Impact of Leadership Styles on Organizational Performance -
A Case Study of Public Sector University, Bacha Khan
University Charsadda

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ABSTRACT

This study has been conducted with objective to investigate the impact of leadership styles (Laissez-faire leadership, Transactional leadership and Transformational leadership) on organizational performance as a case study of public sector university (Bacha Khan University Charsadda, Pakistan). The target population of the study included faculty members of the university. Data were collected from one hundred and ten teachers including lecturers, assistant professors, associate professors and professors. A sample size of 110 respondents was selected from the population of 140 faculty members. The study used primary data which was collected through questionnaires as research instrument. Laissez-faire leadership was measured with a 5-item MLQ, multifactor leadership questionnaire, Transactional leadership was measured with 12-item MLQ, multifactor leadership questionnaire, Transformational leadership was measured with 23-item MLQ, multifactor leadership questionnaire and Organizational performance was measured with 7-item MLQ, multifactor leadership questionnaire. Correlation and regression analysis applied through SPSS version 19 and the findings suggested significant relationship between leadership styles and organizational performance. The study found that a unit increase in transformational leadership style, transactional leadership style and Laissez-faire leadership style leads to increase in organizational performance.

Keywords:
Laissez-faire leadership, transactional leadership, transformational leadership and organizational performance.

1. Introduction

In today’s world, achieving organizational goals need managerial skills because it is called “World of Management” and there are complicacies and problems. Therefore, the responsibilities, works and professions of managers required specialized skills. Due to the environmental complicacy and its constant rising, the managers’ roles of administrating organization in appropriate ways are very crucial. According to Katz theory, there are three categories: Technical skills, Conceptual skills and Human skills are fundamental skills (Reza, Javadin, Amin, Tehrani, & Ramezani, 2010).

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Beside these managerial skills, the leadership styles are also very crucial for the organizational performance. So, what is leadership? A brief definition of leadership is as “the ability of encouraging a set of subordinates to perform towards the achievement of a common goal”. If expanded, then leadership is in fact a persuasion process, so that subordinates perform the tasks which are needed for the accomplishment of organizational objectives, as well as an inspired effort to be communicated to others.

Each leadership style affects the performance of organization differently, some of them becoming source of organizational development and achievement of organizational success while others bring dissatisfaction and demotivation in organizations and impede their development. Academic leaders around the globe have come across some severe issues in terms of leadership styles few decades ago, which are likely to sort out several challenges at higher learning institutions. Various leadership styles have different influence on organizational performance (Tosuntaş & Danişman, 2015). There are three components in the full-range theory of Bass (1985), ‘Laissez-faire, transactional and transformational’ and these leadership styles have diverse dimensions.

So organizations are always searching for managers who can manage the organization effectively and efficiently. But each manager is distinctive depending on the situation. Managerial/leadership style is the way of thinking, behavior and feeling that managers possess and use to cope with situation and people. A manager possesses many leadership styles like; transactional, transformational, democratic, laissez-faire and autocratic leadership styles (Nwachukwu, 1998). The survival of an organization lies in its ability to protect its effectiveness and its awareness to achieve its goals and missions through the support of effective leadership. Nevertheless, for the effectiveness of leadership, it is vital that leadership style should be compatible with the needs of followers; otherwise the effectiveness will be declined.

According to Staub and Arslan (2013), the aim of meeting the requirements of highly competitive markets, organizations have to bring improvements in their performance. The leadership plays significant role for achieving the performance. On other hand, it is considered that a company’s successful achievements depend on organizational performance, employees’ commitment and employees’ job satisfaction. Some studies have recommended that leaders encourage and assist their employees by adopting competitive leadership styles. The emphasis is on how associations, ventures, organizations, offices, and nations can embrace convincing leadership style for accomplishing their objectives. There is absence of genuine mindful leaders, whether in legislative issues, religion, business, association, education, foundations or sports. There is urgent need of standard, able, thoughtful, delicate and aware leaders. The leadership styles can be classified into three groups: transactional, laissez-faire and transformational (Bass & Avolio, 1994).

Many organizations spend a lot of amounts on solving managerial problems. Today many organizations are facing the problem of leadership and which style to be adopted for leading their employees. Organizations have faced the bureaucratic leadership for so many years. As a result, organization’s productivity success has been greatly affected due to the various leadership ideas within the last century (Heuriglet, 2004). The absence of effective leadership is much severe issue which is common in many organizations. Obviously, that the consequential outcome is the absence of motivation, poor staff performance, poor growth and development of institutions. The majority of the studies regarding the function of leadership styles and on organization’s performance are from industrial countries.

Thus, in recent times it has been an objective of researchers in rising countries to search the availability of likely relationship with leadership styles and organization’s performance. In Pakistan few studies have been performed on leadership styles and organization’s performance in banking (Yasir et al., 2014), telecom and corporation sectors by others but this study examined the impact of
leadership styles (Laissez-faire, Transformational and Transactional) on organization’s performance in Bacha Khan University Charsadda. The core aim of this study was to find out the impacts of leadership styles (laissez-faire, transformational and transactional) on organization’s performance in education sector in Pakistan. This will help the academic leaders to adapt appropriate leadership style which will be proved as a success of their overall organizational performance.

The major research objective is as follow;
To find out the impact of leadership styles on organization’s performance.

Further sub-research objectives are as below;
To find out the impact of transformational leadership style on organization’s performance.
To find out the impact of transactional leadership style on organization’s performance.
To find out the impact of laissez faire leadership style on organization’s performance.

The major research question is as follow;
What are the impacts of leadership styles on organization’s performance?

Further sub-research questions are as below;
What is the impact of transformational leadership style on organization’s performance?
What is the impact of transactional leadership style on organization’s performance?
What is the impact of laissez faire leadership style on organization’s performance?

2. Literature Review

2.1 Leadership style

Leadership is viewed as life blood of any organization and its significance cannot be undervalued. According to Omolayole (2006), leadership is that sort of path which a man gives to a set of individuals who work under him in such a way which would affect the conduct of other individuals. According to Ngodo (2008), leadership is a mutual process of societal influence, through which the leaders and followers influence one another for achieving organizational goals. Kim (2008) viewed that the kind of leadership style exposed by managers influence the organizational value outcomes to great extent such as reduced absenteeism, low employees’ turnover, customer satisfaction and organization’s efficiency. Likewise, leadership style has control over interpersonal punishment and reward that influence employees’ conduct, attitude and motivation which have impacts on organization’s performance (Warrick, 1981).

It may be a source of inspiration or dissatisfaction among employees which can either decrease or increase productivity (Sander, 2007). Academic leaders are viewed as basic decision-makers who establish the success of the university and hence, the subordinates’ performance affects the status of university. That’s why academic leaders have thrived significantly to propel their students, communities, faculty members and preserve the efficiency of their department (Mahdinezhad et al., 2017).

Academic leaders around the globe have come across some severe issues in terms of leadership styles few decades ago, which are likely to sort out several challenges at higher learning institutions. A competent leader can effectively accomplish target objectives by encouraging his/her subordinates. Various leadership styles have different influence on organization’s performance (Tosuntaş & Danişman, 2015).

2.2 Laissez-faire leadership style

Laissez-faire leadership style is that kind of leadership where the leaders are relaxed, avoid decision-making and lets the subordinates to take decisions, so that’s why laissez-faire leadership is also called
delegative leadership. This style of leadership is individuals focused and the leaders leave the individuals to settle on its own choice without taking an interest or despite setting a due date for the decisions. Laissez-faire leadership style is an inactive behavior which signifies neither transformational nor transactional behavior. There is absence of leadership because laissez-faire leadership refers as a passive management by exception. Laissez-faire leaders show ‘hand-off’ approach which lets the things to be happened. In this leadership style, the leaders avoid making-decision, abandon duties and delay their decision-making. There is no feedback for the subordinates and no help for the development of subordinates on behalf of laissez-faire leaders. That’s why, the subordinates under this leadership style look for instruction, direction or support from their co-workers, peers or other organizational members (Bass, 1990).

In this style leaders trust that the group will settle on the correct choice, the key preferred standpoint of this style is that it lets the colleagues to bond and can lead to fruitful choices if group individuals assume accountability and ownership of the tasks. This leadership style puts emphasis neither on people nor performance. There is philosophical assumption about human beings that they are unpredictable and uncontrollable by nature and considering that individuals are misuse of vitality and time.

Thus, the laissez-faire leaders have firm belief that subordinates can watch out for themselves, so employees’ growth is not an issue for the laissez-faire leader. Laissez-faire leadership style causes dissatisfaction, unproductiveness and ineffectiveness (Deluga, 1992). There is lack of self-confidence in laissez-faire leadership and there is low productivity and work is sloppy (Ukaidi, 2016).

According to Egri (2011) that laissez-faire leadership can be compelling in circumstances where group members are profoundly gifted, inspired and have the potential to work on their own. While the customary term for this style is 'laissez-faire' and suggests a totally hands-off approach, several leaders still stay open and accessible to group members for conference and feedback. Laissez-faire leadership isn't ideal in situations where group members do not have the information or experience they have to finish assignments and make decisions.

2.3 Transactional leadership

Literally transaction means “Exchange” that’s why transactional leadership is the bargaining or exchange between leader and followers. There are four dimensions of transactional leadership (Schermerhorn et al., 2000)

A: Contingent reward
B: Active management by exception
C: Passive management by exception and
D: Laissez-faire

Dimension one of transactional leadership, Contingent reward: According to Yukl (2007), the leader creates a clear view in the mind of subordinates through self-participation that what are they supposed to do and what should they do to achieve compensation for their services.

Dimension two of transactional leadership, Active management by exception: According to B. M. Bass and Riggio (2006), the leader monitors and take corrective actions when the subordinates fail to achieve expected standard of performance.

Dimension three of transactional leadership, Passive management by exception: According to B. M. Bass and Riggio (2006), it is opposite to the dimension two, active management. The leader does not have any intention for taking corrective actions till the problems arise.
Dimension four of transactional leadership, Laissez-faire: According to B. M. Bass and Riggio (2006), the leader tries not to be involved in any action.

Umer et al., (2012) stated that transactional leaders add to the accomplishment of objectives more successfully by relating job performance to esteemed rewards and ensuring that followers utilized the required resources to do the job. Transactional leaders acknowledge academic leaders’ desires and propose compensates in the return of satisfied performance. Eventually, contingent reward behavior will increase the performance of subordinates.

An academic leaders’ performance can be judged through the academic leaders’ behavior assessment which plays key part in the accomplishment of organization’s objectives and subordinates’ mutual behavior suitability is linked with the standard of organization (Mahdinezhad et al., 2017). The transactional leaders are always expecting that followers will follow them and in return the leaders are keen to give them something, including a raise, a promotion, a good performance review, new duties or a desirable change in obligation.

The issue with transactional leaders is expectations from the followers. When the targets are met by the employees, in return the transactional leaders fulfill the employee needs of rewards (Bass, 1990; Howell & Avolio, 1993; Humphreys, 2002). On the basis of bargaining exchange and reward systems, the relationship develops between followers and leaders (Bass, 1990; Bass & Avolio, 1993).

2.4 Transformational leadership

Marzano, Waters and McNulty (2005) stated that transformational leadership has four I’s dimensions.

A: Idealized Influence

B: Inspirational Motivation

C: Intellectual stimulation and

D: Individual Consideration

Dimension one of the transformational leadership, Idealized influence: According to B. M. Bass and Riggio (2006), the subordinates have great amount of respect, admiration for their leaders and trust them as well. Hence, leaders show high ethical standard and moral conduct in return.

Dimension two of transformation leadership, Inspirational motivation: According to B. M. Bass and Riggio (2006), leaders inspire and persuade subordinates to adhere to the organizational objectives by giving apparent communicated expectations.

Dimension three of transformation leadership, Intellectual stimulation: Intellectual stimulation is shown when leaders willingly assist the subordinates to be more inventive and creative and they inspire their subordinates to negotiate the problems.

Dimension four of transformational leadership, Individual consideration: According to B. M. Bass and Riggio (2006), the leaders pay regard to the subordinates’ development needs and give them supporting platform, open doors for development and focus on subordinates’ needs as well.

The leadership theories put emphasis on the position of well-known leaders on their organizations (Bannis, Spreitzer, & Cummings, 2001); (Beyer & Trice, 1984); Shamir, House and Arthur (1993) named those kinds of academic leaders as “Charismatic leaders”; but Burns (1978) gave name to them as “Transformational leaders”). Transformational leaders focus on promoting employees’ development and their needs, focus on the improvement of value system of workforce, focus on their integrities, focus on their motivational level and focus on their improvement of skills as well (Ismail et al., 2009).

Development of an organization and effectiveness in task is accomplished through accepted procedures received and sought after by organization under the direction/supervision of a dynamic and transformational leader. Thus, a solid and dynamic/transformational leader in the present
assumes as an essential part in organization’s performance (Khan and Adnan, 2014). Transformational leadership style is an inspiring art to convince and make the academic leaders capable of thinking creatively (FIRMIN et al., 2015). Bryman (2007) stated that transformational leadership maintains the educational setting change. Many academic leaders prefer transformational leadership in higher education settings (Lustik, Adkins, Irlbeck, Lawrence, & Mclenighan, 2008).

2.5 Organizational performance
Koontz and Donnell (1993) stated that organization’s performance is the achievement of goals in the form of quality product, high profit, huge market share, better financial outcomes and survival of an enterprise at determined time and adopting applicable strategy for action. Through organization’s performance an enterprise can be judged that how an enterprise is doing in terms of market share, level of income and product quality as compared with other enterprises in the similar industry. Scherbaum (2006) stated that there is a constant debate and criticism on the measurement of organization’s performance. He stated that the previous scholars have been criticized for the measurement of organization’s performance. Such a performance measures as according to Hoogh et al (2004) in (Avery 2008) include: learning of earlier performance, self-reports of obligation to organizational objectives, realization with the leader and understand leader effectiveness. Different scholars, for instance, Koene et al, (2002); in (Avery 2008) are of the supposition that organization’s performance should be probable of using net revenue, business unit sale and level of objectives met with respect to business unit level of objectives met in regards to business unit performance. Draft (1997) stated in other words that performance is the conversion of resources within the organization in effective and efficient manner for the achievement of organization’s objectives. Thus, it is the evidence of an enterprise members’ productivity which is calculated in the terms of profit, income, progress and growth of the business. There is no agreement on the principles to be adopted for the measurement of organization’s performance in literature (Bolman & Deal, 2003; Declerk, 2008; Scott & Davis, 2015).

2.6 Academic leaders
Today’s for the effectiveness of academic leaders in organizations, they must possess various leadership skills (Thrash, 2009). Many researchers investigated that there are several parts of leadership that can happen in education sector, such as the capability to be a model for the subordinates, the possibility to guide different faculties and basic reasoning aptitudes (Haslam, 2004). The academic dean, deputy dean and head of department need to adjust to the proper leadership style which should be compatible with the gatherings for which he/she is in charge of because they are the leaders of their department (Nunn, 2008). Wood (2004) stated that academic leaders are the principal academic officers of their faculties or divisions; hence, they are responsible for their faculties or divisions. Nonetheless, the university’s hierarchy performs like the middle manager whose responsibility is a mediator among the executive level administrators, the chairpersons and the faculty of respective universities (Rosser, Johnson & Huk, 2003). The academic leaders’ core accountability is to operate within the university system where there are a lot of distinctivenesses to handle and thus, the academic leaders have to successfully guide their divisions or faculties by navigating the bureaucracies of university (Thrash 2009).

Academic leaders are viewed as basic decision-makers who establish the success of the university and hence, the subordinates’ performance affects the status of university. That’s why academic leaders have thrived significantly to propel their students, communities, faculty members and preserve the efficiency of their department (Mahdinezhad et al., 2017).
3.0 Research Hypotheses
On the basis of above studied literature, researcher has developed these research hypotheses.

The major hypotheses are as follows
H1: There is significant relationship between leadership styles and organization’s performance.

Further sub-hypotheses are as follows
H2: There is a significant relationship between transformational leadership style and organization’s performance.
H3: There is a significant relationship between laissez-faire leadership style and organization’s performance.

4.0 Methodology

4.1 Population
Population refers to a group of probable members to whom you need to sum up the consequences of the investigation (Salkind, 2003). Hence, based on this study the selections of recent all faculty members (lecturers and professors) were selected from Bacha Khan UniversityCharsadda located in KPK. So, the target population of BKUC was all faculty members (lecturers and professors). The basic aim of targeting all the faculty members (lecturers and professors) was that they might simply understand the intention of the study and will realize the matter and content of the questionnaire.

4.2 Sample Size and Sampling Technique
The data were collected through questionnaire from one hundred and ten (110) respondents as a sample size. The study adopted non-probability sampling and quantitative approach because the questionnaire was used to collect relevant data from the all faculty members (lecturers and professors) of BACHA KHAN UNIVERSITY CHARSA DDA. Convenience sampling was used because the faculty members (lecturers and professors) were selected conveniently as only faculty members (lecturers and professors) that were interested in the study.
4.3 Research Instrument
Questionnaire was used as a research instrument and SPSS software was used to test the data by regression and correlation methods. The multi-factor leadership questionnaire adapted for this study is the better version of MLQ developed by Bass and Avolio (1989). The questionnaire is consisted of 41 items, with five point likert scale as 1=strongly disagree, 2=disagree, 3=neutral, 4=agree and, 5=strongly agree. And the instrument used for the measuring of organizational performance is adapted from Delaney and Huselid (1996). The instrument is composed of 7 items and the five point likert scale used as 1= much worse, 2= somewhat worse, 3= stayed the same, 4= somewhat better, 5= much better.

4.4 Data Analysis
Questionnaires were distributed among respondents personally by researcher and total 110 questionnaires were distributed and collected immediately once completed. The return rates of questionnaires were 100% because 110 questionnaires were collected completely. The researcher used descriptive statistics, frequency table and reliability test for each variable separately to analyze the data. The correlation and regression have also been applied to analyze the purpose of leadership styles on organizational performance.

5.0 Results and Discussion
5.1 Results
The aim of this study was to determine the impact of leadership styles (Laissez-faire, Transactional and Transformational) on organizational performance as a case study on Bacha Khan University Charsadda (BKUC). The regression model clearly represents the significance of leadership styles on organization’s performance as a unit increase in Laissez-faire leadership style will lead to a 0.292 or 29.2% (p=0.000<0.05) increase in organization’s performance. Similarly a unit increase in Transactional leadership style will lead to a 0.427 or 42.7% (p=0.000<0.05) increase in organization’s performance and a unit increase in Transformational leadership style will lead to a 0.199 or 19.9% (p=0.000<0.05) increase in organization’s performance.

The results frankly show that Transactional leadership style influences organization’s performance most followed by Laissez-faire leadership and then transformational leadership style. The study also established a significant relationship between organization’s performance and independent variables; Laissez-faire (p=0.008<0.05), Transactional (p=0.000<0.05) and Transformational (p=0.000<0.05). All the predictors are good for organization’s performance indicated by above results. Many researchers judged leadership as an important driving factor which advances the job performance and considering the impacts of leadership styles on performance which plays a vital part in higher education settings (Lado & Wright, 1992).

According to Egri (2011) that laissez-faire leadership can be compelling in circumstances where group members are profoundly gifted, motivated and have the potential to work on their own. While the customary term for this style is 'laissez-faire' and suggests a totally hands-off approach, several leaders still stay open and accessible to group members for conference and feedback. Laissez-faire leadership isn't ideal in situations where group members do not have the information or experience they have to finish assignments and make decisions. This finding is in line with Hurduzeu (2015) who established a significant correlation between the leadership styles and organization’s performance, which meant that there was a significant impact of leadership styles towards the organizational performance.
5.2 Discussion

**H1: There is a significant relationship between laissez-faire leadership style and organization’s performance.**

There is a positive significant relationship between laissez-faire and organization’s performance because the significance level of laissez-faire with organization’s performance as shown in table 11 was (P=0.000<0.05), hence H1 is accepted. Laissez-faire has the second highest coefficient (Beta=0.320), therefore laissez-faire has significant positive relationship with organization’s performance. And a unit increase in Laissez-faire leadership style will lead to a 0.292 or 29.2% (p=0.000<0.05) increase in organization’s performance.

**H2: There is a significant relationship between transactional leadership and organization’s performance.**

There is a positive significant relationship between transactional leadership style and organization’s performance, since the significance level of transactional leadership style with organization’s performance was (P=0.000<0.05), hence H2 is accepted and transactional leadership style has the highest coefficient (Beta= 0.486). Therefore, transactional leadership has a positive significant relationship with organization’s performance. And a unit increase in Transactional leadership style will lead to a 0.427 or 42.7% (p=0.000<0.05) increase in organization’s performance.

**H3: There is a significant relationship between transformational leadership style and organization’s performance.**

H3 is accepted because there is a positive significant relationship between transformational leadership style and organization’s performance, hence the significance level of transformational leadership style with organization’s performance as shown in table 11 was (P=0.000<0.05) and has the third highest coefficient value (Beta= 0.227). And a unit increase in Transformational leadership style will lead to a 0.199 or 19.9% (p=0.000<0.05) increase in organization’s performance.

5.2.1 *Demographic profile of Respondents*

<table>
<thead>
<tr>
<th>Table 1: Gender</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>90</td>
<td>81.8</td>
<td>81.8</td>
<td>81.8</td>
</tr>
<tr>
<td>Female</td>
<td>20</td>
<td>18.2</td>
<td>18.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>110</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 1 shows 90 (81.8%) respondents were Male and 20 (18.2%) respondents were Female.

<table>
<thead>
<tr>
<th>Table 2: Education Background</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Master</td>
<td>10</td>
<td>9.09</td>
<td>9.09</td>
<td>9.09</td>
</tr>
<tr>
<td>MPhil</td>
<td>66</td>
<td>60.0</td>
<td>60.0</td>
<td>69.0</td>
</tr>
<tr>
<td>PhD</td>
<td>34</td>
<td>30.9</td>
<td>30.90</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>110</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
Table 2 shows total 110 respondents in which majority of the respondents were 66 MPhil degree holders (60%), Master degree holders 10 (9.09%) and PhD degree holders were 34 (30.90%).

Table 3 : Respondents age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-25 Years</td>
<td>2</td>
<td>1.8</td>
<td>1.8</td>
<td>1.8</td>
</tr>
<tr>
<td>26-30 Years</td>
<td>42</td>
<td>38.2</td>
<td>38.2</td>
<td>40.0</td>
</tr>
<tr>
<td>31-35 Years</td>
<td>51</td>
<td>46.4</td>
<td>46.4</td>
<td>86.4</td>
</tr>
<tr>
<td>36-40 Years</td>
<td>10</td>
<td>9.1</td>
<td>9.1</td>
<td>95.5</td>
</tr>
<tr>
<td>More than 40 Years</td>
<td>5</td>
<td>4.5</td>
<td>4.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>110</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 3 shows the respondents’ age in which the majority of the respondents’ age were from 31-35 years 51 (46.4%), 26-30 years were 42 (38.2%), 36-40 years were 10 (9.1%), more than 40 years were 5 (4.5%) and the least were 2 (1.8%) from 20-25 years.

Table 4: Position

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lecturer</td>
<td>76</td>
<td>69.09</td>
<td>69.09</td>
<td>69.09</td>
</tr>
<tr>
<td>Assistant Professor</td>
<td>30</td>
<td>27.27</td>
<td>27.27</td>
<td>96.36</td>
</tr>
<tr>
<td>Associate Professor</td>
<td>4</td>
<td>3.63</td>
<td>3.63</td>
<td>100.0</td>
</tr>
<tr>
<td>Full Professor</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>110</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

In table 4, the Lecturers were the most 76 (69.09%), Assistant Professors were 30 (27.27%), Associate Professors were 4 (3.63%) while the Full Professors were 0 (0%) out of 110 total respondents.

5.2.2 Reliability Statistics

Table 5: Reliability Statistics for Laissez-faire Leadership style

<table>
<thead>
<tr>
<th>Cronbach’s Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.839</td>
<td>5</td>
</tr>
</tbody>
</table>

Table 5 shows the reliability statistics for Laissez-faire leadership style in which the Cronbach’s Alpha value is .839 which is greater than .7 that makes the variable acceptable and reliable.
Table 6: Reliability Statistics for Transactional Leadership style

<table>
<thead>
<tr>
<th>Cronbach’s Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.706</td>
<td>12</td>
</tr>
</tbody>
</table>

Table 6 represents the reliability statistics for Transactional leadership style in which the Cronbach’s Alpha value is .706 which means that this variable is reliable.

Table 7: Reliability Statistics for Transformational Leadership style

<table>
<thead>
<tr>
<th>Cronbach’s Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.752</td>
<td>23</td>
</tr>
</tbody>
</table>

Table 7 represents the reliability statistics for Transformational leadership style in which the Cronbach’s Alpha value is .752 which means that this variable is reliable.

Table 8: Reliability Statistics for Organizational Performance

<table>
<thead>
<tr>
<th>Cronbach’s Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.806</td>
<td>7</td>
</tr>
</tbody>
</table>

Table 8 indicates the reliability statistics for Organizational Performance in which the Cronbach’s Alpha value is .806 which is greater than the standard value of Cronbach’s Alpha .7 so, it makes this variable reliable and acceptable.

5.2.3 Descriptive Statistics
Based on table 9 results, the respondents rated minimum 2 and maximum 5 for Laissez-faire leadership so, their mean is (3.16) and standard deviation is (0.723) which means that the data is not much dispersed, consequently standard deviation is low and more reliable. Transactional leadership’s mean is (3.12) and standard deviation is (0.751) so, it is more reliable because data is clustered around and the standard deviation is low. The case is same with all variables because their means are 3 and standard deviations are low so, it means that data is clustered around which is more reliable.

5.2.4 Correlation Analysis

Table 10 shows significant relationships between all independent variables and organizational performance. The results suggest that all null hypotheses should be rejected because there are significant relationships exist between all variables.

There are positive significant relationships between Laissez-faire, transactional and transformational leadership styles and organization’s performance as (r. 0.642, 0.759, 0.620) p values (p<0.001).
### Table 10: Correlations of Laissez-faire, Transactional, Transformational and Organizational Performance

<table>
<thead>
<tr>
<th></th>
<th>Laissez-faire Leadership</th>
<th>Transactional Leadership</th>
<th>Transformational Leadership</th>
<th>Organizational performance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Laissez-faire Leadership</strong></td>
<td>Pearson Correlation</td>
<td>.471**</td>
<td>.413**</td>
<td>.642**</td>
</tr>
<tr>
<td><strong>N</strong></td>
<td>110</td>
<td>110</td>
<td>110</td>
<td>110</td>
</tr>
<tr>
<td><strong>Transactional Leadership</strong></td>
<td>Pearson Correlation</td>
<td>.536**</td>
<td>.759**</td>
<td></td>
</tr>
<tr>
<td><strong>N</strong></td>
<td>110</td>
<td>110</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td><strong>Transformational Leadership</strong></td>
<td>Pearson Correlation</td>
<td>.620**</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>N</strong></td>
<td>110</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Organizational performance</strong></td>
<td>Pearson Correlation</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>N</strong></td>
<td>110</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

#### 5.2.4 Regression Analysis

### Table 11: Regression analysis for Laissez-faire, Transactional and Transformational Leadership Styles

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>.393</td>
<td>.187</td>
<td>2.100</td>
<td>.008</td>
</tr>
<tr>
<td>Laissez-faire Leadership</td>
<td>.292</td>
<td>.055</td>
<td>.320</td>
<td>5.315</td>
</tr>
<tr>
<td>Transactional Leadership</td>
<td>.427</td>
<td>.057</td>
<td>.486</td>
<td>7.485</td>
</tr>
<tr>
<td>Transformational Leadership</td>
<td>199</td>
<td>.055</td>
<td>.227</td>
<td>3.606</td>
</tr>
</tbody>
</table>

(a) Predictors: (Constant), Laissez-faire, Transactional and Transformational Leadership styles
(b) Dependent Variable: Organizational performance

R² = .715  \( F = 88.613 \)  DF = 3  **p < 0.01**
The results of the regression table 11 suggests that holding all the independent variables (Laissez-faire leadership, Transactional leadership and Transformational leadership styles) constant so, the other factors influencing organization’s performance account for 0.393 or 39.3% performance (p=0.008<0.05). The findings also show that taking all other independent variables at zero, a unit increase in Laissez-faire leadership style will lead to a 0.292 or 29.2% (p=0.000<0.05) increase in organization’s performance. Similarly a unit increase in Transactional leadership style will lead to a 0.427 or 42.7% (p=0.000<0.05) increase in organization’s performance and a unit increase in Transformational leadership style will lead to a 0.199 or 19.9% (p=0.000<0.05) increase in organization’s performance.

The results frankly show that Transactional leadership style influences organization’s performance most followed by Laissez-faire leadership and then transformational leadership style. The study also established a significant relationship between organization’s performance and independent variables; Laissez-faire (p=0.008<0.05), Transactional (p=0.000<0.05) and Transformational (p=0.000<0.05). All the predictors are good for organization’s performance indicated by above results.

\[ R^2 = \] The three independent variables studied and explains that 71.5% of influence of leadership styles on organization’s performance at Bacha Khan University Charsadda as represented by R squared. According to Eagly (2012), who noted that Transactional leadership style is vital for organization’s performance.

6.0 Conclusions & Recommendations

6.1 Conclusions

The aim of this study was to find out the impact of leadership styles (Laissez-faire leadership style, Transactional leadership style and Transformational leadership style) on organizational performance of Bacha Khan University Charsadda. This study has provided a broad study of the impact of leadership styles on organization’s performance of Bacha Khan University Charsadda. Based on the findings of this study, all of three independent variables (Predictors) were positively correlated with organizational performance and these predictors were positively significant with organizational performance.

It is concluded that a unit increase in Laissez-faire leadership style, a unit increase in Transactional leadership style and a unit increase in Transformational leadership style will lead to increase in organization’s performance. Transactional leadership style has the highest coefficient value (Beta= 0.486), the second highest was laissez-faire leadership style which has the coefficient value (Beta= 0.320) and transformational leadership style was the third highest value of coefficient (Beta= 0.227).

6.2 Recommendations

Based on the findings of this study, suggested that there are significant relationships among leadership styles and organization’s performance. Transactional leadership style has strongly positive association with organization’s performance and as well as laissez-faire leadership style has positive significant relationship with organizational performance because Egri (2011) stated that laissez-faire leadership can be compelling in circumstances where group members are profoundly gifted, motivated and have the potential to work on their owns. While the customary term for this style is 'laissez-faire' and suggests a totally hands-off approach, many leaders still stay open and accessible to group members for conference and feedback. Laissez-faire leadership isn't ideal in situations where group members do not have the information or experience they have to finish assignments and make decisions. It is also recommended that Heads
of Department (HODs) should foster an atmosphere of a role model for their followers to follow them especially in Universities, Colleges and Schools because these are the learning curves for followers.

References


KAGWIRIA, L. (2016). INFLUENCE OF LEADERSHIP ON EMPLOYEE PRODUCTIVITY AT KCB BANK KENYA LTD, NAIROBI REGION BRANCHES.


