

Effect of leadership styles on successful implementation of a performance management system

Jane Sang¹ and James Sang²
Moi University, Kenya.
Jkksang@gmail.com

Although a well implemented performance management system (PMS) can have immense benefits, it has been reduced in many organisations to a mechanical, end of the year requirement for information. Consequently, in many organisations, PMSs are viewed with much trepidation and scepticism. It is therefore germane to understand factors that could cause PMS to be embraced and accepted by individuals in organisations. Effective leadership in the organisation could be critical in the successful implementation of performance management. However, empirical investigation of this relationship is lacking. The objectives of this study were: (1) To assess the effect of transactional and transformational leadership on the adoption of a performance management framework and (2) To assess the perceptions of various demographic groups in an organisation on the effects of leadership style on the implementation of a performance management system. The study was undertaken at Moi Teaching and Referral Hospital (MTRH), Kenya. An explanatory descriptive design was used. The target population for the study comprised all the 2,040 members of staff at the hospital. A stratified random sampling was used to select the 510 respondents. The study found that leadership style (transactional and transformational leadership) has a strong and positive influence on the implementation of performance management framework ($B=0.677$, $SE = 0.027$, $p<0.0001$; $R^2 = 0.72$). Support for the relationship between leadership and PMS was found to be stronger amongst males, less educated and older employees. The study recommends that organisations should adopt more strategic leadership style if they are to successfully deliver the contiguous stages required in PMS.

Keywords: Transactional Leadership, Transformational Leadership, performance management system

Introduction

Leadership and performance management are some of the most frequently researched concepts in human resource management (HRM) (Caruth and Humphreys 2008). Although leadership is a frequently used term, there is no unified agreement as to its meaning, with Yukl (2006) stating that there seems to be one definition of leadership for every author. Leadership may be conceptualized as a process whereby an individual influences a group of individuals to achieve a common goal (Northouse 2007; Chemers 1997). Performance management, a critical yet controversial aspect of HRM, emerged in the late 20th Century as an offshoot of the even more controversial performance appraisal. Performance appraisal is the systematic evaluation of employee performance during a period of time (Toppo and Prusty 2012). Performance appraisals have been criticised for being one-off annual rituals, whose ratings are based on “central tendency” (proclivity to give employees middle rating points), “halo effects” and “horns effects” (overrate or underrate because of single or narrow competencies, respectively), and “recency effects” (rate based only on recent events) (Prowse and Prowse 2009; Nayab and Richter 2011). The provenance of performance management were attempts to improve employee appraisal to become an ongoing process, provide feedback and coaching to improve performance. Thus, performance management has been defined as a continuous process of identifying, measuring, managing, and developing performance in organisations by linking each individual’s performance and objectives to the organisation’s overall mission and goals (Aguinis 2005).

A well implemented performance management system (PMS) can have immense benefits to an organisation. Employee motivation and self-esteem increases, managers gain insight about subordinates, job definitions and criteria are clarified, organisations goals become clearer and employees become more competent, all leading to improved performance in the organisation (Toppo and Prusty 2012; Aguinis 2005). A poorly executed PMS, on the other hand, may cause employees to quit, false information may be used, self-esteem may be lowered, time and money wasted, and employees could suffer from job dissatisfaction, leading to poor performance (Brutus and Derayeh 2002).

Effective leadership such as transactional and transformation leadership in the organisation could be critical in the successful implementation of performance management. The PMS cycle may conveniently be broken down into three contiguous steps: preparation, execution and reviewing (Hersey and Chevalier 2000). Preparation involves identifying goals, reviewing plans, focusing on key activities, and developing an appropriate game plan. During execution, performance of employees is observed and recorded, feedback is provided and goals and activities might need to be

1. Jane Sang PhD is a Senior Lecturer, School of Business and Economics, Moi University, Kenya.

2. James Sang PhD is an Associate Professor, School of Business and Economics, Moi University, Kenya.

adjusted. Reviewing requires asking for inputs, reviewing records, analysing performance activities and providing feedback in a counselling session that closes out the period and begins the next (Hersey and Chevalier 2000). Leadership in the organisation could be germane to the successful implementation of each of these steps (Behn 2014). However, there is a paucity of studies that have investigated the role of transactional and transformational leadership in the implementation of PMS in organisations in Kenya. The objectives of this study were:

1. To assess the impact of leadership style (transactional and transformational leadership) on the adoption of a performance management framework
2. To assess the perceptions of various demographic groups in an organisation on the effects of leadership style on the implementation of a performance management system.

The study hypothesised that:

H₀₁: There is no significant effect of leadership style (transactional and transformational leadership) on the adoption of a performance management framework.

Literature review

The main purpose of PMS is two-fold: developmental and summative. Developmental approaches seek to enhance employee performance by identifying opportunities for individual growth and ways in which organisations can help achieve them. Summative approaches aim to judge the performance of an individual in an organisation (Toppo and Prusty 2012; Moussavi and Ashbaugh 1995). Unfortunately, a large corpus of research indicates that many employees are largely dissatisfied with, and reject, performance appraisals as practised in their organisations (Manoharan *et al.* 2009; Bernardin *et al.* 1998).

Bowman (1999) concluded that the technique used in the appraisal process is not particularly important. Instead, he emphasised the human nature of the appraisal process, as one involving human cognitive processes and one that could, therefore, be subject to bias. Research and theory suggest that leadership, through its control of communication channels and work conditions, plays a crucial role in building organizational culture and trust, and could be therefore be critical in the success of PMS. Gabris and Ihrke (2000) concluded that leadership credibility is a pertinent factor in the implementation of new performance appraisal systems. According to Fairholm (1994), leadership creates trust between employees and supervisors as it can listen, be caring and facilitate open communication. Participation, two-way communication, and goal setting (key ingredients in leadership) have been found to be significant in predicting attitudes towards performance appraisal (Roberts and Pavlak 1996). Employees in superior leader-subordinate relationships (those characterised by more attention from supervisors, congenial communication, mutual liking, and positive interactions) are likely to be satisfied with the appraisal process and become more motivated to improve. They also tend to perceive the appraisal process as being accurate and useable to an organisation (Elicker *et al.* 2006; Levy and Williams 2004; DeNisi and Pritchard 2006). Sinnadurai and Fong (2015), in a survey of the healthcare industry in Malaysia, suggested that proper leadership (exemplified by disturbance handling, entrepreneurship, monitoring, liaising, managing and negotiating) is pertinent in the successful implementation of performance management and appraisals. The foregoing discussion suggests that leadership could be important during the implementation of PMS.

The role of leadership has also been found to be relevant in employee willingness to voice ideas aimed at improving the organization and the way it functions (Detert and Burris 2007). Examples of leadership style which are current are transformational and transactional leadership. Recent research on leadership as carried out by Vaccaro *et al.* (2010), titled 'Management Innovation and Leadership', concluded that transformational leadership is conducive to pursuing management innovative and transactional leadership do contribute to lowering potential barriers associated with management innovative. Transformational leadership is aimed at the followers' identification with its purpose and common goals. It stimulates employees to attain organizational goals by appealing to high-level needs for self-actualization (Bass 1985; Burns 1978; Lindebaum and Cartwright 2010). Transformational leadership consists of four dimensions: (1) idealized influence; (2) inspirational motivation; (3) intellectual stimulation; and (4) individual consideration (Avolio *et al.* 1999). Idealized influence represents the degree to which leaders are admired, respected, and trusted. This dimension includes charismatic behaviour that causes followers to identify with the leader and fosters a sense of intrinsic motivation to achieve goals. Inspirational motivation provides meaning and challenge to their followers, fostering team spirit and encouraging them to envision attractive future states. Intellectual stimulation prompts followers to question assumptions and be creative. Transformational leaders ensure that creativity and innovation is part of the problem solving processes. Individualized consideration includes the extent to which followers' potential is developed by attending to their individual needs, as well as creating learning opportunities and a supportive environment for growth (Bass *et al.* 2003).

Through intellectual stimulation, transformational leaders encourage followers to question the effectiveness of the organization's current management practices (Sosik 1997). Transformational leaders show high expectations and

Inkanyiso, Jnl Hum & Soc Sci 2016, 8(1)

confidence in followers' ability to deliver progressive solutions rather than merely appropriate ones (Bass 1994; Jung *et al.* 2003), strengthening the stimuli for innovative thinking in the way work is approached or structures set up. In this sense, intellectual stimulation challenges current work practices and encourages followers to consider different angles as they perform their jobs (Hunt 1991). In so doing, it also serves the purpose of challenging followers by, for instance, assigning them to the tasks they are best suited for according to their skills, and encourages followers to look for creative solutions (Amabile 1998). By means of individualized consideration, transformational leaders are expected to display appreciation for each of the followers and their ideas (Sosik 1997). Individualized consideration also fosters attention and distributed participation in changing management practices and processes (Bass 1994) by letting followers know that their work matters and is valued by organizational leaders (Amabile 1998). Hence, we argue that transformational leadership contributes to the advancement of novel managerial processes, practices, or organizational structures.

Transactional leaders engage in a transaction in order to satisfy their respective wants (Burns 1978), and provide extrinsic motivation to their subordinates. Transactional leaders are primarily concerned with gaining compliance from subordinates – which they will do by targeting their self interest – by agreeing upon the conditions and rewards that will follow the fulfilment of certain requirements (Bass 1990; Bass and Avolio 1993; Yammarino and Bass 1990). The role of transactional leaders has also been argued to be closely related to the reinforcement and refinement of institutionalized learning (Vera and Crossan 2004), which suggests that this type of leadership behaviour may be conducive to the pursuit of management innovation as it may contribute to reducing organizational complexity (Damanpour 1996) and ambiguity through setting clear goals and rewards that underpin underlying changes in processes, practices, or structures.

Transactional leadership consists of two dimensions: contingent reward and active management by exception (Den Hartog *et al.* 1997). Contingent reward entails the clarification and specification of what is expected of organizational members and the assessment of goals and subsequent reward for its accomplishment. Through contingent reward, leaders build commitment to the fulfilment of 'contracts' with followers (Avolio *et al.* 1999; Bass and Avolio 1993). While the establishment of such contracts has been argued to hamper creativity and result in less initiatives to address new ways of facing work (Amabile, 1996, 1998), we maintain that the impact of contingent reward on management innovation can be positive (Elenkov and Manev 2005). This may be the case through, for instance, an increased sense of fairness and justice in the workplace in which unmet standards and objectives do not go unnoticed, while success is dutifully rewarded (Podsakoff *et al.* 2006; Walumbwa *et al.* 2008). Furthermore, active management by exception, on the other hand, involves the leader's active involvement and intervention to monitor and rectify any divergence from an agreed standard in the follower's work. Such involvement underscores the way in which change agents, for example leaders, can drive the process of management innovation within the organization.

Materials and methods

An explanatory design was used wherein an in depth investigation of MTRH in form of case study was undertaken (Oso & Onen 2008). A descriptive analysis was also applied so that views from different departments and subjects could be compared. The target population for the study was all the 2,040 members of staff at the hospital who are involved in a performance management framework. The staff were categorised into three groups: those in management, staff in the middle cadre and those in the lower cadre. This study collected data from 510 staff members of the hospital, according to the formula and correction for sampling from small population outlined in Mugenda and Mugenda (2003) and Montgomery (1977). Stratified random sampling was used to select the 510 respondents. To ensure a proportionate representation of all the staff categories in the study, the sample contributed by each category was weighted according to the category's target population. A sampling frame of all the staff in the hospital was obtained from HRM and used to select the respondents for the study using simple random sampling, which was accomplished with the help of a table of random numbers.

Field study was conducted between the months of May and June of 2011. Data was collected using structured questionnaires, administered by the researcher and three trained enumerators. The exogenous and endogenous variables in the study were leadership style and performance management, each measured by 15 and eight Likert scale questions, respectively. The responses to the questions ranged from 1 (strongly disagree) to 5 (strongly agree). Validity and reliability of the questionnaire were tested during piloting, which involved the administration of the research instrument to 100 employees of Kenya Commercial Bank, Eldoret Branch. Content validity of the instrument was determined by checking the responses of the subjects against the research objectives. Reliability was tested by computing Cronbach Alpha values, with items having values equal to or above 0.7 considered reliable. Where the value was less than 0.7, the items were revised. Descriptive statistics, for instance, frequencies and means were used to describe, summarize, and organize the data.

The independent and dependent variables in the study were measured by several observed (manifest or indicator) variables. Factor analyses (FA) using Principal Components Analysis (PCA) were therefore conducted to reduce the large set of measured variables into a few composite variables that could retain as much information from the original variables as possible. Rotation was conducted to improve the interpretability of the factors. Both an oblique method, Promax and an orthogonal procedure, Varimax rotations were used and the one which gave the best component structure was adopted. A Cronbach alpha value was calculated for every component derived from FA to judge its reliability. The two objectives in the study were both analysed using structural equation modelling-path analysis (SEMPATH), implemented using the Analysis of Moment Structures (AMOS). All statistical tests were two-tailed. Significant levels were measured at 95% confidence level with significant differences recorded at $p < 0.05$.

Results and discussion

In this section, the study presents the results from interpreted and analyzed data. The interpretation is done based on the objectives and hypotheses that guide the study.

Sample characteristics

Out of 510 questionnaires administered to the staff of Moi Teaching and Referral Hospital, 505 (99%) were returned. Gender distribution (Table 1) showed that there were more female respondents (n=267, 52.9%) as there were male (n=238, 47.1%), possibly because of more females who are nurses (the predominant department at the hospital).

Table 1 Respondents' characteristics

Bio-graphic information	Categories	Frequency	Percent
Gender	Male	238	47.1
	Female	267	52.9
	Total	505	100.0
Respondent's age (years)	20 – 24	25	5
	25 – 29	92	18.2
	30 – 34	121	24
	35 – 39	141	27.9
	40 – 45	74	14.7
	46 – 49	49	9.7
	50 or above	3	0.6
	Total	505	100.0
Highest education /professional qualification	Primary certificate	7	1.4
	Secondary certificate	63	12.5
	College certificate	217	43
	University graduate	203	40.2
	University postgraduate	15	3
	Total	505	100.0

Source: Survey Data (2011)

The majority of the staff are aged between 25 years and 39 years who contributed 70.1% of the population. Those aged between 35 and 39 years had the highest frequency (n=141, 27.9%), followed by year range of 30 to 34 (n=21, 24%), then 25 years to 29 years of (n=91, 18.2%). Those above 50 years of age were the fewest, with a response score of less than 1% (n=3, 0.6%). The results give an indication of a youthful institution. Most of the staff are holders of either a college certificate or university degree, which in total makes up 83.2% of the respondents, indicating a reasonably educated staff. A small number of staff are holders of secondary certificates (n=63, 12.5%) or primary certificates (7=7, 1.4%) and also university post-graduate degrees (n=15, 3%).

4.2 Implementation of performance management

The basic tenet of performance management is that, when people know and understand what is expected of them, and have taken part in forming these expectations, they will use their best endeavours to reach their "end". Various questions were asked to assess the depth to which the respondent agree or disagree with the implementation of performance management at MTRH. Table 2 gives an outline on how the statement of implementation of performance management was scored. Table 2 indicates that most of the respondents agreed that they felt good when they accomplished their targets (79.8%), followed by the assertions that the organisation operates performance management systems (79.2%), set goals at beginning of the year (76.3%) and that they understand the aims of performance management (74.5%).

However, fewer respondents agreed that they are paid a bonus when they achieve or exceed their targets (49.9%) and that it took only a short time to implement performance management (44%). The most important criterion for measuring the implementation of performance management appears to be customer care, followed by quality, productivity, and competence. The least important appears to be aligning personal objectives with organisational goals and achievement of objectives.

Table 2 Descriptive results of performance management

Name of variable	S.D	Disagree	N.O	Agree	S.A	Mean	S.D
	%	%	%	%	%		
My organization has a performance management system	7.5	9.7	3.6	50.9	28.3	3.83	1.17
I set performance goals	7.7	10.5	5.5	44	32.3	3.83	1.21
I'm consulted when targets are set	9.3	15.4	11.1	41.2	23	3.53	1.26
Superiors coach me	8.1	15.6	12.5	40.6	23.2	3.55	1.23
Feel good when I accomplish	5.1	7.7	7.3	39.4	40.4	4.02	1.11
Recognized when I excel	11.5	18	13.1	31.3	26.1	3.43	1.34
Performance data collected	9.7	12.5	10.5	46.5	20.8	3.56	1.22
Defined targets for everyone	9.7	13.9	12.3	43.8	20.4	3.51	1.23
Trained in performance mgmt	10.9	17.8	12.9	40.6	17.8	3.37	1.27
Commit time for plan	1.4	22.6	18.6	40.2	17.2	3.49	1.06
Understand aims	8.5	8.5	8.5	50.3	24.2	3.73	1.17
Paid bonus when achieve targets	15.4	25.5	9.1	28.1	21.8	3.15	1.42
My targets are smart	6.5	11.1	14.9	48.9	18.6	3.62	1.16
Short time to implement system	1.8	26.9	27.3	31.7	12.3	3.26	1.04
Yearly reviews done	6.5	13.7	12.7	50.7	16.4	3.57	1.11

4.3 Descriptive results on leadership style

Leadership is about influence on people you work with in a positive way. Strategy has close association with leadership and setting strategy is one of the responsibilities of leaders. Respondents were divided as to whether promotion is fair or whether yearly increments are pegged on performance outcomes. However, most respondents agreed that they work with colleagues as a team, followed by working in a conducive environment and setting with superiors' yearly goals. However, a substantial proportion of the respondents are likely to disagree that turnover rate in the organisation is low.

Table 3 Leadership style

Name of variable	S.D	Disagree	N.O	Agree	S.A	Mean	S.D
	%	%	%	%	%		
Turnover rate low	18.6	23.4	6.5	35.4	16	3.07	1.41
Excellent performers recognized	15.4	23.8	6.5	35.2	19	3.19	1.19
Conducive environment	6.5	25	6.7	41.8	20	3.44	3.44
Team work	4.8	19.6	6.5	44.4	24.8	3.65	3.65
Set with superiors goals	7.3	22.6	18.8	28.9	22.4	3.36	3.36
Discuss with superiors	12.1	20.2	19	27.7	21	3.25	3.25
Fair promotion	19.6	19.6	19.4	24.2	17.2	3	3
Increment pegged on performance	17.8	22.8	18.8	22.6	18	3	3

4.4 Factor analysis results

The determinant for the 15 underlying variables on implementation of performance management was 0.000004 (and not zero), suggesting that multicollinearity might not have been a problem. The Kaiser-Meyer-Olkin (KMO) measure of

sampling adequacy (also called the Factorability of R) was 0.944, which was above the 0.5 threshold (Field, 2005). This indicated that there appeared to be some underlying (latent) structure among the variables. This conclusion was buttressed by the significant finding of the Bartlett's Test of Sphericity ($\chi^2 = 5874.86$, $df=91$, $p<0.001$). In addition, each variable correlated at least 0.3 with at least one other variable while the diagonals of the anti-image correlation matrix were all above 0.5, which supported the factorability of the items. Finally, the communalities were all above 0.3 (Table 2), which further confirmed that each variable shared some common variance with other variables. Thus, all the 15 variables were initially included in the FA. However, the variable 'paid bonus' showed standardized loading larger than 1 on its component, and was therefore removed. The final model contained 14 variables, with two factors (components) whose Eigen values explained about 71% of the variance in the initial variables. This was above the threshold of 50% and indicated that the two-factor model derived fitted the data.

Table 4 Factor loadings and communalities based on a PCA with Promax rotation for 14 items measuring implementation of performance management (N = 505)

	Loadings		Communality
	Factor 1: Goal setting	Factor 2: Timeliness	
Superiors coach me	.890		
Organisation operate performance management	.888		
Supervisors collect data	.887		.771
Consulted when targets are met	.880		.778
I set goal at beginning of year	.880		.771
Defined targets for every one	.880		.766
Understand aims of performance management	.853		.779
I have been trained	.810		.793
I'm recognized when I excel	.799		.759
Feel good when accomplish targets	.796		.687
Individual yearly reviews	.738		.604
My targets are smart	.731		.584
Commit most time for plan		.873	.652
Took short time to implement performance system		.809	.588
			.713
Cronbach alpha (Composite .946)	.961	.601	.717

Table 5 Factor loadings and communalities based on a PCA for 11 items measuring leadership style (N = 505)

	Loadings	
	Factor 1: Leadership	Communality
Discuss with superiors my reviews	.882	
Fair promotion	.868	.777
Excellent performers recognized	.860	.753
Work in conducive environment	.857	.740
Increment pegged on outcomes	.856	.735
Set with superior goals	.856	.733
Team work	.798	.732
Turnover is low	.786	.637
Cronbach alpha (Composite .942)	.942	.617

All the variables loading on component 1 appeared to deal with goals of performance management and was labelled as 'goal setting'. The two variables loading on the second component captured the aspect of time in performance management and it was named as 'timeliness'. For leadership style, the determinant of 0.001 suggested that multicollinearity might not have been a problem among the manifest variables. The KMO was 0.893 while the Bartlett's Test of Sphericity was significant ($\chi^2 = 3742.8$, $df = 28$, $p<0.001$), which indicating that a factor model was appropriate.

The communalities were all above 0.6 while the diagonals of the anti-image correlation matrix were all above 0.5, which indicated some underlying (latent) structure among the observed variables. The PCA analysis extracted one factor with Eigen values accounting for 71.5% of the variance (Table 3).

The variables with the highest loadings appear to be related to management issues and thus the underlying construct was labelled as 'leadership'.

4.5 Effect of Leadership Style (transactional and transformational leadership) on the Adoption of Performance Management Framework SEMPETH modelled leadership as an exogenous, manifest variable while performance management was specified as a latent, endogenous variable, with two indicators, goal setting and timeliness. The resultant path diagram is presented in Figure 3.

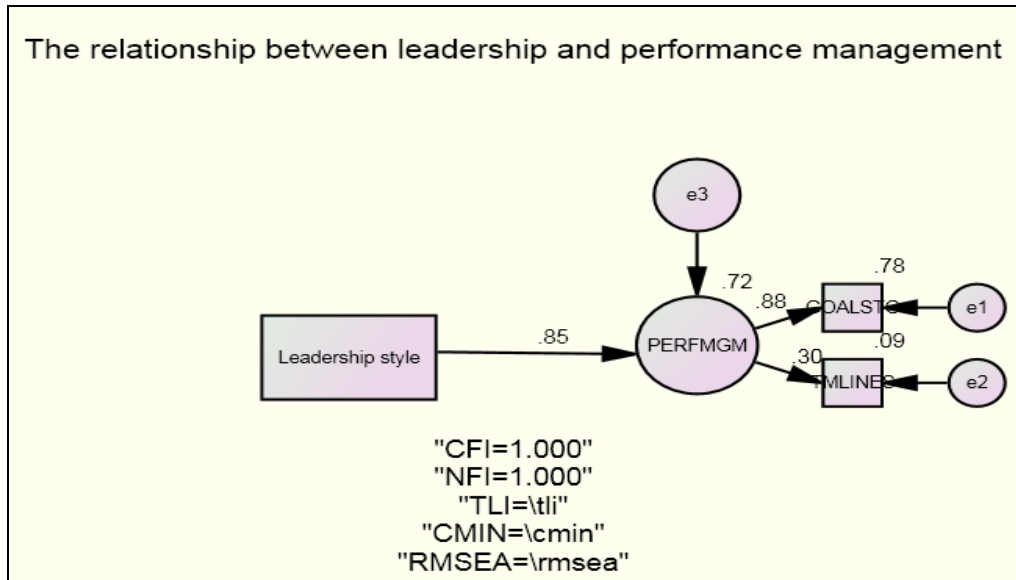


Figure 1 Output SEMPETH model on impact of leadership style on implementation of performance management framework

The values for normed fit index (NFI) and comparative fit index (CFI) were both a maximal 1.0, which indicated that the model fitted the data well. However, because the model was just-identified (it contained the maximum number of parameters), the degrees of freedom were zero and hence, the model chi-square (CMIN), root mean square error of approximation (RMSEA) and Tucker-Lewis index (TLI) could not be computed. The unstandardized path coefficient from 'Leadership style' to PERFMGM (performance management) was $B=0.677$, $SE = 0.027$, $p < 0.0001$ whereas the standardized coefficient was $=0.85$. This suggested that leadership style has a strong and positive influence on the implementation of performance management framework. When leadership improves by one unit, implementation of performance management will increase by about 46% (coefficient of determination = $r^2 = 0.677^2$), *ceteris paribus*. R square for performance management in the model was 0.72, showing that leadership could explain 72% of the variation in implementation of performance management. Since this was quite high, it implied that successful implementation of PMS depends to a great extent on the leadership in the organisation.

4.6 Perceptions of demographic groups on the effects of leadership style on the implementation of PMS

Table 4 shows how the relationship between leadership style and effective implementation of performance management (path coefficient from Leadership style to PERFMGM in SEMPETH) differed in various categories of biographical background of respondents.

Table 6.: Implementation of Performance Management in Various Categories of Biographical Background of Respondents

Path coefficient	Biographical variable	Biographical category	Unstandardized coefficient	SE	Standardized coefficient
LEADERSHIP STYLE→ PERFMGM	Gender	Male	.804 ^{***a}	.037	.758
		Female	.343 ^{***b}	.031	.728
	Education	Certificate	.689 ^{***a}	.079	.799
		College	.704 ^{***a}	.045	.811
		Graduate	.426 ^{***b}	.030	.840
	Age	< 30 years	.401 ^{***a}	.053	.688
		30-34 years	.291 ^{***a}	.053	.626
		35-39 years	.412 ^{***a}	.037	.731
		> 40 years	.904 ^{***b}	.044	.903

Key: For each variable, coefficients with different letters in a column are significantly different at $p < .05$, according to differences in the critical ratios between the coefficients. ***, ** means the path coefficient for that particular category is significantly different from zero at $p < .001$ and $P < .05$ levels, respectively. SE= standard error.

The results showed that male employees who possessed a certificate or college education and were 40 years or more were more likely to believe that leadership influenced performance management implementation compared to younger, female, and graduate employees.

5 Discussion and conclusions

The results offer empirical support to the notion that leadership style is crucial in the successful implementation of PMS. The results are in agreement with the role of leadership, which has been found to be relevant in employee willingness to voice ideas aimed at improving the organization and the way it function. Essentially, the organization is a reflection of its leaders (Nwankwo and Richardson 1996). One of the reasons that has led to a failure in performance management is because it is perceived and practised as two separate events, namely setting goals at the beginning of the year and end of the year performance appraisal (Prowse and Prowse 2009; Nayab and Richter 2011). For PMS to be successful, it has to be an ongoing and cyclical process of planning, continuous coaching and performance counselling, and appraisal. Each of these events are characterised by a high level of interaction between the parties involved, and an appropriate leadership style will be germane in ensuring that the steps are brought to fruition.

Leaders are important internal actors within the organization and the kind of internal change agents (Birkinshaw *et al.* 2008) who impact the implementation of new practices, processes and structure. Public institutions therefore, must analyze the attributes of the leaders in various arms of the government if implementation of performance management framework is to succeed and this is the gap this study strives to fill. Brown (2008) outlines eight key challenges as barriers to public management in implementation of performance management systems: managers were seen to believe that performance management will not stick just like many other strategies that have not succeeded. If performance management is not viewed as integral part of job performance, managers will not invest the time and energy to support its success. Leadership behaviour plays a very important role in enhancing job satisfaction, work motivation and work performance. The results call for a more strategic leadership style on the females, more educated and younger respondents, who are likely to be more resistant to the notion that leadership style influences PMS.

The study found that both transactional and transformational leadership has a strong and positive influence on the implementation of performance management framework. In addition, the study found that successful implementation of PMS depends to a great extent on the leadership in the organisation. The results also showed that male employees who possessed a certificate or college education and were 40 years or more were more likely to believe that leadership influenced performance management implementation compared to younger, female, and graduate employees.

The study recommends that organisations should adopt more strategic transactional and transformational leadership style if they are to successfully deliver the contiguous stages required in PMS. This study established that there is need to include leaders characters that strongly related to implementation of PM than 360 degree feedback. The learned females in this research showed that they understood what they were doing and chose not to be influenced by the leadership and

strategies employed in implementation of PMS. The employee has no choice but to know that change is inevitable and if not adopted then one becomes like a dinosaur.

The study was limited to use of performance model used by western countries, hence there is need to come up with a Performance Measures Model that is working and suitable for African countries and which can also be emulated in the developed world. The reason for this recommendation is that developing countries just rely on developed countries to come up with theories/model and no original work can be traced to African states though we have a huge body of intellectuals. Further, the model that this study developed can be modernized through further research whereby various organizations can be analyzed and responses compared.

References

- Aguinis, H. 2005. Performance management. *Edinburgh Business School*, Heriot-Watt University. Viewed 10 August 2015, from <http://www.cudenver.edu/~haguinis>.
- Amabile, T.M. 1998. How to kill creativity. *Harvard Business Review* 1998;76(5), 77-87.
- Amabile, T.M. Conti, R., Coon, H., Lazenby J. and Herron M. 1996. Assessing the work environment for creativity. *Academy of Management Journal* 39(5), 1154-84.
- Avolio, B.J., Bass, B.M. & Jung, D.I. 1999. Re-examining the components of transformational and transactional leadership using the Multifactor Leadership Questionnaire. *Journal of Occupational and Organizational Psychology* 72(4),441-6.
- Bass, B.M. & Avolio B.J.1993. *MLQ, Multifactor Leadership Questionnaire*. 2nd ed. Redwood City, CA: Mind Garden; 199.
- Bass, B.M. 1990. From transactional to transformational leadership: learning to share the vision. *Organizational Dynamics* 18(3),19-32.
- Bass, B.M. 1995, Transformational Leadership. *Journal of Management Inquiry* 1995;4(3), 293–8
- Bass, B.M. & Avolio, B.J. 1994. Improving organizational effectiveness through transformational leadership. *Thousand Oaks, CA: Sage*.
- Bass, B.M., Avolio, B.J., Jung, D.I. & Berson Y. 2003. Predicting unit performance by assessing transformational and transactional leadership. *Journal of Applied Psychology*, 88(2), 207-218.
- Behn, R. 2014. What performance management is and is not. *The Behn Report*. Viewed 10 August 2015, from <http://www.ksg.harvard.edu/TheBehnReport>
- Bernardin, H., Hagan, C., Kane, J. and Villanova, P. 1998. Effective performance management: A focus on precision, customers, and situational constraints. In Smither, J. (Ed.), *Performance appraisal: state of the art in practice*. San Francisco: Jossey-Bass.
- Birkinshaw, M., Hamel, G. and Mol, M. 2008. Management innovation. *Academy of Management Review*, 33(4), 825-845.
- Bowman, J. 1999. Performance appraisal: verisimilitude trumps veracity. *Public Personnel Management*, 28(4), 557-576.
- Brown, M.F. 2008. *Challenges to Implementing Performance Management*. National Performance Management Advisory Commission Paper. Issue No. 4.
- Brutus, S. and Derayeh, M. 2002. Multisource assessment programs in organisations: An insider's perspective. *Human Resource Development Quarterly*, 13(2), 187-202.
- Burns, J. M.1978. *Leadership*. New York, NY: Harper & Row.
- Caruth, L. and Humphreys, H. 2008. Performance appraisal: Essential characteristics for strategic control. *Measuring Business Excellence*, 12(3), 24-32.
- Chemers, M.M. 1997. An integrative theory of leadership, *Lawrence Erlbaum*, Hillsdale, NJ.
- Den Hartog, D.N., Van Muijen, J.J. & Koopman, P. L. 1997. Transactional versus transformational leadership: An analysis of the MLQ. *Journal of Occupational and Organizational Psychology*, 70, 1930.
- DeNisi, A. and Pritchard, R. 2006. Performance appraisal, performance management and improving individual performance: A motivational framework. *Management and Organization Review*, 2(2), 253-277.
- Detert, J.R. & Burris, E. R. 2007. Leadership behavior and employee voice: Is the door really open? *Academy of Management Journal*, 50, 869-884.
- Elenkov, D.S. and Manev, I.M. 2005. Social culture intelligence, top-level leadership and innovation influence: *An international study*. *Academy of Management*, Best Conference Paper 2005 IM:F1–F6.
- Elicker, J., Levy, P. and Hall, R. 2006. The role of leader-member exchange in the performance appraisal process. *Journal of Management*, 32, 531-551.
- Fairholm, G. 1994. *Leadership and the culture of trust*. Westport, CT: Praeger Publishers.
- Field, A. 2005. *Discovering statistics using SPSS* (2nd ed.). London: Sage.
- Gabris, G. and Ihrke, D. 2000. Improving employee acceptance toward performance appraisal and merit pay systems: The role of leadership credibility. *Review of Public Personnel Administration*, 20(1), 41-53.
- Hersey, P. and Chevalier, R. 2000. Situational leadership and performance coaching. *Coaching for Leadership*, Jossey-Bass, San Francisco.
- Jung, D.I., Chow, C. & Wu A. 2003. The role of transformational leadership in enhancing organizational innovation: *Hypotheses and some preliminary findings*. *The Leadership Quarterly*, 14, 525-544.
- Levy, P. and Williams, J. 2004. The social context of performance appraisal: A review and framework for the future. *Journal of Management*, 30, 881-905.

- Lindebaum, D. and Cartwright, S. 2010. A critical examination of the relationship between emotional intelligence and transformational leadership. *Journal of Management Studies* 47(7),1317-1322.
- Manoharan, T., Muralidharan, C. and Deshmukh, S. 2009. Employee performance appraisal using data envelopment analysis: A case study. *Research and Practice in Human Resource Management*, 17(1), 92-111.
- Montgomery, D.C. 1997. *Design and analysis of experiments* (4th edition). John Wiley and Sons, New York.
- Moussavi, F. and Ashbaugh, D. 1995. Perceptual effects of participative, goal-oriented performance appraisal: A field study in public agencies. *Journal of Public Administration Research and Theory*, 5(3), 331-344.
- Mugenda, M. and Mugenda, G. 2003. *Research methods: quantitative and qualitative approaches*. ACTS Press, Nairobi.
- Nayab, N. and Richter, L. 2011. The Difference Between Performance Appraisal And Performance Management. Viewed 10 August 2015, from <http://www.brighthub.com/office/human-resources/article/84772>.
- Northouse, G. 2007. Leadership theory and practice. (3rd ed.) Thousand Oak, London, New Delhe, Sage Publications, Inc.
- Nwankwo, S. and Richardson, B. 1996. Quality management through visionary leadership. *Managing Service Quality*, 6(4), 44-47.
- Oso, W. Y. & Onen, D. 2008. A General Guide to Writing Research Proposal and Report: *A Handbook for Beginning Researchers* (2nd Ed). Kampala: Makerere University Printer.
- Podsakoff, N. P., LePine, J.A., & LePine, M.A. 2006. Differential challenge stressor–hindrance stressor relationships with job attitudes, turnover intentions, turnover, and withdrawal behavior: A meta-analysis. *Journal of Applied Psychology*, 92 (2), 438–454.
- Prowse, P. and Prowse, J. 2009. The Dilemma of Performance Appraisal. *Measuring Business Excellence*, 13(4), 69-77.
- Roberts, G. and Pavlak, T. 1996. Municipal Government Personnel Professionals and Performance Appraisal: Is there consensus on the characteristics of an effective appraisal system? *Public Personnel Management*, 25(3),379-408.
- Sinnadurai, D. and Fong, L. 2015. Leadership approaches to address performance management and appraisal issues in Malaysia. *International Journal of Scientific and Research Publications*, 5(4), 1-4.
- Sosik, J.J. 1997. Effects of transformational leadership and anonymity on idea generation in computer-mediated groups. *Group and Organization Management*, 22, 460487.
- Toppo, L. and Prusty, T. 2012. From performance appraisal to performance management. *IOSR Journal of Business and Management*, 3(5), 1-6.
- Vaccaro, I.G., Jansen, J.J.P., Van Den Bosch, F.A.J. and Volberda, H. 2010. Top management team diversity and management innovation: *The moderating role of social integration and environmental dynamism*. Paper presented at the European Academy of Management conference, Rome.
- Vera, D. & Crossan, M. 2004. 'Strategic leadership and organizational learning', *Academy of Management Review*, 29, 222-240.
- Walumbwa, F. O., Avolio, B. J., Gardner, W. L., Wernsing, T. S., & Peterson, S. J. 2008. Authentic leadership: Development and validation of a theory-based measure. *Journal of Management*, 34, 89-126.
- Yammarino, F.J. & Bass, B.M. 1990a. Long-term forecasting and of transformational leadership and its effects among naval officers: *Some preliminary findings*. In K.E. Clark and M.B. Clark (eds.), *Measures of leadership* (pp. 151-169). West Orange, NY: Leadership Library of America.
- Yukl, G. 2006. Leadership in organizations (6th ed.). *Upper Saddle River, NJ*: Pearson-Prentice Hall.