



LEADERSHIP STYLE AND ORGANIZATIONAL PERFORMANCE OF REMITTANCE COMPANIES IN MOGADISHU-SOMALIA

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ABSTRACT

The purpose of this research was to examine the effect of leadership style on organizational performance in remittance companies in Mogadishu-Somalia. The general objective of the study was to establish the effect of leadership style on organizational performance in remittance companies in Mogadishu-Somalia. The leadership style drivers will select for the study, and which will form the specific objectives of the study are to determine the effect of Autocratic leadership style, Democratic leadership style, Transactional leadership style, and transformational leadership style on the performance of the remittance companies in Mogadishu-Somalia. The study discusses three theories, and they are: systems theory organization, Agency theory and stakeholder theory. The study will adopt quantitative research with the specific research design being a descriptive design. The population of the study is the classified remittance companies locate in Bakara market, and they are 15 remittance companies in Bakara market, the employees worked that 15 remittance companies are 402 employees. The sampling frame is 402 employees in 15 remittance companies arising from the sample size of 200 employees will extensively surveyed to ascertain the influence of leadership style drivers on their performance. The sampling technique use will be purposive sampling. Primary data will collect by use of questionnaires which are administered through drop and pick method. Data screening will be done to identify any missing data and it will be further test for reliability and normality. Data will be analyzing using SPSS version 22. Descriptive statistics e.g standard deviations and inferential statistics such as Pearson's correlation, ANOVA and multiple regression analysis will be used for further analysis. The study results revealed that the manager does not explain his actions to employees in the organization and only directs the employees to perform duties as instructed. The study established that the manager takes decisions arbitrarily and that the manager believes that employee will work best in a situation where they are given clear and direct instruction on their job. The study concludes that the firms' staffs are, despite being supervised closely, given enough freedoms and space to make their own decisions on how to best execute given functions. The management involves employees in every decision-making process affecting their jobs. The managers derive joy in helping their employees and transforming them morally and professionally. The study concludes that the manager views employees as having different needs, abilities, and aspirations and works towards individualized attention through listening to individual needs. The researcher recommends that the management of the organizations should always endeavor to explain their actions to employees emphatically.

This would make employee feel appreciated and has a high potential in improving overall employee productivity.

Key Words: Autocratic Leadership Style, Democratic Leadership Style, Transactional Leadership Style, Transformational Leadership Style

1.0 BACKGROUND OF THE STUDY

Leadership style is a key determinant of the success or failure of any organization. A leader is person who influences, directs, and motivates others to perform specific tasks and also inspire his subordinates for efficient performance towards the accomplishment of the stated corporate objectives. Leadership style is the manner and approach of providing direction, implementing plans, and motivating people. Leadership is a process of influencing others' commitment towards realizing their full potential in achieving a value-added, shared vision, with passion and integrity. The nature of this influence is such that the members of the team cooperate voluntarily with each other in order to achieve the objectives which the leader has set for each member, as well as for the group. The relationships between the leader and employee, as well as the quality of employees' performance, are significantly influenced by the leadership style adopted by the leader (Ojokuku, Odetayo, & Sajuyigbe, 2012).

Leadership style of management is a pre-requisite for effective accomplishment in organizations. The leadership styles determine the level of subordinate participation in decision making and the way an organization is run administratively. Organizations which are low in efficiency tend to have leaders who are highly bossy. Decision making is centered on them alone. Participation in decision making creates an individual's mental and emotional involvement in a group situation which encourages him or her to contribute to group goals and share responsibility for them. The problem with most small and medium scale enterprises is that the leaders are not democratic in their relationship with their subordinate. In fact, leaders in most small and medium enterprises are usually authoritarian in style (Uchenwamgbe, 2013).

They dictate the tune and have the administration of the organization centered on them. The need for subordinate to participate in decision making is not a passing fancy. It is rooted deep in the culture of free men around the world and it is no doubt the basic drive in men. Another problem affecting leadership style in small and medium scale enterprises is the competence of the leaders so appointed. In most cases, some of their appointments lack merit. What becomes of such organization is having competent leaders who lack the abilities or capacities to use the appropriate leadership style to lead the members to attain set goals or objectives. Thus, what are usually found in some of these organizations are "round pegs in a square hole" rather than "round pegs in round holes". Once this situation arises, there will be utterances in the way such leaders behave or administers the organization and these will in-turn affect the goals of the organization (Uchenwamgbe, 2013).

Leadership style in an organization is one of the factors that play significant role in enhancing or retarding the interest and commitment of the individuals in the organization Leadership is a critical management skill, involving the ability to encourage a group of people towards common goal. Leadership focuses on the development of followers and their needs. Managers exercising transformational leadership style focus on the development of value system of employees, their motivational level and moralities with the development of their skills. It basically helps followers achieve their goals as they work in the organizational setting; it encourages followers to be expressive and adaptive to new and improved practices and changes in the environment

leadership has a direct cause and effect relationship upon organizations and their success. Leaders determine values, culture, change tolerance and employee motivation. They shape institutional strategies including their execution and effectiveness. Leaders can appear at any level of an institution and are not exclusive to management. Successful leaders do, however, have one thing in common. They influence those around them in order to reap maximum benefit from the organization's resources, including its most vital and expensive (Ojokuku, Odetayo, & Sajuyigbe, 2012).

The formula for good management of Small and Medium Scale Enterprises is simple enough to develop a sound plan, design appropriate organizational structure, to implement the plans and monitoring the performance of the business. But these activities are easier said than done. Good leadership is a pre-requisite for effective accomplishment of these tasks. However, they opined that an entrepreneur has different leadership roles to play; he is the chief risk bearer, chief administrator and strategy implementer, crises solver, figure head, spokesperson, policy maker. Stressed that an understanding of leadership is important to small and medium scale enterprises because leadership binds subordinates to work together and stimulate employees motivation. Also, leadership assists in management development and training, effective leadership provides the building block for organizational performance. It is absolutely essential to the survival and growth of every organization (Uchenwamgbe, 2013).

Leadership styles have diverse effects on variables such as flexibility, standards, rewards, clarity and commitment and in some cases on organizational climates as the behavior of the leader +produce motivation mechanisms which have effect on the conduct of individual's performance in the organization, Thus, the essence of leadership is followership. Effective leadership is the extent to which a leader constantly and progressively leads and directs his or her followers, towards organizational performance. However, swift changes in the business environment, organizational structures, technology and life styles are introducing a considerable rethinking of leadership development. Leadership concerns the ability to influence the behavior of others to move accord with the desire of the leader and pursuit of goals. Modern businesses face bigger challenges due to rapidly changing world. These challenges comprise socio cultural, economic, technological legal and regulatory, environmental and ethical issues (Uchenwamgbe, 2013).

In Somalia according to (Duale, 2013) the remittance industry has grown rapidly in cycle with the global spread of the Somali Diasporas. Mobile telecoms have prospered too, similarly motivated by the critical need to keep relatives in contact across long distances. Solid competition between telecoms operators has resulted in mobile services that are among the cheapest and most reliable in the world. Following the more recent security gains in Mogadishu a construction boom is now under way, with Diasporas money flooding in as more and more migrants return home. Underpinning all this has been the steady inflow of remittance finance. Somali Diasporas send hundreds of millions of dollars back home each year - an essential and reliable source of capital that far exceeds what the Somali territories receive in international aid.

2.0 STATEMENT OF THE PROBLEM

A leadership style is the manner and approach of providing implementing plans, direction and motivating people. According to employees, it includes all explicit and implicit actions performed by their leader. Several reasons indicate that there should be a relationship between leadership and performance. Today's intensive, dynamic markets feature innovation-based competition, price/performance competition, decreasing returns, and the creative destruction of

existing competencies. Researchers suggest that effective leadership behaviors can facilitate the improvement of performance when organizations face these new challenges (Bhargavi & Yaseen, 2016).

Researchers view the effects of leadership on performance so it is necessary that they are understandable, as one of the heavy key forces for improving a firm's performance. A powerful source of management development is effective leadership as studies have shown. This sustained competitive advantage for organizational performance improvement. For example, transactional leadership helps organizations achieve their current objectives more efficiently by linking job performance to valued rewards and by ensuring employees have the resources needed to get the job done (Bhargavi & Yaseen, 2016)

Effective Leadership, employee job satisfaction, and organizational commitment are the three important facets for organizational success. An effective leader provides guidance to employees, gives them direction towards achievement of desired goals, as a result employees with high job satisfaction exert more effort in completion of work for achieving success and thus are more committed towards organization. Many aspects of leadership style and organizational commitment have been studied in the earlier studies. Theorists define leadership as "a process of dealings between leaders and assistants where a leader tries to sway the behavior of his or her subordinates to achieve company goals (Tahir, 2015).

Organizations face many challenges, but one of the greatest one is ensuring the wellbeing of its employees. Understanding of the association among job satisfaction, employee organizational commitment, organizational culture, and leadership is important because it assists in creating an efficient and motivated workforce and allows for an organization to achieve better overall goals & objectives. "Transactional leadership theory is a trade of rewards with subordinates for services provided. This seeks to motivate followers through extrinsic rewards" (Tahir, 2015). So this study investigates the effects of leadership styles on organizational performance in remittance companies in Mogadishu-Somalia.

3.0 RESEARCH OBJECTIVES

3.1 General Objectives

The main objective of this study is to assess the effect of leadership style on organizational performance in remittance companies in Mogadishu-Somalia.

3.2 Specific Objectives

Specific objectives of the study include:

- i. To determine effects of Autocratic leadership style on organizational performance in remittance companies in Mogadishu-Somalia.
- ii. To investigate effects of Democratic leadership style on organizational performance in remittance companies in Mogadishu-Somalia.
- iii. To determine effects of Transactional leadership style on organizational performance in remittance companies in Mogadishu-Somalia.
- iv. To investigate effects of transformational leadership style on organizational performance in remittance companies in Mogadishu-Somalia.

4.0 RESEARCH HYPOTHESIS

- i. **H01** there is no relationship between Autocratic leadership style and organizational performance in remittance companies in Mogadishu-Somalia.
- ii. **H02** there is no relationship between Democratic leadership style and organizational performance in remittance companies in Mogadishu-Somalia.
- iii. **H03** there is no relationship between Transactional leadership style and organizational performance in remittance companies in Mogadishu-Somalia.
- iv. **H04** there is no relationship between transformational leadership style and organizational performance in remittance companies in Mogadishu-Somalia.

5.0 LITERATURE REVIEW

5.1 Theoretical Review

5.1.1 Stakeholder Theory

According to (Bourne, 2015), stakeholder theory is fundamentally a theory about how business can work at its best. It is descriptive, prescriptive and instrumental at the same time. It is more complex than just considering value for shareholders, because there are many relationships involved. Consequently, for any organizational activity there will be a complex web of human beings whose needs and wants (stakes) need to be identified, managed and as far as practical fulfilled to make the business successful. The traditionalist view of stakeholders focused on the 'owners' of the organization (in the commercial world shareholders) with the simple purpose of maximizing profits. A range of public relations and physical disasters highlights the short term, self-defeating outcomes of this approach.

The traditionalist state stakeholder theory poses the deeper philosophical question: 'can business leaders make decisions about the conduct of the business without considering the impact of these decisions on (all) those who will be affected by the decisions?' Is it possible to separate 'business' decisions from the ethical considerations of their impact? The evidence suggests it is impossible to build a sustainable organization of any type, including a profitable business, if that organization fails to meet the needs of most (if not all) of its stakeholders, most of the time (Bourne, 2015).

According to (Saint & Tripathi, 2005), the intention of stakeholder theory is to offer an alternative purpose of the firm. Stakeholder theory suggests the purpose of the firm is to serve broader societal interests beyond economic value creation for shareholders alone. It is becoming central to the important story of business in society. The concept of Stakeholder theory is ascribed to R. Edward Freeman (1984) whose original concept was that managers have a moral obligation to consider and appropriately balance the interests of all stakeholders. Stakeholder theory expresses the idea that business organizations are dependent upon stakeholders for success, and stakeholders have some stake in the organization. The stakeholder theory extends the concept of ownership of the firm beyond that of the traditional legal or economic owners of the firm, who become a stakeholder by contribution of capital or other means that results in equity ownership.

5.1.2 Agency Theory

Agency theory is developed by (Adams, 1994). Agency theory states the relationship between principals and agents in business. Agency theory is concerned with resolving problems that can

exist in agency relationships; that is, between principals (such as shareholders) and agents of the principals (for example, company executives). The two problems that agency theory addresses are: first, the problems that arise when the desires or goals of the principal and agent are in Conflict, and the principal is unable to verify (because it difficult and/or expensive to do so) what the agent is actually doing; and second, The problem that will arise when the principal and agent have different attitudes towards risk. Because of different risk tolerances, the principal and agent may each be inclined to take different actions (James & Muka, 2005).

According to the agency theory a company consists of a nexus of contracts between the owners of economic resources the principals and managers the agents who are charged with using and controlling those resources. Agency theory posits that agents have more information than principals and that this information asymmetry adversely affects the principals' ability to monitor whether or not their interests are being properly served by agents. Furthermore, an assumption of agency theory is that principals and agents act rationally and use contracting to maximize their wealth. A consequence of this assumption may be the 'moral hazard' problem, indicating that in an effort to maximize their own wealth, agents may face the dilemma of acting against the interests of their principals. Since principals do not have access to all available information at the time a decision is made by an agent, they are unable to determine whether the agent's actions are in the best interest of the firm (Sarens & Abdolmohammadi, 2011).

5.1.3 The Systems Theory of Organization

The systems approach to organization view an organization as a whole with a set of interrelated and interdependent parts. These parts could be internal or external. The individuals are essential part of the organization without which the organization could neither exist nor function. The theory has its roots in who propagated the idea via his publication: 'General System Theory'. According to him, "in order to understand an organized whole, we must know both the parts and the relations between them". Many scholars have built upon it. Emphasized a system of cooperative effort in a formal organization some aspects of the logic of his analysis are: Physical and biological limitations of individuals lead them to cooperate and once they cooperate with these limitations become limited and also play a part in inducing further cooperation (Uchenwangbe, 2013).

Organizations can be divided into two kinds: the "formal" organization, which is that set of consciously coordinated social interactions that have a deliberate and joint purpose, and the "informal" organization, which refers to those social interactions without a common or consciously coordinated joint purpose. The formal organization cannot exist unless there are persons who are able to communicate with one and have a common conscious purpose. The function of the Executive in the formal organization among others is the maintenance of organization communication., and the integration of the whole. Cooperation is thus a creative process and leadership is the fulminator of its forces. Barnard's analysis has only justified the essence of participation in organizations. Cooperation here includes exchanging ideas and creating room for suggestions from subordinates. No doubt, participation does have enormous potentials for raising productivity, bettering morale and improving creative thinking (Uchenwangbe, 2013).

6.0 Conceptual Framework

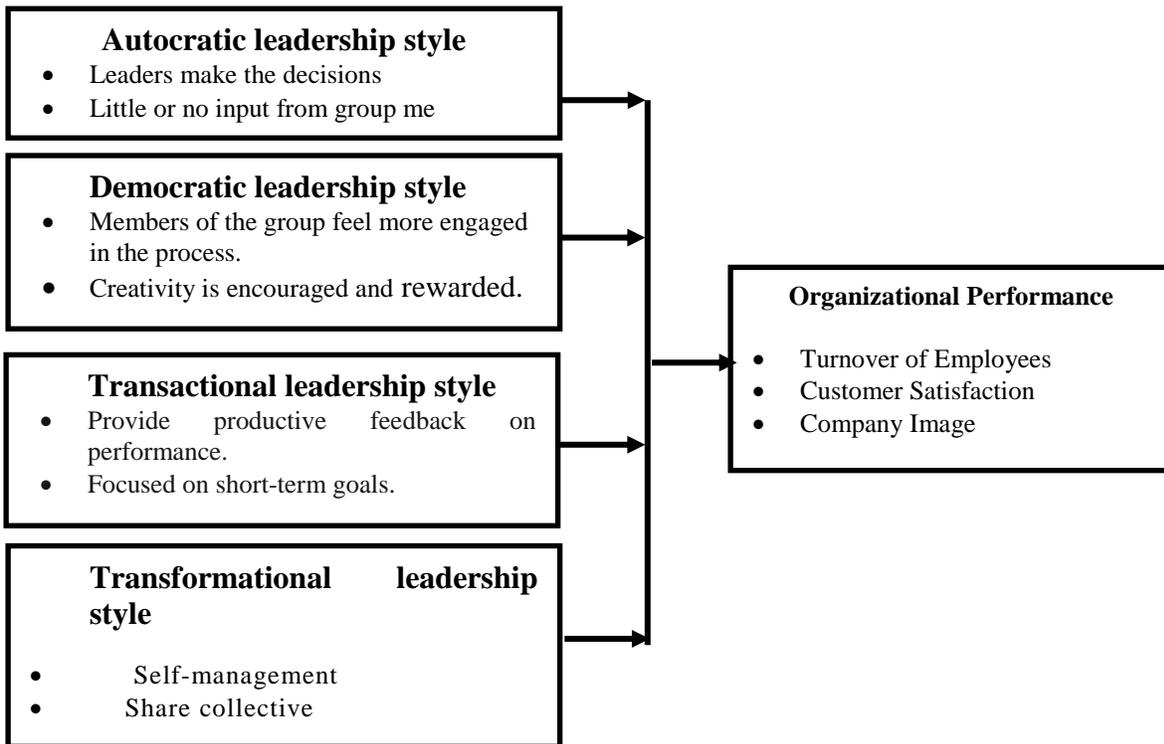


Figure 1: Conceptual Framework

6.1 Review of Literature on Variables

6.1.1 Autocratic Leadership Style

Autocratic leaders are classic “do as I say” types. Typically, these leaders are inexperienced with leadership thrust upon them in the form of a new position or assignment that involves people management. Autocratic leaders retain for themselves the decision-making rights. They can damage an organization irreparably as they force their ‘followers’ to execute strategies and services in a very narrow way, based upon a subjective idea of what success looks like. There is no shared vision and little motivation beyond coercion. Commitment, creativity and innovation are typically eliminated by autocratic leadership. In fact, most followers of autocratic leaders can be described as biding their time, waiting for the inevitable failure this leadership produces and the removal of the leader that follows (Uchenwamgbe, 2013).

6.1.2 Democratic Leadership Style

Democratic leadership, also known as participative leadership, is a type of leadership style in which members of the group take a more participative role in the decision-making process unlike the autocratic style. Researchers have found that this leadership style is usually one of the most effective styles and lead to higher productivity, better contributions from group members, and increased group morale. Some of the primary features of democratic leadership style include: group members are encouraged to share ideas and opinions, even though the leader retains the final decision over their decisions (Bhargavi & Yaseen, 2016).

Also, members of the group who feel more engaged in the process and tend to be more creative and are encouraged and rewarded. Since group members are encouraged to share their thoughts, democratic leadership increased the creativity and developed better ideas to solve problems. Group members also feel more involved and committed to projects, making them more likely to care about the end results. Democratic leadership works best in situations where group members are skilled and eager to share their knowledge. It is also important to have plenty of time to allow people to contribute, develop a plan and vote on the best course of action afterwards (Bhargavi & Yaseen, 2016).

6.1.3 Transactional Leadership Style

According to (Timothy C., Victoria O, & Idowu A., 2011) transactional leadership involves an exchange process that results in follower compliance with leader request but not likely to generate enthusiasm and commitment to task objective. The leader focuses on having internal actors perform the tasks required for the organization to reach its desired goals. The objective of the transactional leader is to ensure that the path to goal attainment is clearly understood by the internal actors, to remove potential barrier within the system, and to motivate the actors to achieve the predetermined goals. Transactional leaders display both constructive and corrective behaviors. Constructive behavior entails contingent reward, and corrective dimension imbibes management by exception. Contingent reward involves the clarification of the work required to obtain rewards and the use of incentives and contingent reward to exert influence.

It considers follower expectations and offers recognition when goals are achieved. The clarification of goals and objectives and providing of recognition once goals are achieved should result in individuals and groups achieving expected levels of performance. Active management by exception refers to the leader setting the standards for compliance as well as for what constitutes ineffective performance, and may include punishing followers for non-compliance with those standards. This style of leadership implies close monitoring for deviances, mistakes, and errors and then taking corrective action as quickly as possible when they occur (Timothy C., Victoria O, & Idowu A., 2011).

6.1.4 Transformational Leadership Style

Transformational leadership style focuses on the development of followers and their needs. Managers exercising transformational leadership style focus on the development of value system of employees, their motivational level and moralities with the development of their skills. Transformational leadership acts as a bridge between leaders and followers to develop clear understanding of follower's interests, values and motivational level. It basically helps follower's achieve their goals working in the organizational setting; it encourages followers to be expressive and adaptive to new and improved practices and changes in the environment For transformational leadership style, the follower feels trust, admiration, loyalty and respect towards the leader, and is motivated to do more than what was originally expected to do. The transformational leader motivates by making follower more aware of the importance of task outcomes, inducing them to transcend their own self-interest for the sake of the organization or team and activating their higher-order needs. He encourages followers to think critically and seek new ways to approach their jobs, resulting in intellectual stimulation. As a result, there is an increase in their level of performance, satisfaction, and commitment to the goals of their organization (Timothy C., Victoria O, & Idowu A., 2011).

The study proposed four behaviors or components of transformational leadership to include charisma, inspirational motivation, intellectual stimulation, and individual consideration. Charisma, or idealized influence or attributes, is characterized by vision and a sense of mission, instilling pride in and among the group, and gaining respect and trust. The study points out followers look up to their inspirational leader as one providing emotional appeal to increase awareness and understanding of mutually desirable goals. This is characterized by the communication of high expectations, using symbols to focus efforts, and expressing important purpose in simple ways. The leader always behaves talking optimistically about the future, articulating a compelling vision for the future and providing an exciting image of organizational change. The motivation occurs by providing meaning and challenge to the followers' work; individual and team spirit are aroused and enthusiasm and optimism are displayed. The leader encourages followers to envision attractive future states, for the organization and themselves (Timothy C., Victoria O, & Idowu A., 2011).

6.1.5 Organizational Performance

In general, the concept of organizational performance is based upon the idea that an organization is the voluntary association of productive assets, including human, physical, and capital resources, for the purpose of achieving a shared purpose. Those providing the assets will only commit them to the organization so long as they are satisfied with the value they receive in exchange, relative to alternative uses of the assets. As a consequence, the essence of performance is the creation of value. So long as the value created by the use of the contributed assets is equal to or greater than the value expected by those contributing the assets, the assets will continue to be made available to the organization and the organization will continue to exist. Therefore, value creation, as defined by the resource provider, is the essential overall performance criteria for any organization. How that value is created is the essence of most empirical research in management. Conversely, how that value is measured is the essence of this research (Carton, 2004).

Organizations have an important role in our daily lives and therefore, successful organizations represent a key ingredient for developing nations. Thus, many economists consider organizations and institutions similar to an engine in determining the economic, social and political progress. Precisely for this reason, in the last 22 years, there were 6 Nobel prizes awarded to researchers who have focused on the analysis of organizations and institutions. Continuous performance is the focus of any organization because only through performance organizations are able to grow and progress. Thus, organizational performance is one of the most important variables in the management research and arguably the most important indicator of the organizational performance (Ilies, Stegorean, & Gavrea, 2011).

7.0 RESEARCH METHODOLOGY

7.1 Research Design

According to the study of (Ojong, 2014) a research design is a blue print through which research participants are obtained including collection of information from them. Also a research design as a plan for gathering and using data so that desired information is obtained meticulously. A research design states either the research problem structure, organization or the relationship patterns among the variables of a study and the research plan used to obtain empirical evidence on those relationships.

This study adopted a descriptive study design. Descriptive research studies are those studies which are concerned with describing the characteristics of a particular individual, or of a group, studies concerned with specific predictions, with narration of facts and characteristics concerning individual, group or situation. Descriptive studies are concerned with what, where and how of a phenomenon hence more placed to build a profile on that phenomenon (Kothari, 2014). Descriptive research is more appropriate because the study sought to build a profile about the effect of leadership style on the performance of remittances companies in Mogadishu-Somalia.

7.2 Target Population

According to (Lavrakas, 2008) define a population as any finite or infinite collection of individual elements. Target population refers to the entire group of individuals or objects to which researchers are interested in generalizing the conclusions (Ngumi, 2013), this research targeted the employee of all remittance companies in Bakara market, the biggest market in Mogadishu. The exact number of all remittance companies in this area is 14 remittance companies. The area was selected because the majority of remittance companies in Mogadishu are located in Bakara market.

Table 3.1: Target Population

Type of Organization		Number of Employee	Percentage %
1)	Dahabshil	120	30%
2)	Taaj Express	55	14%
3)	Amal Express	28	7%
4)	Tawakal Express	25	6%
5)	Amaano Express	23	6%
6)	Juba Express	32	8%
7)	Mustaqbal Express	20	5%
8)	Kaah Express	17	4%
9)	Olombic Express	15	4%
10)	Najma Express	13	3%
11)	Iftin Express	10	2%
12)	Muno Express	12	3%
13)	Horyaal Express	16	4%
14)	Tawakal Express	7	2%
15)	Global Express	9	2%
TOTAL		402	100%

7.3 Sample and Sampling Technique

According to (Lavrakas, 2008) define a sample in a survey research context as a subset of elements drawn from a larger population. Non-probability sampling relies on the judgement of the researcher and cannot generally be used to make generalizations about the whole population. Therefore this type of sampling is very convenient and is relatively inexpensive. Moreover, this technique is appropriate since random sampling is not possible due to the absence of the list of the respondents. The study used non probability sampling technique to create a sampling frame for small and medium enterprises. Slovin's formula was used in this study to determine the sample size, because according (Tejada, 2012) Slovin's formula is applicable only when estimating a population proportion and when the confidence coefficient is 95%. Additionally, it is optimal only when the population proportion is suspected to be close to 0.5. Hence, it is not advisable to use Slovin's formula if any of the abovementioned assumptions do not hold. Slovin's formula for obtaining the sample size. Denoted by n as the sample size, Slovin's formula is given by

$$n = \frac{N}{1 + Ne^2}$$

N is the population size and e is the margin of error (Lavrakas, 2008).

$$n = \frac{402}{1 + 402(0.05)^2}$$

$$= \frac{402}{1+402(0.0025)} = \frac{402}{2.005} = 200.4 \approx 200. \text{ So the sample would be } 200$$

Table 3.2: Sample Size Distribution

Type of Organization	Number of Employee	Percentage %	Number of employees selected as sample
Dahabshil	120	30%	60
Taaj Express	55	14%	28
Amal Express	28	7%	14
Tawakal Express	25	6%	12
Amaano Express	23	6%	12
Juba Express	32	8%	16
Mustaqbal Express	20	5%	10
Kaah Express	17	4%	8
Olombic Express	15	4%	8
Najma Express	13	3%	6
Iftin Express	10	2%	4
Muno Express	12	3%	6
Horyaal Express	16	4%	8
Tawakal Express	7	2%	4
Global Express	9	2%	4
TOTAL	402	100%	200

7.3 Data Collection Instruments

The study used a questionnaire; because questionnaire can access large amounts of information can be collected from a large number of people in a short period of time and in a relatively cost effective way. Which will be divided into six sections: Part A would capture data on the respondent's demographic characteristics; Part B would collect data on internal Auditor's independence; Part C would collect data on the internal Auditor's quality; Part D gathers data on internal control system; Part E collects data on the Audit risk, and finally part F collects data of organizational of Remittance companies.

7.4 Data Collection Procedures

Every research has a framework for collecting data. Its function is to ensure that the required data are collected accurately and economically. Primary method of data collection was used in this study and the tool used for data collection was a questionnaire technique method. The questionnaires were in Likert scale. The variables in the questionnaires were mainly developed based on the themes in the literature review section and research objectives. The type of data collected for all the variables; Autocratic leadership style, Democratic leadership style, Transactional leadership style and transformational leadership style and organizational performance was quantitative data.

7.5 Data Analysis and Presentation

The questionnaires were checked for completeness and consistency of information at the end of every field data collection day and before storage. The data from the completed questionnaires was cleaned, coded and entered into the computer using the Statistical Package for Social Sciences (SPSS version 25) tool. Data analysis and the findings were reported in chapter four. To establish the relationship between the independent variables and the dependent variable of the study inferential analysis was conducted. It involved a coefficient of determination and a multiple regression analysis. The coefficient of determination was carried out to measure how well the statistical model was likely to predict future outcomes.

The regression model used was:

$$y = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4$$

Where;

Y is the dependent variable (organizational performance of remittance companies).

x_1 Is Autocratic leadership style

x_2 Is Democratic leadership style

x_3 Is Transactional leadership style and

x_4 Is transformational leadership style

8.0 FINDINGS

8.1 Descriptive Analysis

This study carried out the following descriptive statistics; mean, the standard deviation of all the study variables.

8.1.1 Autocratic Leadership Style

The first objective of the study was to establish the effect of autocratic leadership style on organizational performance of remittance firms in Mogadishu. The descriptive results are displayed in Table 4.6.

Table 4.6: Autocratic Leadership Style

	N	Mean	Std. Deviation
The manager does not explain his actions	179	4.23	.562
The manager takes decisions arbitrarily	179	3.47	.671
The manager believes that I will work best in a situation where I am given clear and direct instruction on my job	179	4.09	.898
The manager doesn't accommodate any kind of domestic excuse interfering with my duties.	179	2.89	.947
The manager does not readily accept new ideas	179	4.31	.573

From Table 4.6 results show that respondents agreed to the statement that the manager does not explain his actions as indicated by a mean of 4.23 and standard deviation of 0.562. The respondents were indifferent to the statement that the manager takes decisions arbitrarily as shown by a mean of 3.47 and a standard deviation of 0.671. Further, the respondents agreed to the statement that the manager believes that I will work best in a situation where I am given clear and direct instruction on my job (mean=4.09). The respondents disagreed with the statement that the manager doesn't accommodate any kind of domestic excuse interfering with my duties as indicated by a mean of 2.89 with a standard deviation of 0.947. Finally, respondents agreed to the statement that the manager does not readily accept new ideas by a mean of 4.31 and a standard deviation of 0.573.

8.1.2 Democratic Leadership Style

The second objective of the study sought to establish the effect of democratic leadership style on organizational performance.. The results are presented in Table 4.7.

Table 4.7: Democratic Leadership Style

	N	Mean	Std. Deviation
Employees need to be supervised closely, or they are not likely to do their work	179	4.55	.710
Employees want to be a part of the decision-making process	179	4.83	.469
The leader can make good decisions & judgments	179	4.44	.625
Employees are ready to trust their leader to overcome any obstacle	179	4.10	.586
The leader is good in leading us when doing organizational projects	179	3.47	.726

From the findings in Table 4.7, respondents agreed to the statement that employees need to be supervised closely, or they are not likely to do their work as indicated by a mean of 4.55 and a standard deviation of 0.710. The respondents agreed to the statement that employees want to be a

part of the decision-making process as shown by a mean of 4.83 and a standard deviation of 0.469. Further, the respondents agreed to the statement that the leader can make good decisions & judgments (mean=4.44). Respondents agreed to the statement that employees are ready to trust their leader to overcome any obstacle as indicated by a mean of 4.10 with a standard deviation of 0.586. Finally, respondents were indifferent to the statement that the leader is good in leading us when doing organizational projects as indicated by a mean of 3.47 and standard deviation of .726.

8.1.3 Transactional Leadership Style

The third objective of the study sought to find out the effect of transactional leadership style on organizational performance. The results are presented in Table 4.8.

Table 4.8: Transactional Leadership Style

	N	Mean	Std. Deviation
The manager makes clear expectation	179	4.05	.951
The manager will take action before problems are chronic	179	4.40	.583
The manager tells us standards to carry out work	179	3.19	.614
The manager works out agreements with me	179	2.34	.730
The manager monitors my performance and keeps track of mistake	179	4.97	.369

The results showed that respondents agreed to the statement that the manager makes clear expectation as indicated by a mean of 4.05 with a standard deviation of 0.951. Further respondents agreed to the statement that the manager will take action before problems are chronic as indicated by a mean of 4.40 with a standard deviation of 0.583. The respondents were indifferent to the statement that the manager tells us standards to carry out work as indicated by a mean of 3.19 and standard deviation of 0.614. Respondents agreed to the statement that the manager works out agreements with me as indicated by a mean of 2.34 and standard deviation of 0.730. Finally, respondents agreed to the statement that the manager monitors my performance and keeps track of mistake as shown by a mean of 4.97 and standard deviation of 0.369.

8.1.4 Transformational Leadership Style

The fourth objective sought to investigate the effect of transformational leadership style on organizational performance. The results are presented in Table 4.9.

Table 4.9: Transformational Leadership Style

	N	Mean	Std. Deviation
The manager Spends time teaching and coaching	179	4.03	.518
The manager Considers moral and ethical consequences	179	4.89	.449
The manager Views me as having different needs, abilities, and aspirations	179	4.11	.764
The manager Listens to my concerns	179	4.68	.507
The manager Encourages me to perform	179	4.72	.271

Results in Table 4.9 showed that respondents agreed to the statement that the manager Spends time teaching and coaching as indicated by a mean of 4.03 and a standard deviation of 0.518.

Findings further showed that respondents agreed to the statement that the manager Considers moral and ethical consequences as indicated by a mean of 4.89 and a standard deviation of 0.449. The findings also showed that respondents agreed to the statement that the manager Views me as having different needs, abilities, and aspirations (mean = 4.11; std. dev. = .764) and that the manager Listens to my concerns (mean = 4.68 and std. dev. = .507. Finally, respondents agreed to the statement that the system is easy to use without prior system knowledge (mean = 4.72; std. dev. = .271).

8.1.5 Organizational Performance

Descriptive results on the given aspects of organizational performance are presented in Table 4.10.

Table 4.10: Organizational Performance

	N	Mean	Std. Deviation
Productivity of employees is much lower than industry average	179	4.03	.518
Employees' trust into leadership is low	179	4.89	.449
Employees feel very committed to the organization	179	4.11	.764
The number of customer complaints within the last period has decreased strongly	179	4.68	.507
There are no cases in your company of people leaving for internal reasons	179	4.72	.271

Results in Table 4.10 showed that respondents agreed to the statement that productivity of employees is much lower than industry average as indicated by a mean of 4.03 and a standard deviation of 0.518. Findings further showed that respondents agreed to the statement that employees' trust into leadership is low as indicated by a mean of 4.89 and a standard deviation of 0.449. The findings also showed that respondents agreed to the statement that employees feel very committed to the organization (mean = 4.11; std. dev. = .764) and that the number of customer complaints within the last period has decreased strongly (mean = 4.68 and std. dev. = .507. Finally, respondents agreed to the statement that there are no cases in your company of people leaving for internal reasons (mean = 4.72; std. dev. = .271).

8.2 Inferential Statistics

8.2.1 Correlation Analysis of the Study Variables

Pearson correlation was adopted to statistically measure the bivariate correlation between the study variables. The results are shown in Table 4.11.

Table 4.11: Correlation coefficient

		Autocratic leadership	Democratic leadership	Transactional leadership	Transformational leadership	Performance
Autocratic leadership	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	179				
Democratic leadership	Pearson Correlation	.574**	1			
	Sig. (2-tailed)	.000				
	N	179	179	179		
Transactional leadership	Pearson Correlation	.692**	.722**	1		
	Sig. (2-tailed)	.000	.000			
	N	179	179	179	179	
Transformational leadership	Pearson Correlation	.361**	.217**	.476**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	179	179	179	179	
Performance	Pearson Correlation	.106**	.482**	.377**	.549	1
	Sig. (2-tailed)	.000	.000	.000	.000	

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

Results of the bivariate correlation in Table 4.11 showed that there is a significant positive correlation between project autocratic leadership style and organizational performance ($r=0.106$, $P=0.000$). Further, correlation results indicated a moderate, positive correlation between democratic leadership style and organizational performance ($r=0.482$, $P=0.000$). The correlation results showed a significant positive correlation between transactional leadership style and organizational performance ($r=0.377$, $P=0.000$). Finally, correlation results indicated a significant positive correlation between transformational leadership style and organizational performance ($r=0.549$, $P=0.000$).

8.3 Regression Analysis

Regression analysis is a statistical tool for the investigation of the relationship between variables. The regression results are shown in the following sub-sections.

8.3.1 Model Summary of the Independent Variables

Model summary results presented in Table 4.12 present the fitness of the model used in explaining the study phenomena.

Table 4.12: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.730a	.532	.524	0.19438

a. Predictors: (Constant), Autocratic leadership style, Democratic leadership style, Transactional leadership style, Transformational leadership style

The model summary results in Table 4.12 showed an R^2 of 0.532 which indicates that independent variables (Autocratic leadership style, Democratic leadership style, Transactional leadership style, Transformational leadership style) explain 53.2 percent variation in organizational performance, while the remaining 46.8% are un-modelled determinants.

8.3.2 Analysis of Variance

Analysis of variance was employed to test the overall significance of the regression model. The results are presented in Table 4.13.

Table 4.13: Results on Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	542.833	4	135.708	49.510	.000 ^b
	Residual	476.941	174	2.741		
	Total	1019.774	178			

a. Dependent Variable: Organizational performance

b. Predictors: (Constant), Autocratic leadership style, Democratic leadership style, Transactional leadership style, Transformational leadership style

Table 4.13 ANOVA results indicate that the overall model was statistically significant at a p-value of 0.000 which is less than the critical p-value of 0.05. Further, the results imply that the independent variables are good predictors of organizational performance.

8.3.3 Multiple Regression Coefficients

The multiple regression coefficient results are provided in Table 4.14.

Table 4.14: Regression Weights of Variables

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	T	
1 (Constant)	7.362	2.103		3.500	.000
Autocratic leadership	.252	.098	.187	2.571	.000
Democratic leadership	.496	.174	.405	2.850	.038
Transformational leadership	.509	.213	.441	2.389	.000
Transactional leadership	.365	.149	.290	2.449	.000

a. Dependent Variable: Organizational performance

$$Y = 7.362 + 0.252X_1 + 0.496X_2 + 0.509X_3 + 0.365X_4$$

The regression equation above has established that taking all factors constant at zero, organizational performance would be 7.362. From the regression coefficients results it can be noted that the independent variables have a probability of 0.05 and below which implies that the coefficients are statistically significant.

8.4 Hypotheses Testing of the Study Variables

From the regression model computed in Table 4.14, the research hypotheses were tested using the significance level of the coefficients. The research hypothesis for the study included;

H₀₁: Autocratic leadership style has no significant effect on organizational performance.

The first variable was autocratic leadership style and the regression results indicated a positive significant effect on organizational performance. This was evidenced by a t-value of 2.571 which is greater than the critical value of 2.0 and a p-value of 0.00 at a 95% level of significance which is less than 0.05, hence the null hypothesis that transactional leadership style has no significant effect on organizational performance was rejected.

H₀₂: Democratic leadership style has no significant effect of organizational performance.

The second variable was democratic leadership style whose regression results indicated that it had a positive significant effect on organizational performance. This was shown by a t-value of 2.850 which is greater than the critical value of 2.0 and a p-value of 0.00 at 95% level of significance which is less than 0.05, hence the null hypothesis was rejected which stated that democratic leadership style has no significant effect of organizational performance was rejected.

H₀₃: Transactional leadership style has no significant effect of organizational performance.

The third variable was transactional leadership style and regression results showed that the variable had a positive significant effect on organizational performance. This was revealed by a t-value of 2.449 which is greater than the critical value 2.0 and a P-value of 0.00 at a 95% level of significance which is less than 0.05 hence the null hypothesis that transactional leadership style has no significant effect on organizational performance was rejected.

H₀₄: Transformational leadership style has no significant effect on organizational performance.

The fourth variable was transformational leadership style and regression results revealed that the variable had a significant positive effect on organizational performance. This was shown by an at-value of 2.389 which is greater than the critical value 2.0 and a p-value of 0.00 at a 95% level of significance which is less than 0.05, hence the null hypothesis that transformational leadership style has no significant effect on organizational performance was rejected.

9.0 DISCUSSION OF KEY FINDINGS

The key research findings were discussed based on the research questions of the study. The first research question of the study was what is the effect of autocratic leadership style on organizational performance? Regression analysis conducted revealed that there was a positive significant effect of autocratic leadership style on the dependent variable as shown by the values $\beta_4 = 0.252$, $p < 0.05$. The study concludes that an increase in autocratic style of leadership by one unit would lead to an increase in organizational performance by 0.252 units. The results agree with

The second research question was what is the effect of democratic leadership on organizational performance? Regression analysis conducted showed that there was a positive significant effect

of democratic leadership style on the dependent variable as indicated by the values $\beta_3 = 0.496$, $p < 0.05$. The study concludes that an increase in democratic leadership style by one unit would lead to an increase in organizational performance by 0.496 units. The findings corroborate the results of

The third research question was what is the effect of transactional leadership style on organizational performance? The regression analysis result showed a positive significant effect of transactional leadership style on organizational performance as indicated by the values $\beta_2 = 0.365$, $p < 0.05$. The study concludes that an increase in transactional leadership style by one unit would lead to an increase in organizational performance by 0.365 units. The findings agree with the fourth research question was what is the effect of transformational leadership style on organizational performance? Regression analysis conducted proved that there was a positive significant effect of transformational leadership style on organizational performance as shown by the values $\beta_1 = 0.509$, $p < 0.05$. The study concludes that an increase in transformational leadership style by one unit would lead to an increase in organizational performance by 0.509 units. The findings agree with

10.0 CONCLUSIONS AND RECOMMENDATIONS

10.1 Conclusions

The study concludes that the firms' managers have failed to explain their actions to employees in the organizations and spends most of their times directing employees to perform duties as instructed. The study concludes that the management takes decisions arbitrarily and that the manager believes that employee will work best in a situation where they are given clear and direct instruction on their job. The management is more focused on productivity and often ignores the welfare of employees in that process.

The study concludes that the firms' staffs are, despite being supervised closely, given enough freedoms and space to make their own decisions on how to best execute given functions. The management involves employees in every decision making process affecting their jobs. The study concluded that in a democratic style, the leader has a potential to make good decisions and judgments and employees are ready to trust their leader to overcome any obstacle in a democratic leadership situation.

The study concludes that the manager makes clear expectation and the manager takes action before problems are spirals out of control. The study concludes that most of the time, the managers follows the written rules and procedures in realizing job execution by employees and this makes employees un innovative. Further, it is concluded that the manager monitors my performance and keeps track of mistake.

The study concludes that the management uses most of its time coaching and informing employees on the best practices to execute their tasks. The managers derive joy in helping their employees and transforming them morally and professionally. The study concludes that the manager views employees as having different needs, abilities, and aspirations and works towards individualized attention through listening to individual needs. The managers consider moral and ethical consequences of their decisions before dispatching them to employees to be executed.

10.2 Recommendations

The researcher recommends that the management of the organizations should always endeavor to explain their actions to employees emphatically. This would make employee feel appreciated and has a high potential in improving overall employee productivity. In addition to directing employees on what to do and how to do, the managers should train the employees on how to think independently and make decisions on their own. The management should equally focus on improving employee welfare just as it put emphasis on improving employee productivity.

The researcher recommends that the management should provide adequate freedoms and space to employees so as stimulate the employees to come up with their own decisions on how to best execute given functions. The management should always involve employees in every decision making process affecting their jobs. This would make employees feel honored and recognized and has a potential to increase overall organization's productivity and performance.

The researcher recommends that the management of the organizations should clearly set quantifiable expectations and the take appropriate actions to enable the employees achieve those expectations in a symbiotic manner. The management should always be proactive in looking for potential organizational conflicts and meet them before spiraling out of control. The researcher recommends that managers should adopt contingency management response often as situation dictates and not stick to laid down rules and procedures of executing a task.

The researcher recommends that the management should ensure that most time is spend coaching and mentoring staff on the best practices to execute their tasks. This would make employees more productive and innovative. The managers should make it a hobby in helping their employees and transforming them morally and professionally. The researcher recommends that the management should view employees as having different needs, abilities, and aspirations and works towards individualized attention through listening to individual needs.

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