

# The Influence of Transformational and Transactional Leadership Styles of Site Managers on Job Performance of Crafts in Cape Coast Metropolis

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## Abstract

Leadership has been proposed to enhance employee performance and has received substantial attention in recent researches. This study empirically examines the influence of transactional and transformational leadership on crafts performance. The study employed cross sectional quantitative survey design. A questionnaire was sent to 105 crafts gang leaders within the Cape Coast Metropolis of which 71 usable responses were returned; at a response rate of 68 percent. The data was analysed using descriptive and inferential statistics such as Analysis of Variance (ANOVA), Pearson product moment correlation coefficient as well as multiple regression techniques for analysing relationships between variables. Results of this study suggest that transactional leadership is more prominent in the construction sector in Cape Coast Metropolis of Ghana than transformational leadership. The results also revealed that there is a positive, significant relationship between crafts performance and transactional as well as transformational leadership. However, the strength of the relationship was higher in the case of transactional leadership. From the data analysis, we conclude that transactional leadership style is more suitable for site managers/supervisors of small and medium scale construction companies whereas, transformational leadership is more fitted for site managers/supervisors of large construction companies.

**Keywords:** Transformational leadership; Transactional leadership; Crafts Performance; Construction Industry.

## 1. INTRODUCTION

In recent years, competition has become increasingly intense between organizations, resulting in higher organizational requirements, such as increased efficiency, lower cost and high quality (Hoonakker et al., 2010). In view of this, many organisations now recognize the need and importance of taking measures to improve the performance of their businesses. One of the means to this end has been the use of effective managers and supervisors in project execution (Hyva'ri, 2006). Studies have shown that there is definitely a relationship between leadership style and project success, and that leadership affects many work related behaviours like employees' attitude, and performance that can influence the outcome of any project. Subsequently, managers and leaders who have excellent leadership competencies are always beneficial for their organizations (Liphadzi, Aigbavboab & Thwala, 2015; Tandoh, 2011; Zhang, 2009). Thus, leadership is vital for site managers or supervisors to bring different stakeholders together and influence them to achieve project objectives.

Leaders in all organisations perform certain roles or tasks for the smooth running and improvement of organisational performance. Leadership style is therefore the manner in which a leader performs his/her roles or directs the affairs of an organisation. Leadership style therefore is the way a leader leads. Some leaders are more interested in the work than in the people they work with while others pay more attention to their relationship with subordinates than the job. Whether a leader emphasizes the task or human relations is usually considered central to their leadership style.

Construction activities are undertaken by labourers, through the management and supervision of foremen and site managers, which in turn are under the management of project and construction managers who oversee the whole project. Thus, working with people is inevitable on construction projects due to the involvement of various stakeholders and the fact that the work is labour-intensive in nature. Besides, each project is different in nature and located at different workplaces. This fact demonstrates the importance of human skill to work with other people (Sunindijo & Zou, 2013). Studies have shown that leadership is an indispensable human skill component in today's dynamic construction workplace (Minavand et al., 2013; Sunindijo & Zou, 2013; Tandoh, 2011; Bass & Riggio, 2006).

While there is a general agreement that employee performance, and project's success or failure hinges on the leadership of the project or site manager (Toor & Ofori, 2008; Oshinubi, 2007), there remains a difference of opinion as to which leadership style is the most appropriate for project/site managers. Some researchers are of the view that transactional leadership (task-oriented) site manager/supervisor is of paramount importance for employee performance (Arsawan et al., 2017; Sakiru et al., 2013; Tandoh, 2011; Burke et al., 2006). Others suggest that transformational leadership (people-related) site manager is most critical for employee performance ( Rasool et al., 2015; Rao, 2015). Still others hold the view that both task-oriented and people-oriented leadership are necessary for employee performance (Pradeep & Prabhu, 2015; Raja & Palanichamy, 2015; Aboshaiqah, et al. 2014). The empirically suspects or inconclusive character of research findings in this area

suggests the need to investigate further the nature of the relationship between leadership styles and employee performance in the context of construction industry. Additionally, despite the abundance of research exploring the relationship between leadership and employee performance, relatively little attention has been paid to leadership styles and employee performance in the construction sector of Ghana. Previous studies on the relationship between leadership and employee performance in Ghana have been conducted in the service and manufacturing sectors (Nubuor et al., 2014; Tandoh, 2011). The purpose of this study is to determine the leadership styles of site managers/supervisors and their influence on crafts' performance. For, a better understanding of leadership styles required of site managers and supervisors for optimum crafts performance would be beneficial in the development and implementation of leadership programmes for site managers.

## **2. Concept of Leadership**

Leadership is defined as the ability to persuade others to accomplish pre-defined goals with zeal, enthusiasm and willingness (Shi & Chen, 2006). Leadership can also be defined as the ability to establish direction, align people, motivate and inspire, communicate the vision of an organisation, build teams and share decision making, mentor and coach subordinates, and demonstrate a high degree of integrity in professional interactions (Zenger & Folkman, 2002; Bass, 1990). Studies indicate that the manner in which leaders behave (style) has direct relationship with employees output and that depending on the style exhibited by the leader in an organisation, productivity is either enhanced or stalled. Thus, different leadership styles affect employee performance; and the success or failure of organisations, nations and other social units largely credited to the nature of their leadership style (Oladipo et al, 2013; Ogunlana, 2008).

According to Toor and Ofori (2008), leadership is paramount to the successful delivery of construction project to accomplish the goal or mission of the construction organisation through project team leading, project time managing, within budget, to high quality, and customer satisfaction (Jarad, 2012).

### **2.1 Leadership Styles**

Leadership style is the relatively consistent pattern of behaviour that characterises a leader. According to Chen and Chen (2008), previous studies on leadership have identified different types of leadership styles adopted by leaders in managing all kinds of organisations. However, the most prominent styles have been Burns' (1978) transactional and transformational leadership styles.

#### **2.1.1 Transactional Leadership**

It is an extrinsic-based motivation processes by which leaders achieve their goals, while followers receive external rewards for job performance. Bass (1985) describes the transactional leader's relationship with the subordinates as having three phases. Firstly, he recognises what subordinates want to get from their work and ensures that they get what they want, given that their performance is satisfactory. Secondly, rewards or promises of rewards are exchanged for employee's effort. Lastly, the leader responds to his employee's immediate self-interests if they can be met through completing the work. Bass indicates that transactional leaders "generally reflect on how to improve and maintain performance, how to replace one goal for another, how to decrease resistance to particular actions, and how to execute decisions". Transactional leaders therefore focus their energies on task completion and compliance and rely on organisational rewards and punishments to influence employee performance, with reward being contingent on the followers carrying out the roles and assignments as defined by the leader. In other words, the leader rewards or disciplines the followers depending on how well they perform a given task. Therefore, transactional leaders have an exchange-based relationship with their followers (Tandoh, 2011; Mester et al., 2003; Bass & Avolio, 2000; Senior, 1997).

Bass and Avolio (1995) proposed the three phases of transactional leadership: contingent rewards and contingent punishment/ sanctions, management by exception (active) and management by exception (passive). They argued that the primary concern of the transactional or task-oriented leaders is achieving defined targets of their business. They therefore are able to entice subordinates to perform and thereby achieve desired outcomes by promising rewards and benefits such as promotions, extra pay, bonus, and time off to employees for the accomplishment of tasks and for surpassing their goals. Conversely, penalties may include pay cuts, demotions, and terminations. Thus, the transactional leader is able to motivate subordinates through contingent rewards, corrective actions and rule enforcement (Liphadzi et al., 2015; Tandoh, 2011; Awamleh, 2004; Bass, 1990). Again, Northouse (2011) argued that task-oriented leaders encourage their employees to achieve their objectives by giving them exact definitions about their roles, establishing objectives and criteria of evaluation, specifying directions and instructions, setting time schedules, and determining the ways by which goals could be achieved.

In 2004, Andi, Santoso and Tali asserted that the pressure from contractual agreement, cost constraints and time restriction is prevalent in the construction industry has yielded leadership styles that are to a greater degree towards task-orientation. Makilouko (2004) also posits that most of the managers in a project context prefer task-oriented style. In her study of leadership behaviours affecting the performance of employees in Guinness Ghana Breweries Limited, Tandoh (2011) found a significant positive effect between job-centred leadership behaviour

(transactional leadership) and employees' performance. In a study of the relationship between employee performance and leadership styles in an organisation, Sakiru et al. (2013) found that there is a substantial relationship between worker performance and transactional leadership of public sector organisation at Selangor, Malaysia. This results confirms results of earlier researches conducted by (Burke et al., 2006; Bass, Avolio, Jung, & Berson, 2003; Elenkov, 2002) on relationship between transactional leadership and employee performance which revealed that a positive relationship existed between transactional leadership theory and employee performance; though other studies results prove contrary. For instance, research by Hayward et al. (2003) found no significant linear relationship between transactional leadership and employee performance in a South African pharmaceutical organisation.

### **2.1.2 Transformational Leadership**

The bases of transformational leadership rest on Avolio, Bass, and Jung (1997) who identified four dimensions of this style:

1. Idealized influence is concern with creating and presenting an attractive vision and challenging goals for the future; and motivating followers to work beyond their self-interest in order to achieve common goals (Dionne, Yammarino, Atwater & Spangler, 2004). In this dimension, leaders act as role models highly admired, respected and trusted by their followers (Bass & Riggio, 2006). According to them, leaders with great idealised influence are willing to take risks and are consistent rather than arbitrary by demonstrating high standards of ethical and moral conduct
2. Inspirational motivation which refers to the way leaders energize, motivate and inspire their followers to go beyond self – interest to commit to the vision of the organisation. Leaders with inspirational motivation foster strong team spirit as a means for leading team members towards achieving desired goals (Bass & Riggio, 2006; Antonakis, Avolio, & Sivasurbramaniam, 2003)
3. Intellectual stimulation concerns the role of leaders in stimulating innovation and creativity in their followers to challenge assumptions and approaching old situations from new perspectives. Leaders always encourage their followers to try new approaches or methods to solve the old problems (Nicholason, 2007; Bass & Riggio, 2006).
4. Individualized consideration which refers to leaders paying special attention to each individual follower's need for achievement, growth and development by providing support, encouragement, and acting as a coach or mentor (Nicholason, 2007; Bass & Riggio, 2006).

Transformational leadership therefore is employee-oriented and brings desired changes in followers. Transformational leaders are most of the time physically strong, enthusiastic, and passionate about making sure that every member of their team succeeds (Nubuor et al., 2014). They are attentive to the needs and motives of followers and inspire them to develop into leaders (Price, 2009). Moreover, transformational leaders are responsible for motivating their employees to go beyond ordinary expectations by appealing to their higher order needs and moral values (Tandoh, 2011).

The research by Hayward et al. (2003) found a significant positive linear relationship between transformational leadership and employee performance but no significant linear relationship between transactional leadership and employee performance in a South African pharmaceutical organisation. Again, in a study by Rasool et al. 2015 on leadership styles and its impact on employee's performance in the health sector of Pakistan, the researchers concluded that transformational leadership styles have more positive effect on employee performance than transactional leadership. The results of their study also stated that the impact of transactional leadership was not much stronger as compared to transformational leadership on job performance. Furthermore, Tsigu, G. T., & Rao, D. P. (2015) in a study "leadership styles: their impact on job outcomes in Ethiopian banking industry" found that transformational leadership style explained the variation on performance better than transactional leadership style. More specifically, Price (2009) mentioned that all transformational factors such as: charisma, inspirational motivation, intellectual stimulation, and individualized consideration are important. Therefore, construction professionals should adopt and promote the use of transformational leadership in their interactions with employees in order to realize greater employee performance and satisfaction. For, it can be deduced that there is a high relationship between transformational leadership and employee performance.

Contrary to the above findings of a stronger relationship between transformational leadership and employee performance, Pradeep and Prabhu (2011) reported a positive link between employee performance and both transformational leadership behaviours and transactional contingent reward leadership behaviours. They indicated that managers who are perceived to demonstrate strong leadership behaviours, whether transformational or transactional, influence employees' performance. Raja and Palanichamy (2015, as in Anyango, 2015) also examined the effect of leadership styles on employee performance in public and private sector enterprises in India. The result of that study also indicated that there is a linear positive relationship between transformational leadership and employee performance, as well as positive relationship between transactional leadership and employee performance. Nonetheless, Chan (2010) advises that different styles are required for different situations. Therefore, leaders need to know when to use a particular approach and by using

appropriate leadership styles, leaders can influence employee job satisfaction, commitment, productivity and ultimately the organization's performance through its employees.

## 2.2 Employee Job performance and its Measurements

Campbell (1990) defines employee's performance as those behaviours or actions that are under the control of the person and contribute to the goals and objectives of the organisations, and could be determined according to the employee's level of proficiency. Temple (2002) opined that the performance of an organisation is dependent on the quality of the workforce at all levels of the organisation.

Many things could determine the extent to which leadership behaviour impact on employee performance. Milkorwich and Bondream (1997 as in Tandoh, 2011) identify them under the broad headings of abilities, skills, traits behaviours and business results. Providing long-term customer satisfaction, attaining higher quality production levels, achieving adequate job and business knowledge, leading effectively, being dependable and reliable, among others, are specific attributes, which are measured to determine employee performance; and are relevant to the organisation's survival and success.

Several studies (Tandoh, 2011; Hakala, 2008; Valencia, 2007; Hughes et al., 2004) have shown that employee's job performance measurement and its indicators include the following:

- (i) **Quantity**, defined as the number of units produced, or processed. It is a good objective indicator of performance.
- (ii) **Quality**: The quality of work performed can be measured by means. This includes conformance to specification; amount of rework, wastage, and defect.
- (iii) **Timeliness**: How fast work is performed is another performance indicator. However, this indicator is used with caution so that quality will not be compromised. In construction field, this describes the time an employee uses to complete an assigned task
- (iv) **Cost-Effectiveness**: The cost of work performed is used as a measure of performance only if the employee has some degree of control over costs.
- (v) **Safety**: This includes accident or injury rate, near misses, and damages experienced by the employee
- (vi) **Extra-Role Performance (Organisational citizenship behaviour)**: This refers to employee's actions that contribute towards work group effectiveness but outside of his/her job description.

## 2.3 The Construction Industry in Ghana

The construction industry in Ghana contributes to the country's economy through the provision of infrastructure and employment of the labour force. The industry is characterised by multiplicity of skilled and unskilled workforce with different cultural behaviours (Abraham, 2010). All construction companies operating in Ghana register with the Ministries of Water Resource, Sanitation, Works and Housing (MWRWH) and or Association of Building and Civil Engineers and Contractors in Ghana (ABCECG). The Ministry of Water Resources, Works and Housing (MWRWH) is responsible for policy implementation in respect of works, housing, water supply, sanitation and hydrology, and oversees the activities of building contractors. The MWRWH has four categories of companies: D, K, E and G, based on the nature of work they engage in: building, civil engineering, electrical and plumbing works respectively. There are four financial sub-classifications within each category: 1, 2, 3 and 4 which set the limitations for companies in respect of their asset, plant and labour holdings, and the nature and size of projects they can undertake. Class 1 has the highest resource base, decreasing through Class 2 and 3 with Class 4 having the least resource base (MWRWH, 2004).

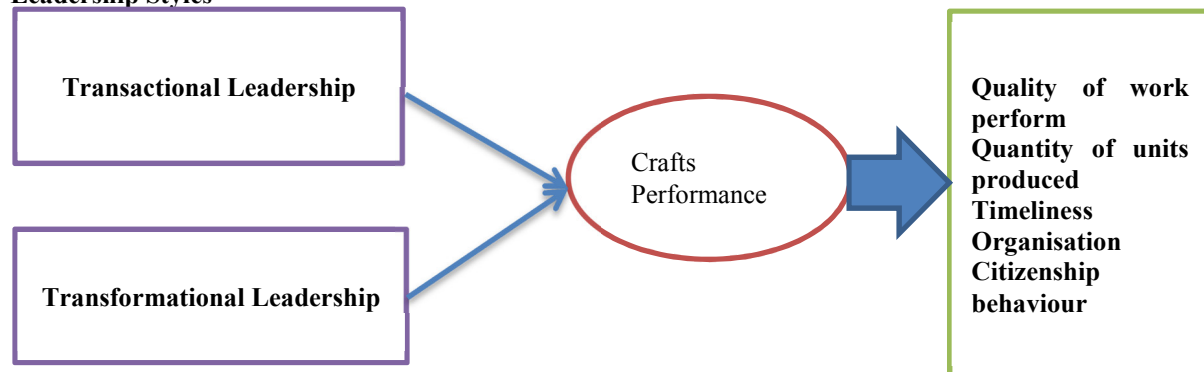
The Ghanaian construction industry is characterised by an array of small firms. Studies have indicated that Small-Scale Building Contractors (SSBCs) constitute over 90 percent of the job market and contribute substantially to overall construction GDP, especially in the development of decentralised and local government areas. These small firms could also be accounting for nearly 80 percent of all short-term employment (casual labour), especially for unskilled workers in many deprived communities in Ghana (Amoah et al., 2012).

Most construction businesses in Ghana (especially SMEs) are governed by strict employment contracts. The vast majority of these contracts are closed ended with expiration dates clearly defined. Due to this, they usually employ large and multidisciplinary teams or crews from several different construction disciplines. The teams are supervised by site managers who are leaders on the construction projects; have direct interaction with the employees on site, particularly, the crafts, and are also responsible for the productivity of the project members (Jarad, 2012). Promotion and advancements for crafts is also limited within the industry. Nevertheless, their performance targets and expectations are spelled out through strong corporate cultures and relevant organizational characteristics; making the linkage between their performance and reward very clear in the transient market. The industry is prone to high employee turnover, however, management and top managers maintain relatively long tenures unlike the crafts (Kheni, 2008). These characteristics make good and effective leadership style vital in this industry.

### Conceptual Framework and Hypotheses

Based on the main issues argued within the literature reviewed, the conceptual framework constructed for this study is in figure 1.

#### Leadership Styles



**Figure 1. The Conceptual Framework.**

The illustration depicts a relationship between the site manager’s leadership style and a crafts’ job performance, in terms of quality of work done, quantity of work perform, timeliness, and organizational citizenship behaviours.

Based on the above, the following hypotheses were proposed to assess the effect of site manager’s leadership style on craft’s job performance:

**H1.** The site manager’s transactional leadership influences the crafts’ job performance

**H2.** The site manager’s transformational Leadership influences the crafts’ job performance.

### 3. Methodology

This study adopted a cross-sectional descriptive quantitative survey approach and employed the use of a questionnaire. According to the data obtained from Cape Coast Metropolitan Assembly (CCMA), there were 35 construction companies registered with the Assembly (CCMA, 2017). Out of this number, 32 of them were randomly selected for the study based on Krejcie and Morgan’s (1970) sample size estimation table. From the selected companies, 105 gang leaders were identified. The questionnaire designed was in three parts. The first part of the questionnaire was allocated to the respondents’ demographic data such as gender, designation, and level of education and the years of working experience. The second part requested the respondents to assess their site managers’ leadership styles and determine whether their site manager is task-oriented (transactional) or relationship-oriented (transformational). The questionnaire consisted of 15 set of questions which contained lists of items which described the specific kind of behaviour. The 15 items were adapted from Bass and Avolio’s (1991) multi factor leadership questionnaire. The third part of the questionnaire focused on the crafts’ self-assessment on their job performance. The questions on job performance were adapted from Nzekwe-Excel et al., 2008; Valencia, 2007; Hughes et al., 2004. Each category was covered by five Likert-scale questions and the respondents were requested to score them from 1 (strongly disagree) to 5 (strongly agree). A pilot test was conducted in one construction firm and Cronbach’s Alpha coefficient was calculated to ascertain the reliability of the questionnaires.

**Table 1: Summary of the factor matrix for each measure**

Construct KMO	Item	Item loading Range	Eigen Value	Percentage of variance Explained	Bartlett’s Test of Sphericity	Sig	Cronbach	
Transformational	8	0.850	0.764 - 0.832	3.516	78.460	252.374	0.00	0.88
Transactional	7	0.823	0.783 - 0.852	2.724	70.648	236.262	0.00	0.84
Crafts Performance	10	0.782	0.816 - 0.873	3.625	68.807	425.303	0.00	0.92

Table 1 shows the results of validity and reliability analyses for the measurement scale. Exploratory factor analysis was applied to assess the validity of the measurement scale. Factor analysis was applied to 10 items for crafts performance, 7 items for transactional leadership, and 8 items for transformational leadership behaviours measure; using principal components analysis with varimax rotation so as to determine the dimensions. Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) as 0.78 (Crafts performance), 0.85 (transformational leadership) and 0.82 (transactional leadership) and Bartlett’s test of Sphericity classified the data as adequate for

analysis 425.303(Crafts performance); 252.374 (transformational leadership); and 236.262(transactional leadership). All the variables exceeded the acceptable standard of Kaiser-Meyer-Olkin's value of 0.6, Bartlett's test of sphericity were significant, all research variables had eigenvalues larger than 1, the items for each research variable exceeded factor loadings of 0.50 (Hair et al., 1998), and all research variables exceeded the acceptable standard of reliability of 0.70 (Pallant, 2007). These statistical analyses confirmed that the measurement scales used in this study met the acceptable standard of validity and reliability.

The structured questionnaire was administered to 105 gang leaders within the 32 selected firm at 25 project sites in the municipality. Out of the 105 questionnaires administered, 71 usable responses were returned; with a response rate of 68 percent within a two-month period. This response-rate is consistent with other studies conducted within the sector. The data was analysed using Statistical Package for Social Science (SPSS) version 20 and interpreted using descriptive statistics such as frequency, percentage, mean, and standard deviation. Inferential statistics such as Factor Analysis, Analysis of Variance (ANOVA), Pearson's product moment correlation coefficient (PMCC), and linear multiple regression analysis were also employed.

#### 4. Results and Discussions

About 75 percent of respondents were from small and medium construction firms, while 25 percent were from large construction firms. Out of the entire gang leaders who participated in the survey, 87 percent were males and 13 percent were females. The mean age of respondents was 35 years old and their working experience within the company was 6 years in average. Regarding their educational qualifications, about half of the respondents (55%) had obtained Construction Technician Course Certificates, 35 percent held Technical and Senior High School Certificate, while the rest (10%) held Basic Education Certificate. Senior gang leaders made up 65 percent of the respondents while 35 percent were assistant gang leaders. Based on the above the respondents' firms could be said to employ qualified personnel.

In order to determine whether the gang leaders use transformational or transactional leadership styles, the mean score and standard deviation were calculated. In addition, Pearson's product- moment correlation coefficient (PPMCC) was calculated to determine the relationship between leader's style and crafts' performance. Table 2 shows the descriptive statistics and correlations analysis.

**Table 2: Result of pearson correlation analysis and descriptive statistics.**

Variables	Mean	Standard Deviation	Pearson Correlation (r)		
			TF	TS	CP
<b>Transformational</b>	<b>3.49</b>	<b>0.40</b>	<b>1</b>		
<b>Transactional</b>	<b>3.91</b>	<b>0.55</b>	<b>0.154</b>	<b>1</b>	
<b>Craft Performance</b>	<b>4.13</b>	<b>0.78</b>	<b>0.414**</b>	<b>0.511**</b>	<b>1</b>
<b>P value</b>			<b>0.001</b>	<b>0.001</b>	

The results indicate that the mean value of transformational leadership was  $m = 3.29$ ,  $std = 0.40$  while the mean value of transactional leadership was  $m = 3.91$ ,  $std = 0.5$ . This implies that most of the respondents evaluated their site managers/supervisors as transactional (task-oriented) leaders. This finding is in agreement with Makilouko (2004) and Andi et al. (2004) assertion that most managers/supervisors in a project context prefer task-oriented leadership style; it further offers support to the claim by Andi et al. that pressure from contractual agreement, cost constraints and time restrictions prevalent in the construction industry has yielded leadership styles that are to a greater degree towards task-orientation.

The correlational analysis indicated that both transactional ( $r = 0.511$ ,  $p < 0.001$ ) and transformational leaderships ( $r = 0.414$ ,  $p < 0.001$ ) had positive and significant association with craft performance. However, transactional leadership had a stronger association with craft performance than transformational leadership. The correlation coefficients for the relationship between the independent variables (i.e., transformational leadership and transactional leadership) and the dependent variable (i.e., craft performance) were less than 0.90. This indicates that the data had no collinear problems (Hair et al., 1998).

**Table 3: Results of regression analysis**

Independent Variable	B	Std. Error	Beta	T	Sig.	Collinearity Statistics	
						Tolerance	VIF
Constant	-4.280	3.311					
Transactional leadership	0.422	0.089	<b>0.458</b>	3.722	<b>0.000</b>	<b>0.316</b>	<b>5.301</b>
Transformational leadership	0.599	0.169	<b>0.343</b>	3.541	<b>0.001</b>	<b>0.427</b>	<b>3.925</b>
<b>R=0.693; R<sup>2</sup>= 0.576; Adjusted R<sup>2</sup>=0.538; F= 20.487; p= 0.000</b>							
<b>Dependent Variable: Craft performance</b>							

The extent to which gang performance is influenced by the leaders' style was also determined. Table 3 shows that 53.8 percent of total variance of craft's performance was explained by the collective influence of

transactional and transformational leadership with the remaining 46.2 percent accounted for by other variables. The values of VIF and Tolerance showed no multicollinearity between the variables as their values less than 10 for VIF and more than 0.10 for tolerance level. These statistical results indicate that the model was good enough and had relevant predictive power.

#### 4.1 Influence of Transactional Leadership

Result as shown in Table. 3 also indicates that transactional leadership and craft performance is positive and significant with a beta coefficient of 0.458 ( $p < 0.001$ ). This result illustrates that craftsmen in construction companies in Cape Coast do respond to contingent rewards or management-by-exception when it comes to self-perceived performance. This implies that when site managers/supervisors establish work objectives and criteria of evaluation, give exact specifications and instructions, set time schedules, determine the ways by which goals could be achieved, monitor crafts performance and reward accordingly, keeps track of mistakes, work out agreements such as bonuses, extra pay, overtime allowances and other incentives for extra work, quality output or for accomplishment of tasks and or for surpassing their goals, it will greatly increase the performance of the craftsmen. This finding is consistent with similar studies of the following authors (Arsawan et al., 2017; Sakiru et al., 2013; Northouse, 2011; Tandoh, 2011). This means that site managers/supervisors who exhibit a heightened degree of transactional leadership will probably achieve superior craft performance outcome. Therefore, H1 of this study, which states that transactional leadership positively and significantly influence craft performance is supported.

#### 4.2 Influence of Transformational Leadership

The results further indicate that transformational leadership positively and significantly influences craft performance with a beta coefficient of 3.343 ( $p < 0.001$ ). This result confirms that transformational leadership is also an important predictor of craft performance. This means transformational leadership style of site managers/supervisors will increase crafts' performance. This outcome implies that when site managers/supervisors operationalize charisma and utilize inspiration, individualized consideration, and intellectual stimulation they influence crafts performance. This finding is in agreement with studies by Tandoh, 2011; Bass & Avolio, 1990). However, it is dissimilar to the reported study by Sakiru et al. (2013) which found that there is no significant linear relationship between worker performance and transformational leadership of public sector organization. It is important however, to note that this study was conducted in private sector organization which may have different work environment from public sector firms. Based on this finding that transformational leadership is an important predictor of crafts performance H2 which states that transformational leadership influence crafts performance is also supported.

#### 4.3 Comparison between Transformational and Transactional Leadership Styles

Even though the results of this study yielded it support to Raja and Palanichamy (2015), and Aboshaiqah et al. (2015) findings of a linear positive and significant relationship between both the transformational and transactional leadership on one hand and employee performance on the other hand; Table 3 also suggests that transactional leadership has greater influence towards achieving crafts performance in construction businesses than transformational leadership. The results revealed that transactional leadership contributes 0.458 ( $p < 0.001$ ) whereas transformational leadership was 0.343 ( $p < 0.001$ ). This suggests that transactional leadership exerts greater influence on crafts performance than transformational leadership. This result disproves the results of previous studies by Rasool et al. 2015; Rao, 2015; Price, 2009 that found that transformational leadership is deemed to have a greater influence on employee performance than transactional leadership. The study further revealed that there is significant mean difference in the use of transactional and transformational leadership based on company size. ( $p < 0.01$ ).

**Table 4. Differences in transaction leadership application based on company size**

Company Classification	Mean	SD	N	F	P
Small	<b>30.01</b>	2.56	37	7.997	0.001
Medium	<b>27.78</b>	2.64	22		
Large	<b>25.18</b>	4.90	12		

As evidenced in Table 4. Managers/Supervisors of small companies mostly exhibited transactional leadership (Mean = **30.01**, SD = **2.56**). They were followed by Managers/Supervisors of medium sized companies (Mean = **27.78**, SD = **2.64**). Managers/Supervisors of large sized construction companies were least to be transactional (Mean = **25.18**, SD = **4.90**).

**Table 5. Differences in transformational leadership application based on company size**

Company Classification	Mean	SD	N	F	P
Large	31.33	2.15	12	9.34	0.000
Medium	29.86	2.96	22		
Small	27.04	3.55	37		

On the other hand, Table 5 shows that supervisors of large companies would mostly exhibit transformational leadership (Mean = **31.33**, SD = **2.15**). This was followed by Managers/Supervisors of medium sized companies (Mean = **29.86**, SD = **2.96**). Managers/Supervisors of small sized construction companies were the least to adopt transformational leadership style (Mean = **27.04**, SD = **3.55**). Table 4 and Table 5 therefore imply that company size has influence on the type of leadership style adopted by gang leaders.

This revelation is contrary to the findings of Rasool et al. 2015; Rao, 2015; Nubuor et al. 2014 who worked mainly in the service industry that transformational leadership yielded greater influence on employees' performance. This result might have been influenced by the fact that majority of the respondents were drawn from small and medium size firms (see Table 4.) where it was observed craft worked under strict employment contracts. Promotion and advancements for workers is limited, largely due to the unstable work environment. However, performance targets and expectations are spelled out through strong performance-reward exchanges. This employment condition in the transient employment market of the SMEs could have neutralized the effect of transformational leadership.

### Conclusion

Leadership is crucial for eliciting higher levels of craft performance because there is a significant positive relationship between crafts performance and transactional as well as transformational leadership in the construction Industry. However, the strength of relationship between leadership and crafts performance was higher in the case of transactional leadership. It is also concluded that though both leadership styles abound the size of the firm as well as the employment condition prevailing influences the style adopted by gang leaders.

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