

**IMPACTS OF TRANSFORMATIONAL AND TRANSACTIONAL
LEADERSHIP STYLE ON ORGANIZATIONAL PERFORMANCE IN THE
CONTEXT OF CUSTOMER SERVICE. A CASE STUDY OF BARCLAYS
BRANCHES IN DAR-ES-SALAAM.**

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FULFILLMENT/FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF
MASTERS OF PROJECT MANAGEMENT OF THE OPEN UNIVERSITY OF
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CERTIFICATION

The undersigned certifies that he has read and hereby recommends for acceptance by the Open University of Tanzania the research report titled: “Impacts of transformational and transactional leadership styles on organizational performance in the context of customer services” as a partial fulfillment for the award of Masters Degree of Project Management.

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Date.....

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DECLARATION

I Rashid Ally Othman declare that this dissertation is my own original work and that it has not been submitted for similar degree in any other university.

Signature.....

Date.....

DEDICATION

I dedicate this research work to my beloved parents Mr.Ally.R.Othman (Father) and Fatma.S.Othman (Mother). Thank you for your unconditional support with my studies. I am honoured to have you. Thank you for giving me a chance to prove and improve myself through all my walks of life. I love you.

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ABSTRACT

The research study examines the impacts of transformational and transactional leadership styles on organizational performance in the context of customer services. The objectives is to identifying the type of leadership style which has higher and low impacts on organizational performance and study different measures of organizational performance identified during the study. The study employed a case study research design with samples of 55 employees from 6 selected Barclay's branches in DSM namely; Ohio, Slipway, Pugu, Mwenge, Mkunguni and Buguruni branch. Interview and questionnaire were used to collect the data and the data were analyzed qualitatively through content analysis. Barclays Bank is the private organization which operating in Tanzania for the past ten years and currently boasts a network of 22 branches 46ATMs strategically located countrywide.

The research findings revealed that transformational leadership style has higher positive impacts on organizational performance in the context of customer services while transactional leadership style has lower positive impacts on organizational performance in the context of customer services. The findings also showed that leadership behavior has great impacts towards business performance through establishment of organizational culture and encourages growth of business acumen thinking among employees. Furthermore the study recommended that the research questions should be retested in other organization so as to compare the findings. Also the research recommended that the application of any type of leadership style in the organization should consider the context in order to have higher positive impacts.

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LIST OF ACRONYMS AND ABBREVIATIONS

BB - Barclays Bank.

BBT - Barclays Bank Tanzania.

DSM - Dar-es-salaam.

CHAPTER ONE

INTRODUCTION

1.1. Background.

The opening chapter of the study includes different parts namely background of the problem, statement of the problem, general objectives, specific objectives, research questions, purpose of the study and the scope of the study.

In the global many organizations struggle to progress the performance for the persistence of meeting the requirements of the customer hence remaining in the business market (Arslan and Staub 2013;Karamat 2013).The presence of continuous innovations in technology worldwide, development and the tendency of many firms to increase efficiency in the services require new style of leadership (Pandit 2005;Longe, 2014).Many existing studies in the world reveals the survival of contradictions results towards leadership styles and organizational performance. Also the attendance of many firms globally to essence on performance towards improving the quality of services to the customers inspired the study of leadership styles on organizational performance in the context of customer services; thus advising other researchers to continue with this study(Karamat 20013).

The study of Leadership Paradigm Shift and Organizational Performance; A Case of Nigeria Cement Industry by Longe (2014) shows that the changes that to be made in

leadership style are very substantial not only to satisfaction of employees and organizational commitment but also to the total organizational performance. There is disagreement concerning to the respective impacts of transactional and transformational leadership styles on organizational performance. Certain studies (for example Rejas, Ponce, Almonte & Ponce 2006); (Ejere and Abasilim 2013) had indicated that transformational leadership had a positive impact on performance while transactional leadership had negative impact on performance. Other studies (such as the investigation carried out in Nigeria by Obiwuru, Okwu, Akpa&Nwankere, 2011); (Ejere and Abasilim 2013) had established that while transactional leadership had significant positive effect on performance, transformational leadership style had positive but insignificant effect on performance.

However the study; Influence of Leadership Styles on Teacher's Job Satisfaction in Tanzania by Machumu and Kaitila (2014) concur with other previous researcher that leadership style has great impacts not only in job satisfaction but also in organizational performance, hence democratic and participatory leadership style are encouraged for the sake of improving organizational performance. Therefore by studying contemporary perspectives on leadership styles (transformational and transactional) within Tanzania environment will help academicians and society in general to understand the impacts of leadership styles on organizational performance in the context of customer services.

1.2. Statement of the Problem

Leaders in many institutions they both strive towards achieving organizational objectives. The type of leadership style in any organization regularly has a great impact towards Organizational performance and job satisfaction (Machumu and Kaitila2014). The condition of many firms globally to essence on performance towards improving the quality of services to the customers and the existing disagreement in different studies concerning contemporary leadership style (transformational and transactional) on organizational performance and the importance of leadership styles towards firms goals achievement(Karamat 20013) as it was shown from the background of this study, therefore it is significant to examine two leadership styles transactional and transformational and their impacts towards organizational performance in the context of customer services.

1.3. Research Objectives

1.3.1. General Research Objective

The main objective of this study was to examine the impacts of transformational and transactional leadership styles on organizational performance in the context of customer services.

1.3.2. Specific Research Objectives

To identify type of leadership style that has higher positive impact on organizational performance in the context of customer services.

To identify the type of leadership that has low positive impact on organizational performance in the context of customer services.

To study different measures of organization performance in the context of customer services.

1.4. Research Questions

The following questions were applied in answering the problem of the study.

1.4.1. General Research Question

What are the impacts of transformational and transactional leadership styles on organizational performance in the context of customer services?

1.4.2. Specific Research Questions

What type of leadership style between transformational and transactional has higher positive impacts on organizational performance in the context of customer services?

What type of leadership style between transformational and transactional has low positive impacts on organizational performance in the context of customer services?

What are the different measures of organization performance in the context of customer services?

1.5. Significance of the Study

The significance of this study was to convey understanding by sharing studied information concerning the impacts of transformational and transactional leadership

styles on organizational performance in the context of customer services within the banking sector in Tanzania.

1.6. Scope of the Study

The current study concentrated only on the two perspectives of leadership style transformational and transactional and their contributions towards organizational performance in customer services. Furthermore the study examined in detail different measures of organizational performance in the context of customer services and how they relate with transformational and transactional leadership styles. Both two perspectives focused on banking industry at Barclays Branches in Dar-es-salaam.

CHAPTER TWO

LITERATURE REVIEW

2.1. Overview

The purpose of the chapter was to generate good understanding towards the discussed issue in the introduction part and provide an insight to the research methodology part (Saunders & et al 2009). Apart from that also the chapter comprised the following part; conceptual definition, theoretical analysis, empirical analysis of the studies, research gap identified, conceptual framework and theoretical framework.

2.2. Conceptual Definition

Every keywords or variables in this study had been studied and defined differently with different scholars, however in this research the following definitions was used in generating the required information towards answering the studied problem.

According to John Kotter of Harvard Business School defined; leadership is about copying with change. Leaders establish directions by developing a vision of the future, and then they align people by communicating this vision and inspiring them to overcome hurdles. Generally leadership can be defined as the ability to influence a group toward the achievement of goals. The source of this influence may be formal, such as that provided by the possession of managerial rank in an organization (Robbins 2005).

Leadership is a special case of interpersonal power that gets an individual or group to do what the leader wants done. The role of leadership is to encourage adaptive or useful changes (Schermerhorn & e tal 2000).

Transformational leadership occurs when leader enlarge and elevate their followers attention, when they generate consciousness and acceptance of the groups purposes and mission, and when they stir their followers to look beyond their own self interest for the good of others. Transformational leadership has four dimensions; charisma, inspiration, intellectual stimulation and individual consideration (Schermerhorn & e tal 2000).

Burns defined transformational leadership as occurring when one or more persons engage with other in such a way that leaders and followers raise one another to high levels of motivation and morality. Although initially starting out separately (and perhaps even unrelated), the purpose of both leaders and followers become fused. Leaders play a major role in shaping relationship with followers. Burns believe that leaders are commonly more skillful in evaluating followers' motives, anticipating their response to an initiative, and estimating their power bases, than the reveres. In the end transformational leadership is a moral process because leaders engaged with followers based on shared motives, values and goals.(Burns1978).

Transactional leadership, also known as managerial leadership, focuses on the role of supervision, organization, and group performance; transactional leadership is a style of leadership in which the leader promotes compliance of his followers through both rewards and punishments. Unlike Transformational leadership, leaders using the

transactional approach are not looking to change the future; they are looking to merely keep things the same. These leaders pay attention to followers' work in order to find faults and deviations. This type of leadership is effective in crisis and emergency situations, as well as when projects need to be carried out in a specific fashion. (Odumeru and Ogbonna 2013).

Also transactional leadership involves leaders' followers' exchanges necessary routine performance agreed upon between the leader and followers. These exchanges involves four dimensions namely; contingent reward, active management by exception, passive management by exception and laissez faire (Schermerhorn & e tal 2000).

Organizational performance focuses on the quality performance and operational Performance of the firm. Furthermore, the variable organizational performance has the items relating to customer satisfaction, employee morale, productivity, quality of output and delivery performance. (Masood ul Hassan & e tal 2013).

According to Chen (2002), organizational performance means the “transformation of inputs into outputs for achieving certain outcomes. With regard to its content, performance informs about the relation between minimal and effective cost (economy), between effective cost and realized output (efficiency) and between output and achieved outcome (effectiveness)”.

Customer services defined by Kalu (2008) as those activities that occur at the interface between the customer and the corporation which enhance or facilitate the sale and use of the corporation's products and services.

2.3. Theoretical Analysis

Fielder's Contingency

Fielder's theory postulates that leaders' effectiveness is determined by personal characteristics of leaders and by the situation in which leaders find themselves. Fielder's explaining three key situational factors. These are leader member relations whereby a subordinate have trust and respect to their leader, Task structure whereby missions are planned and organized and lastly is Position power the influence that the leader has over subordinates such as hiring and firing. (Robbins 2005).

The above theory is very relevant to transactional leadership style whereby leaders helping their subordinates in achieving the objectives, efficiency and at the same time motivating them by exchanging reward for good performance and punishing them for poor performance. Through the using of the theories perspectives will help this study in assessing and examining the leadership style on organizational performance in the context of customer services sector.

Path-Goal Theory

The theory postulates that leaders are responsible to provide subordinates information, support or other resources necessary for them to achieve their goals. The term Path goal is derived from the belief that effective leaders clarify the path to help their followers get from where they are to the achievement of their work goals and to make the journey along the path easier by reducing roadblocks. This theory also identified four leadership

behaviors namely directive behavior, supportive behavior, participative and achievement oriented behavior. (Robbins 2005).

The above theory is very relevant to transformational leadership style whereby communication, setting of goals and team working is very significant towards achieving organizational goals and creating job satisfaction to the employee. Through different studies which have been done proves that transformational leadership style is very effective in bringing job satisfaction and achieving organizational objectives. Therefore the discussed theory above might have higher possibility of helping this study positively by showing how transformational leadership style can bring to organizational performance in the context of customer services sector.

2.4. Empirical Analysis of Relevant Studies

2.4.1. General Studies

Through qualitative and quantitative research methods Anees.Ullah.Karamaat (2013) of Pakistan with the study of Impacts of leadership styles on organizational performance shows different leadership behaviors and their impacts on a firm's services sector and exposed that there is a strong impact of leadership behaviors on organizational performance. Furthermore through empirical study was shown how a firm grows towards success and how it achieves its goal and targets.

Gautam and Meela (2013) of India, through qualitative techniques they studied Leadership Styles of Bank Branch Managers and its Relationship to Subordinates job Satisfaction and Branch Performance and revealed that leadership effectiveness has

higher and significant correlation with the branch performance and also the branch performance correlate with job satisfaction.

However it is not enough for performance only to influence job satisfaction and this is due to complexity of job satisfaction issue, also the study was not analyzed in details due to the method used because it is not suitable to depth probing of the problem and if the authors they could adopt a case study approach they might be in a good position of generating detailed information towards the problem.

2.4.2. Studies in African Countries

The similar study with the ongoing learning was studied in Nigeria by Ejere and Abasilim (2013) through descriptive survey confirms that both transformational and transactional leadership style had significant positive impact on organizational performance although transformational leadership had strong positive impact with organizational performance while transactional leadership had weak impact with organizational performance. Furthermore the study suggesting on the application of both transformational and transactional leadership style in order organization to perform better and when it is applied situation should be considered.

It is true that the results of this study concur little with some other prior researcher however the suggestion of combining transformational and transactional leadership styles with consideration of situation is not appropriate because the study prove transformational to have strong impact on organizational performance. Also methodology used was not very appropriate to conduct intensive study as results the

failure to concentrate deeply and investigating the appropriate information towards study.

2.4.3 Studies in Tanzania

In Tanzania very few studies regarding leadership style on organizational performance has been done and one among of those studies is ‘Influence of Leadership Styles on Teacher’s job satisfaction: A case study of selected Primary School in Songea and Morogoro Districts’. The study employed cross-sectional survey design with qualitative and quantitative approach and concentrated on the three leadership styles (autocratic, democratic and laissez faire) and their influence towards teacher’s job satisfaction and organizational performance. By using quantitative and qualitative analysis the study shows that democratic leadership style is very powerful in bringing teachers job satisfaction and organizational performance.

The study did not discuss in detail about how leadership style affect organizational performance and ignore to discuss the contemporary leadership styles such as transformational and transactional leadership styles and their impacts towards organizational performance in the customer services sector.

2.5 Research Gap Identified

Table 2. 1 Summary of Literature Review

VARIABLES	METHODOLOGY	FINDINGS	RECOMMENDATION	AUTHOR & COUNTRY
1. Leadership Styles & Organizational Performance	A Case Study with Qualitative and quantitative approach.	Leadership behavior has strong impact on organizational performance.	To expand the study by focusing on the part of customer services.	A.U.Karam at (2013)/Pakistan.
2. Leadership Styles, Job Satisfaction and Branch Performance	A survey based on qualitative techniques with primary and secondary data.	Leadership effectiveness governs branch performance and branch performance influence job satisfaction.	Personal adjustment factors should be considered to enhance job satisfaction and leadership effectiveness studies to be taken as part of	Dr.A.Gautam & Ms.R. Meela (2013)/India

			management audit process.	
3. Leadership Styles and Organizational Performance.	A Case Study with Quantitative techniques.	Transformational leadership has strong positive impact on organizational performance while transactional has weak positive impact on organizational performance.	Combining transformational and transactional leadership styles with consideration of context is very important on organizational performance.	Dr.E.I.Ejer &U.D.Abasilim (2013)/Nigeria
4. Leadership Styles and Organizational Performance.	A Case Study with qualitative technique.	The presence of significant relationship between change of leadership styles and organizational performance.	To ensure optimum organizational performance there should be the use of pro- activeness,	Longe .O.J (2014)/Nigeria.

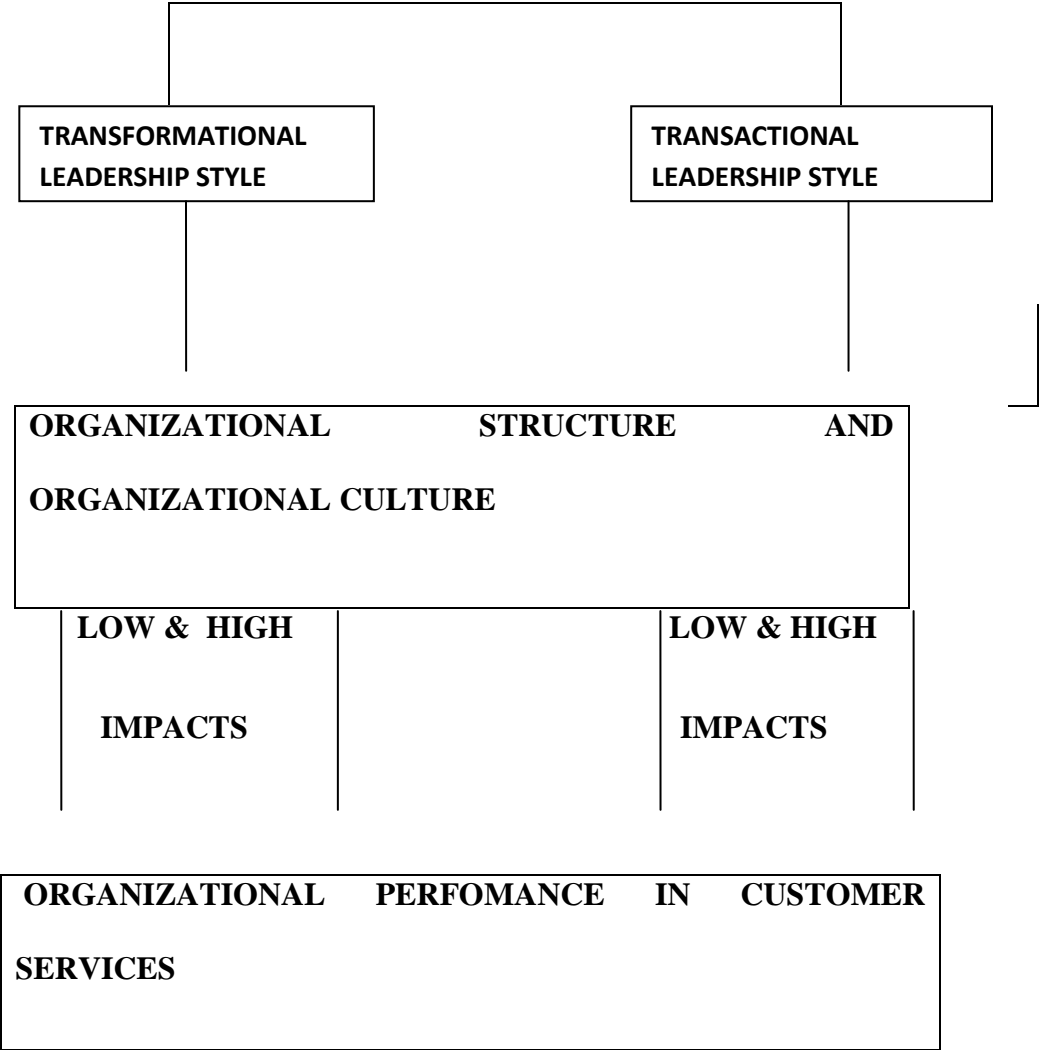
			supportiveness and unilateral power.	
5. Leadership Styles and Job Satisfaction .	Cross sectional research design with qualitative and quantitative techniques.	A democratic leadership style has higher influence on job satisfaction and performance.	Emphasizes on the use of democratic style and participatory approach in organizational decision making.	H.J.Machumu&M.M. Kaitila (2014)/Tan zania.

Source: Research own source

There is enormous relationship between the post-leadership theories with the contemporary leadership styles (transformational and transactional), therefore through detailed analysis of that relationship and examining the summary of literature review it provide foundation to this study in investigating how leadership styles can influence organizational performance in the context of customer services. By observing the empirical analysis of the relevant studies, it was expected that this paper to enlarge knowledge concerning contemporary leadership styles with the focus of developing countries like Tanzania hence cover the gap on the organizational performance in the context of customer services which has been left by other scholars.

2.6. Conceptual Framework

Figure 2. 1 Conceptual Framework



Source: Research own source

2.7. Theoretical Framework

From the theoretical analysis part of this study shows the existence of the relationship between the transformational and transactional leadership styles with organizational performance in the context of customer services through intervening variables of organizational structure and organizational and culture.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Overview:

This chapter describes the research design and methodology for studying leadership styles on organizational performance in the context of customer service sector. It includes the following parts, research strategies, surveyed population, and area of the study, sampling design and procedures, variables and measurement procedures, methods of data collection, data processing and analyzing and expected results of the study.

3.2. Research strategies

Research design stand for the optimum planning of the methods to be employed for collecting appropriate data and the procedures to be applied in the analysis stage, focusing on the research objectives, availability of staff, time and money(Kothari 2004). The main purpose of the research design is to provide a road map of the whole research project by involving research method, data collection techniques, data analysis and presentation, philosophical assumptions and findings(Schermerhorn & e tal 2000).

The theory proposed from the deep literature review basically serves as a foundation to conduct the research. However in this research the case study strategy was employed with qualitative approach. The strategy help to understand in depth the problem, allow the researcher to explore or test theories within the context of messy real-life situations, easily collecting information, concentrate deeply and identifying the appropriate information desirable to cover the research gap.

3.2.1. Survey Population

The population of the present study is comprised with 80 educated male and female. Three branch managers were interviewed and provide official information concerning the branch performance and the kind of leadership style which is applied. Apart from them three heads of customer care also were interviewed and give out opinions concerning services they provide. Also questionnaire were provided to other staffs such as tellers and loan officers and give out their opinions towards leadership styles and organizational performance.

3.3. Sampling Design and Procedure

The sample size of this study covers only 55 staffs from six Barclays Branches in Dar-es Salaam namely; Ohio, Slipway, Pugu, Mwenge, Mkunguni and Buguruni branch. This study involves purposive sampling where by selection of the people to be interviewed was based on the researcher opinions and the context which researcher found himself during data collection period, this is because the researcher is part of the research.

3.4. Variables and Measurements

Transformational, Transactional Leadership Styles and Organizational Performance are the main dependent and interdependent variables which will be used to collect data in this study. According to Kothari (2004) Measurement'' is a process of planning feature of domain onto other feature of range according to some rule of correspondence and it is relative compound and challenging task, especially so when it concerns qualitative or

abstract phenomenon. The ordinal scale measurement were applied to measure the variables of the study so that to gather the information required.

3.5. Methods of Data Collection

In social sciences an important distinction is made between primary and secondary data. Primary data includes data from interviews, fieldwork and unpublished documents such as minutes of meetings. Secondary data refer to any data which you have gathered that have been previously published (Schermerhorn & e tal 2000).

Primary and Secondary data sources were used to conduct the ongoing research, however depth interview, questionnaire content analysis and observation methods also were applied in this study. The nature of the organization which require higher security and the commitment of the employee towards their objectives in organization (serving customers) influence the above multiple methods of gathering information to be employed, also the methods help this study in increasing the accuracy of the information and avoiding bias.

3.6. Data Processing and Analyzing

Content analysis is a research technique for making replicable and valid reference from data to their context. The researcher searches for structures and patterned regularities in the text and makes inferences on the basis of these regularities (Schermerhorn & e tal 2000).The content analysis technique was applied in analyzing the information. This process help the researcher to avoid bias due to the reason that the content of the same

category will be recorded and treated in the same manner also researcher can establish a set of categories before counting the number of instance that fall under each category(Walizer&Wienir 1978;Silverman 2001).

3.7. Expected Results of the Study

Through this study it was expected that contemporary leadership styles (transformational and transactional) will have positive impact towards organizational performance in customer services apart from that also job satisfaction, organizational and employee commitment can have some contribution to the organization performance. Generally the study was expected to expand the understanding regarding leadership influence towards organizational performance in customer services in the Banking sector in Tanzania.

CHAPTER FOUR

4.0. RESEARCH FINDINGS ANALYSIS AND DISCUSSION

4.1. Introduction

This chapter describes the results of the study based on the data collected and analysis conducted. The findings based on 49 returned perfect filled questionnaires out of 55 questionnaires and the answers from 6 people who were interviewed. The analysis of the data obtained in this study was guided by research questions and research objectives. The results of this analysis are displayed in tables and figures with sample frequencies and percentages.

4.2. Characteristics of the respondents.

The characteristics of the respondents were categorized in terms of sex and age.

4.2.1. Sex Respondents

Gender information of respondents was very essential part in this study because it helped to provide the picture, reality and ratio of the number of employees between males and females at Barclays Bank DSM branches. The research findings revealed that 70.90% of the respondents were males and 29.09% of the respondents were females. The results showed that Barclays Bank Tanzania has higher number of male employees compared to female employees as shown on the table 4.1.

Table 4. 1 Frequency Distribution of Sex Respondents

SEX	FREQUENCY	PERCENTAGE
Male	39	70.90%
Female	16	29.09%
Total	55	100%

Source: Research Field Data (2015)

4.2.2. Age Respondents:

Table 4. 2 Frequency Distribution of Age Respondents

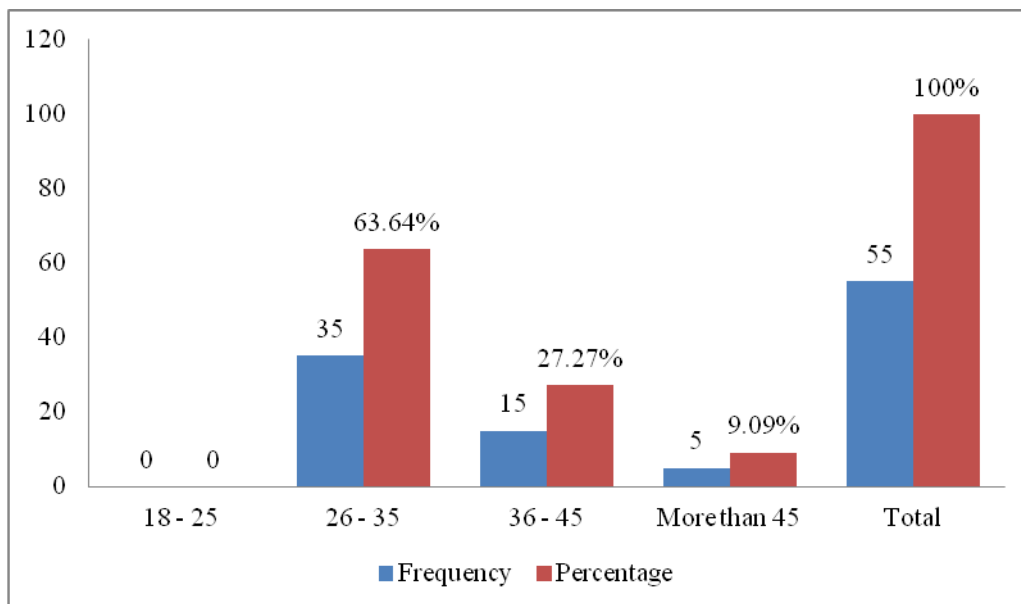
AGE	FREQUENCY	PERCENTAGE
18-25	0	0
26-35	35	63.64%
36-45	15	27.27%
More than 45	5	9.09%
Total	55	100%

Source: Research Field Data (2015)

Age is an important characteristic in understanding the views of respondents concerning the study. Large age mostly indicates level of maturity of individuals; in that case age

becomes more important to examine the response. The respondent's age ranged from 26 years and over 45 years. Respondents of the age more than 45 years scored low frequency corresponding to 9.09% of the respondents. The respondent's age ranged between 26-35 scored higher frequency corresponding to 63.64% while the respondent's age ranged between 36-45 scored medium frequency corresponding to 27.27% as shown on the table 4.2 above and figure below. Therefore Barclays Bank Tanzania has higher number of young employees.

Figure 4. 1 Frequency Distribution of The Age Respondents



4.3.Presentation on the Findings on the Type of Leadership Style that has Higher Positive and Low Positive Impacts on Organizational Performance in the Context of Customer Services.

The first research objective of this study intended to identify the type of leadership style that has higher positive impacts on organizational performance in the context of customer services. The second objective intended to identify the type of leadership style that has low positive impacts on organizational performance.

The respondents were asked different questions concerning leadership characteristics towards employees and customers at Barclays Bank Tanzania; characteristics such as presence of freedom at work, support for team building, motivation and rewards, presence of standard procedures, strategy of helping customers towards achieving satisfaction and presence of tools for listening customers. The above mentioned leadership characteristics guided this study in identifying the type of leadership style which has higher and low impacts in organizational performance in the context of customer services.

4.3.1. Availability of Freedom at Work

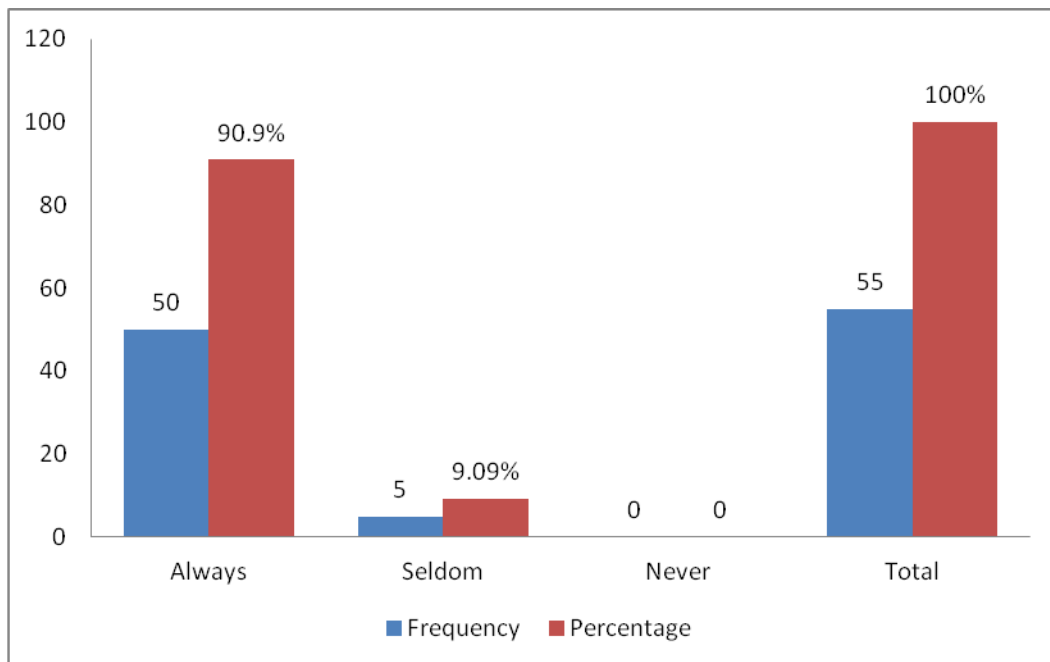
Respondents were asked to choose three answers namely Always, Seldom, and Never. Therefore 90.9% of the respondents confirmed that always there is freedom of work at Barclays Bank Tanzania and 9.09% of the respondents confirmed the presence of very small freedom of work at Barclays Bank as shown on the table 4.3 below.

Table 4. 3 Availability of Freedom at Work

ANSWERS	FREQUENCY	PERCENTAGE
Always	50	90.9%
Seldom	5	9.09%
Never	0	0
Total	55	100%

Source: Research Field Data (2015)

Figure 4. 2 Availability of Freedom at Work



The above figure describes more concerning the data obtained from the field which shows the availability of freedom at work to the BB employees. Furthermore freedom at work seems to be important part of leadership any organization so as to assist employee to accomplish their task.

4.3.2. The Time Spent by Employee at Barclays

In this part the researcher intended to be familiar with the experience of the employee at BB in order to validate the respondents' answers, by asking them concerning the time spent to work at BB. The respondents were suppose to choose answer from different given alternatives namely less than 1 year, 1 year or more, 2 year or more, and more than 3 and 4 years. The table below describes the findings.

Table 4. 4 Time Spent by Employees at Barclays

ANSWERS	FREQUENCY	PERCENTAGE
Les than 1yr	3	5.5%
1yr or more	10	18.2%
2 yr or more	23	41.8%
More than 3 & 4 yr	19	34.5%
Total	55	100%

Source: Research Field Data (2015)

The findings revealed that 5.5% of the respondents have worked Barclays for less than 1 year, while 18.2% have 1 year or more at Barclays, 41.85 have 2 years or more and 34.5% have more than 3 years and 4 years. Therefore from respondents of this question, revealed that most of the employees at BB DSM Branches have experience with their work.

4.3.3. Availability of Motivation and Rewards

In this part respondents were asked if they are motivated towards accomplishing a goal/task and if they are rewarded for their performance and were allowed to choose from the following alternatives namely; Always, Seldom and Never.

The results concerning motivation towards accomplishing task 63.64% of the respondents confirmed always were motivated towards goal accomplishment, while 21.82% of the sample size they seemed to be motivated seldom and 14.54% of the respondents seemed not to be motivated at all. On the side of rewards for their performance results showed 100% of the respondents always were rewarded for their performance. The following table below shows the results.

Table 4. 5 Frequency Distribution of the Availability of Motivation and Rewards

ANSWERS	Motivation Frequency	Rewards Frequency	Motivation Percentage	Reward Percentage
Always	35	55	63.64%	100%
Seldom	12	0	21.82%	0
Never	8	0	14.54%	0
Total	55	55	100%	100%

Source: Research Field Data (2015)

4.3.4. Availability of the Support for Building a Team.

The respondents on this part were asked concerning the presence of support for building a team at Barclays Bank and were supposed to choose between three answers namely Always, Seldom and Never from the questionnaires while for those who were interviewed were allowed to answer subjectively. The results showed that 100% of the employees confirmed that always there was support for building a team at Barclays Bank Tanzania.

Table 4. 6 Frequency Distribution on the Availability of the Support for Building a Team

ANSWERS	FREQUENCY	PERCENTAGE
Always	55	100%
Seldom	0	0
Never	0	0
Total	55	100%

Source: Research Field Data (2015)

Team building in any organization is very important part towards accomplishing goals within an organization. BB leaders provide great support for building team to staffs and apart from that training were also provided to workers frequently once it seems there is a need to do so.

4.3.5. Helps From Manager to Lead Employees towards Change

The respondents in this study were asked concerning the presence of helps from manager to lead employees towards change; and they were responsible to choose answer from three given alternatives namely; Always, Seldom and Never. The question aimed at understanding the contribution of managers in leading employees towards change in an organization.

The table below describes the findings of the question asked and shows that high percent of the employees at Barclays confirmed the presence of contribution from managers to lead employees towards change which is equivalent to 54.5% while 36.4% of employees shows that there is seldom contribution from managers to lead employees towards change and 9.15 confirmed that there is no such contribution from managers at BB.

Table 4. 7 Presence of Contribution From Managers to Lead Employees Towards Change

ANSWERS	FREQUENCY	PERCENTAGE
Always	30	54.5%
Seldom	20	36.4%
Never	5	9.1%
Total	55	100%

Source: Research Field Data (2015)

4.3.6. Encouragement to use Standard Procedures.

The study intended to investigate on the presence of standard procedures at Barclays Bank Tanzania.92.7% of the respondents confirmed that always employees were encouraged to use the standard procedures and 7.3% of the remaining respondents confirmed to have seldom encouragement to use standard procedures. The results were shown on the table 4.6 below.

Table 4. 8 Encouragement to Use Standard Procedures

ANSWERS	FREQUENCY	PERCENTAGE
Always	51	92.7%
Seldom	4	7.3%
Never	0	0
Total	55	100%

Source: Research Field Data (2015)

4.3.7. Availability of High Degree of Initiatives

In this part the employees were asked concerning the availability of high degree of initiatives and were suppose to choose answer from the given three alternatives namely; Always, Seldom and Never. The question helps the researcher to understand the working environment of employees at Barclays Bank.

The results in this part revealed that 27.3% of the employees confirmed the presence of high degree of initiatives while 36.3% of employees agreed that there is seldom degree of initiatives and 36.4% of respondents ignore the presence of high degree of initiatives by selecting Never as their answer. The table below describes in detail.

Table 4. 9 Frequency Distribution on Availability of High Degree of Initiatives

ANSWERS	FREQUENCY	PERCENTAGE
Always	15	27.3%
Seldom	20	36.3%
Never	20	36.4%
Total	55	100%

Source: Research Field Data (2015)

4.3.8. Strategies of Helping Customers towards Achieving Satisfaction and the Presence of Tool for Listening Customers.

The study proposed to investigate on the presence of strategies of helping customers towards achieving satisfaction and also intended to investigate on the presence of the tools for listening customers.

The respondents on this part confirmed that Barclays Bank Tanzania had different strategies of helping customers towards achieving satisfaction namely; Wow day campaign and Services guarantee Initiatives. A Wow day campaign this is complaint received from customer and resolved in a day. Services guarantee Initiatives is assurance given to customers in providing efficiency and effective services; if the Bank fail to fulfill its promise then it will be liable to pay the customer for example ATM Card

issuance should be issued within 10 minutes from the time customer ask for it. Cheque book should be issued to customer within 7 working days.

On the part of the tool for listening customers, the results showed the presence of suggestion box to every Barclays Bank Branch in Tanzania and through that tool Bank received different opinions and determine services level agreement to their customers.

4.3.9. Contribution of Leadership Behavior and Business Growth of the Firm.

The results showed that leadership behavior helps in business growth in a firm (Barclays Bank) and this is through establishment of organizational culture, leading change for positive results through training, and encourages growth of business acumen thinking among employees. During 2013/2014 the business growth was in average level.

4.4 Presentation on Interview Findings.

4.4.1. Introduction.

The study involved three Branch Managers and three Head of Customer Services from three Barclays Branches in Dar-es-salaam. The study intended to examine the impact of transformational and transactional leadership styles on organizational performance in the context of customer services. Through interview methods respondents were able to provide information in an extensive context concerning leadership styles (transformational and transactional) on organizational performance in the context of customer services.

4.4.2. Presentation on Findings of Measures of Organizational Performance in the Context of Customer Services.

The third objectives of this study intended to study different measures of organizational performance. As shown from the introduction part, the interview method in this study involves two groups of respondents and the following results have been founded.

The first group of respondents was Branch Managers from three Barclays Branch in Dar-es-salaam and they identified three measures of organizational performance as follows.

The performance of the firms/employee is measured by comparison with peers in the same industry or competitors and several criteria may be used such as technological advancement, business expansion, coverage number of customers and business position in the market.

The second method was through measuring achievements of set targets within specified period of time such as quarterly, semi-annually and annually.

The last method of measuring performance is through observing the time spent until reaching the breakeven point compared to industrial standards.

The heads of customer's services from three Barclay's branches in Dar-es-salaam was the second group of respondents in this part. This group of respondents they specifically measure performance in the context of customer services by using the following two criteria.

The first criteria was to observe the coverage number of customers by comparison to the competitors in the same industry and the second criteria was to observe the level of customers satisfaction and this was done by looking the results of customer survey which was conducted by the bank previous.

4.5. Discussion of the Findings

4.5.1. Type of Leadership That Has Higher Positive Impacts on Organizational Performance in the Context of Customer Services.

Through deep analysis and coding of the trends and characteristics of leadership at Barclays Bank Tanzania towards employee and customers and by looking the organizational performance in terms of number of customers and achieving the targeted goals, the results of this study concur with the results of the previous study in the literature review which showed Transformational Leadership Style had a higher positive impacts on organizational Performance in the context of customer services.

4.5.2. Type of Leadership That Has Low Positive Impact on Organizational Performance in the Context of Customer Services.

The findings of this study correlates with the study which was done in Nigeria by Ejere and Abasilim (2013) and results of this study shows that Transactional leadership style had low positive impact on organizational performance in the context of customer services, and this has been identified through observing the characteristics of the leaders at Barclays Bank organizational structure and culture and the status of the business growth.

4.5.3. Measures of Organizational Performance in the Context of Customer Services

This study employed qualitative method to collect, analyze and interpret data. The findings presented and analyzed correlates somehow with the study of Karamat (2013) in the literature review and revealed the following results on the measures of organizational performance in the context of customer services at Barclays Branches in DSM.

The results show that Barclays Bank Tanzania has over 110,000 customers in the country which is more than its international competitors in the country such as Standard Charter Bank Tanzania with approximation 45,000 customers countrywide and Stanbinc Bank Tanzania with approximation of 20,000 customers in the country.

The large number of customers at Barclays Bank Tanzania and the results of the customer base survey which was done several times by the bank whereby customers were given out forms to answer different questions concerning provision of services at the Bank and the level of satisfaction they have with the bank services revealed that customers at BB Tanzania were satisfied with the bank services.

Pertaining to business coverage in the country BB Tanzania operating in 6 regions with the number of 22 branches and 46ATMs located countrywide while it's business competitors such as Standard Charter Bank Tanzania operate in 4 regions with the number of 6 branches and 12 ATMs in the country and Stanbinc Bank Tanzania operating in 4 regions with the number of 4 branches and 5 ATMs countrywide.

Therefore from the above description concerning business coverage in Tanzania shows that BB Tanzania has large coverage of business in the country.

Generally from the above mentioned measures of organizational performance in the context of customer services at BB Tanzania revealed that the business of BB Tanzania expanded more than its competitors such as Standard Charter Bank Tanzania and Stanbinc Bank Tanzania and this was also observed in variety of customers available in those organizations, whereby BB Tanzania deals with all brand of customers such as corporate and all individual customers and give them equally consideration while Standard Charter Bank Tanzania and Stanbinc Bank Tanzania they mostly focused on corporate customers and individuals with higher earnings.

CHAPTER FIVE

CONCLUSION AND IMPLICATIONS.

5.1 Introduction

The summary of the findings from the study are presented in this chapter. The chapter starts by presenting the summary of research questions, conclusion on research problem, conclusion based on research objectives, implications for theories, study limitations, implications for further research and recommendation.

5.2. Summary of the Study

The focus of this study was to examine the impacts of transformational and transactional leadership style on organizational performance in the context of customer services. At present still there is disagreements concerning to the perspective impacts of transformational and transactional leadership style on organizational performance. Therefore the research problem of this study was to examine and identify the type of leadership style between transformational and transactional that has higher and low positive impacts towards organizational Performance in the context of customer services.

Findings of this study correlates with the results of some of the existing empirical studies that showed transformational leadership style has higher positive impacts towards organizational performance while transactional leadership style has low positive impacts towards organizational performance. Furthermore findings showed that leadership behavior has great impacts towards organizational performance through

establishment of strong organizational structure, culture and encourages growth of business acumen thinking among employees.

5.3. Conclusion

The study aimed to examine the impact of transformational and transactional leadership style on organizational performance in the context of customer services through identifying type of leadership style that has higher positive impact and the type of leadership style that has low impact on organizational performance in the context of customer services, and studying different measures of organizational performance in the context of customer services.

The study employed a case study research design with samples of 55 employees from 6 selected Barclay's branches in DSM namely; Ohio, Slipway, Pugu, Mwenge, Mkunguni and Buguruni branch. Interview and questionnaire were used to collect the data and the data were analyzed qualitatively. The literature review of this study showed the existence of contradictions concerning the perspective impact of transformational and transactional leadership style on organizational performance.

Findings revealed that leadership behavior has great impacts towards business growth through establishment of organizational structure, culture and encourages growth of business acumen thinking among employees.

The findings also showed transformational leadership style has higher positive impacts towards organizational performance in the context of customer services and this is mostly influenced by features of transformational leadership whereby leader and

employee rise at the same level in the discussion concerning goals achievements in the organizational. On the other hand the study identified transactional leadership style to have low impacts towards organizational performance in the context of customer services, this is because transactional leadership style is too managerial whereby employees are ready every time to follow the leaders procedures and they are not free to work to their own way which they think is correct to them and the presence of punishment also contributed to demoralize the employees. Furthermore findings showed the presence of different measures of organizational performance, therefore the choices depend mostly on the kind of the firm and the area which is targeted to be measured. Although to Barclays Bank Tanzania they identified two criteria for measuring organizational performance in the context of customer services such as follows.

The first criteria were to observe the coverage number of customers by comparison to the competitors in the same industry.

The second criteria were to observe the level of customers' satisfaction and this was done by looking the results of customer survey which was conducted by the bank previous.

Generally leadership style has great influence towards organizational performance, apart from that other variables such as organizational structure and culture companied with training to staff also have strong contribution towards organizational performance.

5.4. Implications for the Theories

The study used leadership theories namely Fielders contingency theory and Path goal theory.

Fielder's contingency theory postulates that leader's effectiveness is determined by personal characteristics of leaders and situation in which leader find themselves. Theory identified three situational factors these are; leader member relations whereby subordinates have trust and respect to their leader, task structure whereby missions are planned and organized and lastly is position power the influence that leader has over subordinates such as hiring and firing.(Robbins 2005).

The above theory is very relevant to transactional leadership style whereby leaders helping their subordinates in achieving the objectives, efficiency and at the same time motivating them by exchanging reward for good performance and punishing them for poor performance.

Path-Goal Theory

The theory postulates that leaders are responsible to provide subordinates information, support or other resources necessary for them to achieve their goals. The term Path goal is derived from the belief that effective leaders clarify the path to help their followers get from where they are to the achievement of their work goals and to make the journey along the path easier by reducing roadblocks. This theory also identified four leadership behaviors namely directive behavior, supportive behavior, participative and achievement oriented behavior. (Robbins 2005).

The above theory is very relevant to transformational leadership style whereby communication, setting of goals and team working is very significant towards achieving organizational goals and creating job satisfaction to the employee. Through different studies which have been done proves that transformational leadership style is very effective in bringing job satisfaction and achieving organizational objectives

5.5. Limitations and Implications for Further Research.

The study showed how leadership style is essential in organizations related to services delivery to the customers and how can influence the performance and growth of the organization. However confines pertaining to study cannot be completely avoided. The obtainable data are restricted to only six Branches and one firm/organization Barclays Bank Tanzania; therefore the study questions of this research can be more retested to include many other organizations so as to compare the findings with the findings of this research.

5.6. Recommendation

This research recommends the following views to be considered so as to solve the problems concerning leadership towards firms' performance.

The study recommended that the research questions should be retested in other organization so as to compare the findings with the results of this study at Barclays Bank DSM branches.

Transformational and transactional leadership styles are modern styles and did not given much attention to Tanzania, therefore modern researchers they should focus on this part so as to add value and reduces the contradictions which are existing.

In order organizations to reach their targets and aquire positive results performance its better for them to consider leadership style in accordance with organizational structure, culture and training to staffs.

Furthermore the research recommended that the application of any type of leadership style in the organization should consider the context in order to have higher positive results.

5.7. Area for Further Research

The research findings revealed that transformational leadership style has higher positive impacts on organizational performance in the context of customer services while transactional leadership style has lower positive impacts on organizational performance in the context of customer services. Also the findings showed that leadership behavior has great impacts towards business growth through establishment of organizational structure, culture and encourages growth of business acumen thinking among employees.

Transformational and transactional leadership styles are modern styles and did not given attention to Tanzania, therefore modern researchers they should focus on this part so as to add value and reduces the contradiction which are existing. Although limitations and shortcomings of this study can be used for future research, but other study should focus

on how leadership style influences employee and customer satisfaction towards business growth in banking industry.

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APPENDIX 1: QUESTIONNAIRE FOR EMPLOYEES

1. What is your Age?

18-25, 26-35, 36-45, More than 45

2. What is your gender?

Male Female

3. How long have you been working in Barclays?

Less than one year

1 year or more 2 years or more 3 to four years

4. Are you exactly doing the task what you are chosen for?

Yes No

5. Are you encouraged to use the standard procedures?

Always Rarely Never

6. Do you have freedom of action?

Always Seldom Never

7. Are you satisfied with the settlement of the conflicts that happen?

Yes Sometimes Never

8. Are you pushed for improved quality?

Always Seldom Never

9. Are you motivated towards accomplishing a goal or task?

Always Seldom Never.

10. Are you allowed to have your own judgment in solving problems?

Always Seldom Never

11. Do you get support for building a team?

Always Seldom Never

12. Do you get strong backup to beat previous targets?

Always Seldom Never

13. Do you get complete freedom in your work?

Always Seldom Never

14. Do you have opportunity to work in the way you think is best?

Always Seldom Never

15. Do you get a high degree of initiative?

Yes Rarely No

16. Are you permitted to set your own pace for change?

Always Seldom Never

17. Do you get rewards for your performances?

Always Seldom Never

18. Do you think the branch manager helps you in all the best possible ways to lead you towards success?

Always Seldom Never

APPENDIX 2.INTERVIEW QUESTIONS FOR BRANCH MANAGER

How was the business growth?

How do they motivate employees?

How was the behavior with employees?

How do you help in achieving targets?

How do you help in accomplishing goals?

How did the company grow in short period of time?

How the leadership behavior does helps in business growth of the firm?

How do they measure the performance of the firm and employee?

APPENDIX3.INTERVIEW QUESTIONS FOR HEAD OF CUSTOMER SERVICES.

Do you have suggestions box in your branch?

Did you get any blames from your customer concerning services provided in your branch?

Did you get any congratulations from your customers concerning services provided in your branch?

Do you have any strategy of helping the customer towards achieving satisfaction?

How do they measure the performance of the firm in the context of customer services?