influence of Rewards on the Performance of Employees. ProQuest Dissertations & Theses.

FATIN, S. & MAZLAN, J. 2023. Transformational Leadership in the Modern Workplace: Strategies for Inspiring Innovation and Growth. Journal of Leadership & Administrative Development, 2, 1-10.

FRANSSENS, R., ABRAHAMS, L., BRENNING, K., VAN LEEUWEN, K. & DE CLERCQ, B. 2021. Unraveling prospective reciprocal effects between parental invalidation and pre-adolescents' borderline traits: between-and within-family associations and differences with common psychopathology-parenting transactions. Research on child and adolescent psychopathology, 49, 1387-1401.

GAO, Z., LIU, Y., ZHAO, C., FU, Y. & SCHRIESHEIM, C. A. 2024. Winter is coming: An investigation of vigilant leadership, antecedents, and outcomes. Journal of Applied

Psychology, 109, 850.

GEORGE, A. S. 2024. The symbiotic relationship between visionary and pragmatic leadership in propelling organizational success. Partners Universal International Innovation Journal, 2, 57-79.

GEYS, B. 2023. Fancy seeing you here… again: Uncovering individual-level panel data in repeated cross-sectional surveys. Public Administration Review, 83, 1761-1771.

GOGIA, E. H., SHAO, Z., KHAN, K., REHMAN, M. Z., HADDAD, H. & AL-RAMAHI, N. M. 2024. "Exploring the relationship of organizational virtuousness, citizenship behavior, job performance, and combatting ostracism" through structural equational modeling. BMC psychology, 12, 384.

HA, T.-S. & MOON, K.-K. 2023. Distributive justice, goal clarity, and organizational citizenship behavior: The moderating role of transactional and transformational leadership. Sustainability, 15, 7403.

HAJIALI, I., KESSI, A. M. F., BUDIANDRIANI, B., PRIHATIN, E. & SUFRI, M. M. 2022. Determination of work motivation, leadership style, employee competence on job satisfaction and employee performance. Golden Ratio of Human Resource Management, 2, 57-69.

HARRIPERSAD, R. S. 2021. Relationship between Transformational Leadership and Adult Attachment in Licensed Behavioral Health Leaders. Grand Canyon University.

HAYAT, D. Z. 2024. Catalysing Change: The Power of Effective Leadership in Driving Innovation. Educational Administration: Theory and Practice, 30, 3789-3793.

HERMAWAN, F., PURNOMO, H., KUSUMASTUTI, D., FITRIANA, R., OCTALENY, E., IE, M. & SUDADI, S. 2024. The role of transformational leadership, job satisfaction and organizational commitment on organizational citizenship behavior (OCB) of SMEs employees in the digital era. Journal of Infrastructure, Policy and Development, 8, 5194.

HONORATO-ERRÁZURIZ, J., BASTIDAS-SCHADE, V. & RAMÍREZ-MONTOYA, M.-S. 2024. Measuring a national reading program: questionnaires design, validation and pilot testing. Journal of Social Studies Education Research, 15, 273-304.

HOSSEINI, E., DOAEI, Z. S., JAMADI, A. & YAZDANI, M. 2024. Examining the effect of resilience on job engagement with the mediation of psychological empowerment and job burnout. Interdisciplinary Journal of Management Studies, 17, 475-490.

HTUN, W. & BHAUMIK, A. 2022. Employees job satisfaction and retention at workplace. Journal of Positive School Psychology, 6, 4342-4346.

IQBAL, A., AHMAD, M. S. & NAZIR, T. 2023. Does servant leadership predict innovative behaviour above and beyond transformational leadership? Examining the role of affective commitment and creative self-efficacy. Leadership & Organization Development Journal, 44, 34-51.

JESKE, D. & OLSON, D. 2022. Onboarding new hires: recognising mutual learning opportunities. Journal of Work-Applied Management, 14, 63-76.

KAMATH, S. J. 2025. Examining the Nexus of Communication, Leadership, and Employee Satisfaction in Community Colleges: A Mixed-Methods Exploration.

KARIUKI, J. K. 2021. Idealized influence and inspirational motivation in a microfinance context: Review of literature. International Journal of Organizational Leadership, 10, 120-140.

KARIUKI, J. K., WANDIGA, E. N. & ODIYO, W. O. 2022. An empirical survey of the relationship between transformational leadership and staff retention in the context of microfinance institutions in Kenya. Economics and Business Quarterly Reviews, 5.

KEBE, I. A., LIU, Y. & KAHL, C. 2025. Culturally Attuned Leadership and Employee Behavior During Organizational Change Initiatives in a Developing Economy. Behavioral Sciences, 15, 349.

KHAN, I. U., AMIN, R. U. & SAIF, N. 2022. Individualized consideration and idealized influence of transformational leadership: Mediating role of inspirational motivation and intellectual stimulation. International Journal of Leadership in Education, 1-11.

KIM, H., CHOI, I., LIM, J. & SUNG, S. 2022. Business Process-Organizational Structure (BP-OS) Performance measurement model and problem-solving guidelines for efficient organizational management in an ontact work environment. Sustainability, 14, 14574.

KONTOGHIORGHES, C. & AWBREY, S. M. 2025. Creating a High-Performance Organizational Culture Based on Empirically Validated Frameworks, Cambridge Scholars Publishing.

KRAJCSÁK, Z. 2022. Modelling organizational conflict processes: the organizational value of employee commitment and the moderating role of transformational leadership. Journal of Modelling in Management, 17, 746-763.

KÜÇÜKEL, Ü. 2024. The Examination of the Impact of Transformational Leadership and Perceived Organizational Support on Employees' Intention to Quit with the Moderating Role of Organizational Trust: Research in Post-Pandemic. Marmara Universitesi (Turkey).

LAMBRECHT, I., VAN ASSELT, J., HEADEY, D., MINTEN, B., MEZA, P., SABAI, M., SUN, T. S. & WIN, H. E. 2023. Can phone surveys be representative in low-and middle-income countries? An application to Myanmar. Plos one, 18, e0296292.

LASRADO, F. & KASSEM, R. 2021. Let's get everyone involved! The effects of transformational leadership and organizational culture on organizational excellence. International Journal of Quality & Reliability Management, 38, 169-194.

LAYEK, D. & KOODAMARA, N. K. 2024. Impact of contingent rewards and punishments on employee performance: The interplay of employee engagement. F1000Research, 13, 102.

LESTARI, R. P., SUDIARDITHA, I. K. R. & HANDARU, A. W. 2021. The influence of compensation and career development on employee loyalty with job satisfaction as mediator. Oblik i finansi, 93, 135-141.

LIN, C., SHIPTON, H., TENG, W., KITT, A., DO, H. & CHADWICK, C. 2022. Sparking creativity using extrinsic rewards: A self-determination theory perspective. Human Resource Management, 61, 723-735.

LIN, Z., GU, H., GILLANI, K. Z. & FAHLEVI, M. 2024. Impact of green work–life balance and green human resource management practices on corporate sustainability performance and employee retention: Mediation of green innovation and organisational culture. Sustainability, 16, 6621.

LIU, L., MEI, Q., SKOGSTAD, A., WU, J., LIU, S. & WANG, M. 2022. Linking safety-specific leader reward and punishment omission to safety compliance behavior: the role of distributive justice and role ambiguity. Frontiers in Public Health, 10, 841345.

LÓPEZ, M. 2022. The effect of sampling mode on response rate and bias in elite surveys. Quality & Quantity, 57, 1303.

MEGAWATY, M., HAMDAT, A. & AIDA, N. 2022. Examining linkage leadership style, employee commitment, work motivation, work climate on satisfaction and performance. Golden Ratio of Human Resource Management, 2, 01-14.

MELHEM, M. J., DARWISH, T. K., WOOD, G. & SEITANIDI, M. M. 2025. When performance appraisals fail: emotion regulation and the direction of organizational routines. Journal of Management Studies.

MESSMANN, G., EVERS, A. & KREIJNS, K. 2022. The role of basic psychological needs satisfaction in the relationship between transformational leadership and innovative work behavior. Human resource development quarterly, 33, 29-45.

MEY, M. R., POISAT, P. & STINDT, C. 2021. The influence of leadership behaviours on talent retention: An empirical study. SA Journal of Human Resource Management, 19, 9.

MOON, K.-K., LIM, J. & KIM, J.-S. 2024. Examining the effect of organizational justice on turnover intention and the moderating role of generational differences: evidence from Korean public employees. Sustainability, 16, 2454.

MURRAY JR, M. 2025. Mitigating the Loss of Institutional Knowledge: Analyzing Knowledge Risk Management Strategies for the Office of Naval Research's Acquisition Workforce. Acquisition Research Program.

NABI, M. N., LIU, Z. & HASAN, N. 2023. Examining the nexus between transformational leadership and follower's radical creativity: the role of creative process engagement and leader creativity expectation. 5 International Journal of Emerging Markets, 18, 4383-4407.

NARANJO, J. C. 2024. The Impact of Leadership Styles of Public Managers on Effectiveness, Job Satisfaction, and Employee Reward Systems, The University of Texas at Dallas.

NED, A. E. & UMESI, C. D. 2023. Effective leadership and employee motivation for sustainable development. Journal of Education in Developing Areas, 31, 310-321.

NGOZI, D. & EDWINAH, A. 2022. Employee engagement and talent retention: a review. South Asian Research Journal of Biology and Applied Biosciences, 4, 188-197.

NIȚĂ, V. & GUȚU, I. 2023. The role of leadership and digital transformation in higher education students' work engagement. International journal of environmental research and public health, 20, 5124.

NOVRUZOV, S. 2024. The Impact of Leadership Styles on Organizational Commitment: A Study in the Trading and Logistics Company in Azerbaijan. Open Journal of Business and Management, 12, 3572-3622.

NURJANAH, I. & OCTAFIAN, R. 2025. The Role of Leadership Styles in Employee Engagement and Retention. Journal of Economics, Management, Accounting and Computer Applications, 2, 46-56.

NURLINA, N. 2022. Examining linkage between transactional leadership, organizational culture, commitment and compensation on work satisfaction and performance. Golden Ratio of Human Resource Management, 2, 108-122.

OLADIMEJI, K. A. 2024. Applying Organizational Support Lenses for Employee Retention: The Role of Supervisor Support and Compensation Fairness. Journal of Technology Management and Business, 11, 98-110.

ORUH, E. S., MORDI, C., DIBIA, C. H. & AJONBADI, H. A. 2021. Exploring compassionate managerial leadership style in reducing employee stress level during COVID-19 crisis: the case of Nigeria. Employee Relations: The International Journal, 43, 1362-1381.

OTHMAN, T. & KHRAIS, H. 2022. The relationship between transformational leadership, job satisfaction, and organizational commitment in Jordanian nurses. Anaesthesia, Pain & Intensive Care, 26, 304-309.

PAJIC, S., BUENGELER, C., DEN HARTOG, D. N. & BOER, D. 2021. The moderating role of employee socioeconomic status in the relationship between leadership and well-being: A

 meta-analysis and representative survey, Educational Publishing Foundation.

PREGONER, J. D. 2024. Research approaches in education: A comparison of quantitative, qualitative and mixed methods. IMCC Journal of Science, 4, 31-36.

QALATI, S. A., ZAFAR, Z., FAN, M., LIMÓN, M. L. S. & KHASKHELI, M. B. 2022. Employee performance under transformational leadership and organizational citizenship behavior: A mediated model. Heliyon, 8.

QUADER, M. 2024. Exploring human resource management practices and employee satisfaction in Bangladesh's private banking sector. Journal of Policy Options, 7, 36-45.

RANDLE, L. J. 2022. The relationship between work engagement, burnout, and employee turnover intention, Walden University.

RASHED, M. 2024. Employee Retention in Retail Banking, Virtuous Transformational Leadership, 4 and the Role of a Leader: A Qualitative Method Study. Gonzaga University.

RASHEED, A. 2024. Impact of transformational leadership style on employee creativity in Finnish manufacturing industry.

REYAZ, S. 2024. The influence of leadership styles on employee motivation and job satisfaction. International Research Journal on Advanced Engineering and Management (IRJAEM), 2, 339-344.

ROCKSTUHL, T., WU, D., DULEBOHN, J. H., LIAO, C. & HOCH, J. E. 2023. Cultural congruence or compensation? A meta-analytic test of transformational and transactional leadership effects across cultures. Journal of International Business Studies, 54, 476-504.

ROSARIO-HERNÁNDEZ, E., ROVIRA MILLÁN, L. V. & BLANCO-ROVIRA, R. A. 2022. Turnover Intention: The Development and Validation of a Brief Scale. Unpublished manuscript.

SALAMEH-AYANIAN, M., LAKKIS, P., JABBOUR AL MAALOUF, N. & MAKKI, M. 2025. Leading through uncertainty: How transformational and transactional leadership shape employee satisfaction and performance in Lebanese NGOs. Administrative Sciences, 15, 172.

SAMUEL, O. M. & ENGELBRECHT, A. S. 2021. How transformational leadership,

psychological contract violation, empowerment and affective commitment influence employee's intention to quit an organisation. South African Journal of Business Management, 52, 12.

SAWLAT, N. & MASOMI, H. 2025. Methods of Calculating and Reducing Sampling Error. Journal of Mathematics and Statistics Studies, 6, 38-48.

SENTURK, M. 2023. Transformational leadership and cultural dynamics in the pharmaceutical sector. Journal of Policy Options, 6, 1-8.

STENSON, C. 2025. The Effect of Mandatory Compliance Tasks on Teacher Job Satisfaction, Personal Motivation, and Professional Commitment. Saint Joseph's University.

SUROYA, A. F., BAGIS, F., WIDHIANDONO, H. & RAHMAWATI, I. Y. 2023. Examining the influence of transformational leadership and job satisfaction to reduce turnover intention with organizational commitment as a mediator. Asian Journal of Economics, Business and Accounting, 23, 124-140.

SYAHARUDIN, M., TITISARI, P. & SUSANTO, A. B. 2022. The Effect of Transactional Leadership, Compensation, Motivation and Work Experience Through Job in Security on The Performance of Employees. Quality-Access to Success, 23.

TASDEMIR, D. D., SURUCU, L. & BEKMEZCI, M. 2025. The Moderating Role of Leader Member Exchange in The Effect of Role Clarity on Employee Accountability. Management, 29.

TIMSINA, S. 2024. Employee Turnover and Engagement Programs for Retention.

UMESI, C. D. 2024. Effective Leadership and Employee Motivation in Nigeria. Journal of Education in Developing Areas, 32, 64-74.

VAN JAARSVELD, D. D., WALKER, D. D., RESTUBOG, S. L. D., SKARLICKI, D., CHEN, Y. & FRICKÉ, P. H. 2021. Unpacking the relationship between customer (in) justice and employee turnover outcomes: can fair supervisor treatment reduce employees' emotional turmoil? Journal of Service Research, 24, 301-319.

VASANTHAM, D. S. T. & AITHAL, D. P. 2022. A systematic review on importance of

employee turnover with special reference to turnover strategies. Irish Interdisciplinary Journal of Science & Research, 6, 28-42.

VENKAT, M. V. V., KHAN, S. R. K., GORKHE, M., REDDY, M. & RAO, S. 2023. 3 Fostering talent stability: a study on evaluating the influence of competency management on employee retention in the automotive industry. Remittances Review, 8, 2300-2328.

WU, T.-J., YUAN, K.-S. & YEN, D. C. 2023. Leader-member exchange, turnover intention and presenteeism–the moderated mediating effect of perceived organizational support. Current Psychology, 42, 4873-4884.

XU, X. & ZHANG, Y. 2024. The Influence of Work Values on IndIVIdual Task Performance In chInese enTerPrIses: The medIaTIng role of general self-effIcacy. วารสาร ปัญญา ภิ วั ฒน์, 16, 147-164.

YOUNG, H. R., GLERUM, D. R., JOSEPH, D. L. & MCCORD, M. A. 2021. A meta-analysis of transactional leadership and follower performance: Double-edged effects of LMX and empowerment. Journal of management, 47, 1255-1280.

APPENDIX I: Questionnaire

Introduction

This questionnaire is part of a study on the impact of leadership styles on employee performance and retention at Process and Plant Automation Limited (PPA) and Electrical Switchgear Limited (ESL). Your responses will help provide insights into how leadership influences work outcomes. Participation is voluntary, and all responses will be kept confidential. Please answer honestly, there are no right or wrong answers. The questionnaire uses a five-point scale (1 = Strongly Disagree to 5 = Strongly Agree) and

should take about 10 minutes to complete.

Thank you for your time and contribution.

Section A: Demographics (self-report)

☐ ORG — Which organisation do you work for?

1 = Process & Plant Automation Ltd (PPA)

2 = Electrical Switchgear Ltd (ESL)

9 = Prefer not to say

Source: Self-report.

☐ DEPT — Department/functional area

1 = Engineering/Design

2 = Production/Assembly

3 = Quality/Testing

4 = Field Service/Commissioning

5 = Projects/Sales

6 = Admin/HR/Finance

7 = Other (specify) → free-text DEPT_OTHER

Source: Self-report.

☐ ROLE — Job level/role

1 = Junior staff

2 = Supervisor

3 = Senior-level/Management

Source: Self-report.

☐ TENURE_YRS — Years with the organisation

1 = < 1 year

2 = 1–2 years

3 = 3–5 years

4 = 6–10 years

5 = > 10 years

Source: Self-report.

☐ SUPV_TENURE — Years with current supervisor

1 = < 6 months

2 = 6–11 months

3 = 1–3 years

4 = 3–5 years

5 = > 5 years

Source: Self-report.

☐ AGEGRP — Age group

1 = 18–24

2 = 25–34

3 = 35–44

4 = 45–54

5 = 55+

9 = Prefer not to say

Source: Self-report.

☐ GENDER — Gender

1 = Male

2 = Female

3 = Another gender (specify) → free-text GENDER_OTHER

9 = Prefer not to say

Source: Self-report.

☐ EDU — Highest education level

1 = Secondary/SHS

2 = Technical/Vocational/Certificate

3 = Diploma/HND

4 = Bachelor's

5 = Master's

6 = Doctorate

7 = Other (specify) → free-text EDU_OTHER

Source: Self-report.

☐ EMP_TYPE — Employment type

1 = Full-time

2 = Part-time

3 = Contract/Temporary

4 = Internship/National Service

Source: Self-report.

Section B: Indicate you level of agreement to the following statements (SD: Strongly

Disagree. D: Disagree, N: Neutral; A: Agree, SA: Strongly Agree.

Transformational Leadership

SD

D

N

A

SA

My supervisor communicates a clear and motivating vision for our team.

My supervisor encourages me to develop and improve my skills.

My supervisor treats me as an individual and supports my personal growth.

My supervisor fosters trust, cooperation, and team spirit.

My supervisor acts consistently with stated values and leads by example.

My supervisor stimulates me to think about problems in new and creative ways.

My supervisor expresses optimism and confidence about achieving goals.

Section B: Transactional Leadership — Contingent Reward

SD

D

N

A

SA

My supervisor makes clear what I will receive when I meet performance goals.

When I achieve agreed targets, my supervisor provides appropriate recognition or rewards.

Good performance is acknowledged promptly by my supervisor.

If I perform well, I can count on tangible recognition (e.g., praise, bonuses, opportunities).

Section C: Transactional Leadership — Management by Exception (Active)

SD

D

N

A

SA

My supervisor closely monitors work to identify deviations from standards.

When mistakes occur, my supervisor takes corrective action immediately.

My supervisor pays close attention to failures to meet expectations.

Section D: Transactional Leadership — Management by Exception (Passive)

SD

D

N

A

SA

My supervisor often waits until problems become serious before acting.

Issues are addressed only after they have caused noticeable difficulties.

Corrective action is taken only when failures are obvious.

Section E: Employee Performance (Task Performance)

SD

D

N

A

SA

I adequately complete my assigned duties.

I meet the formal performance requirements of my job.

I perform the tasks that are expected of me.

I plan my work so it is done on time.

I deliver the level of quality that is expected in my role.

I carry out my work efficiently.

Section F: Employee Retention (Turnover Intention)

SD

D

N

A

SA

I often consider leaving this organisation.

I will probably look for a new job in the next 12 months.

I intend to remain with this organisation for the foreseeable future. (reverse-scored)

A relatively small change in my situation could lead me to leave this organisation.

THANK YOU!!

vi

vi

Sources

1
https://stackoverflow.com/questions
INTERNET
1%

2
https://stackoverflow.com/questions/37727972/what-is-section-scripts-and-what-it-is-used-for
INTERNET
<1%

3
https://www.businessperspectives.org/index.php/...
INTERNET
<1%

4
https://www.x-mol.com/paper
INTERNET
<1%

5
https://www.emeraldgrouppublishing.com/journal/ijrdm
INTERNET
<1%

6
https://www.researchgate.net/publication
INTERNET
<1%

7
https://hbr.org/speed-is-a-leadership-decision
INTERNET
<1%

8
https://scholar.google.com/citations
INTERNET
<1%

9
https://jrtdd.com/index.php/journal/article/view
INTERNET
<1%

10
https://www.ivysci.com/en/journals/articles
INTERNET
<1%

11
https://link.springer.com/content/pdf
INTERNET
<1%

EXCLUDE CUSTOM MATCHES	ON
EXCLUDE QUOTES	OFF
EXCLUDE BIBLIOGRAPHY	OFF