ASSESSING THE RELATIONSHIP BETWEEN
TRANSFORMATIONAL AND TRANSACTIONAL LEADERSHIP STYLES AND
EMPLOYEE PERFORMANCE:
A CASE STUDY AMONG EVENT STAFF AT INNER SANCTUM SERVICES

By

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ABSTRAK


Kata kunci : gaya kepimpinan, gaya kepimpinan transformasional, gaya kepimpinan transaksional, prestasi pekerja
ABSTRACT

Leadership is a vital issue in every organization primarily because the decisions made by the leaders could lead to success or business failure. The main purpose of this research is to examine the relationship between transformational and transactional leadership styles and employee performance among the event staff at Inner Sanctum Services. It is crucial for the management of Inner Sanctum Services to identify which leadership styles could enhance their employee performance and additionally, to understand the extent of such influence as well. Thus, the objectives of this research are twofold (i) to examine the relationship between transformational leadership style and employee performance at Inner Sanctum Services (ii) to examine the relationship between transactional leadership style and employee performance at Inner Sanctum Services. In assessing the relationship between the variables, a total of 69 questionnaires were distributed, completed and analysed using descriptive and inferential data analysis technique. The findings of this research reveal that both transformational and transactional leadership styles have positive relationship with employee performance. However, transformational leadership has significant influence on employee performance and further recommendations are made at the end of this research.

Keyword : leadership style, transformational leadership, transactional leadership, employee performance
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INTRODUCTION

1.1 Introduction

Success of an organization is dependent on many factors ranging from external to
internal factors and workforce is considered to be one of the most important determinants of
organizational competitiveness. Capability of an organization to properly utilize the
workforce put the organization on competitive edge (Riaz, Akram & Ijaz, 2011). In this
respect, leadership can affect many work related behaviours such as employee’s attitude,
employee motivation and employee performance all of which can affect the levels of
organizational commitment (Bass, 1985 & Stogdill, 1963). Leadership should be
differentiated from management. Managers are concern with short term problems within an
organization, leaders adopt a much broader perspective (Burns, 1978).

Leadership is perceived as a central feature of organizational performance. It is an
essential part of people management activities in directing employee efforts towards the goals
and objectives of the organization. As a matter of fact, leadership is the moral and intellectual
ability to visualize and work for what is best for the organization and its employees (Shadare
& Hammed, 2009). Organizations that are over-managed and under-led will impede business
growth and innovation (Darling & Capowski, 1994).

Good management and effective leadership help to develop strong teams by
integrating different individual objectives with group goals. Leaders are duty bound to sustain
organizational performance by finding ways to grow with the employees within the
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