

Transformational Leadership as a Mediator between Leader's Emotional Intelligence and Employee Performance: A Study of Selected Manufacturing Firms in Nairobi, Kenya

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Abstract

The study investigated at how transformational leadership style mediated the relationship between a leader's emotional intelligence and employee performance in Kenyan manufacturing firms. The transformational leadership theory served as the study's framework. The study used an explanatory research approach and focused on 3,500 employees at all levels of the selected manufacturing firms. The sample size of 360 respondents was calculated using Yamane's sample size formula. The estimated sample was then stratified into top, middle, and lower management levels, with random sampling within each stratum. Data was gathered using a standardized questionnaire, which was initially tested for validity and reliability. The questionnaire's accuracy was assessed using content validity, and its reliability was measured using Cronbach's alpha. The data was analyzed with SPSS version 23 to provide descriptive and inferential statistics. Categorical variables were summarized using frequencies and percentages, whilst continuous data were summarized using means and standard deviations. For multivariate analysis, multiple regressions were utilized with $p \leq 0.05$ as the statistical significance level. The study found a positive correlation ($\beta = .584, p = .000$) between a leader's emotional intelligence and employees' performance. The study demonstrated a significant correlation between a leader's transformational style and employee performance ($\beta = .428, p = .000$). The study discovered that the transformational leadership style positively mediated the association between leader emotional intelligence and employee performance ($\beta = .186, p = .000$). The findings revealed that enhancing employee performance calls for a transformational leadership style that can inspire, motivate, influence, or transform individuals work behaviors, as organizations are continually seeking for new ways to increase performance and remain agile in business. The study recommended that leaders apply transformational leadership styles into their leadership responsibilities in order to improve employee

performance at work. Further research can focus on how motivational inspiration mediates the relationship between a leader's emotional intelligence and employee performance.

Keywords: Manufacturing firms, employee performance, transformational leadership, emotional intelligence

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Introduction

In a highly competitive business environment, even the most successful companies confront major challenges in generating great financial performance. These challenges are especially important for manufacturing firms, as shifting market demand, rising operating expenses, regulatory compliance, and technological advances can all have a substantial impact on profitability (Rounaghi, Jarrar, & Dana, 2021; Amariati, 2013). As a result, manufacturing firms are increasingly focusing on human capital as a key driver of performance and sustainability.

Employee performance is critical to an organization's success and is constantly being improved because it impacts profit margins, employee retention, the organization's image, employee satisfaction, and overall

organizational performance (Menges, Tussing, Wihler, & Gran, 2016; Pradhan & Jena, 2017). Increased employee performance has various benefits for an organization, but aspects such as leadership and working conditions are changing formal work systems and emotional intelligence, creating shifts in employee performance (Vipraprastha, Sudja, & Yuesti, 2018). Emotional intelligence is the ability to recognise, control, and assess emotions in oneself and others (Buşu, 2020; Salovey & Pizarro, 2003). Empirical data suggests that high emotional intelligence helps people manage stress, communicate effectively, and foster meaningful relationships, all of which contribute to better job performance (Aqqad, Obeidat, Tarhini, & Masa'deh, 2019; Munir & Azam, 2017).

However, the extent to which emotional intelligence translates into excellent employee performance may be influenced by a variety of organizational characteristics, such as leadership style.

Transformational leadership, characterized by the ability to inspire and motivate individuals to achieve better levels of performance, has emerged as a leadership style that promotes innovation, creativity, and commitment. Transformational leaders have a significant positive impact on persons and systems. The four (4Is) that generate change in persons and social structures describe transformational leadership (Bass & Riggio, 2006). These are idealized influence, individualized consideration, intellectual stimulation, and inspirational motivation. Bass and Riggio (2006) suggested that a transformative leader may inspire and motivate followers to accomplish remarkable outcomes. According to Bass and others, a leader transforms or inspires followers, and followers may respond with respect and trust. In other words, the leader-follower relationship is characterized by mutual respect and trust. According to Bass and others, a leader transforms or inspires followers, who may then respond with respect and trust. In other words, the leader-follower relationship is based on mutual respect and trust. The leader transforms and inspires followers through idealized influence or role modeling, intellectual stimulation or creative problem solving, personalized concern or mentorship, and inspiring motivation or optimism (Bass & Riggio, 2006). When leaders affect work and workers, they engage them by listening to their concerns and opinions, managing change, solving complicated challenges, and taking proactive steps to improve performance (Yang et al., 2021). It might be argued that leaders are exceptional in their ability to influence by fostering a favorable

environment through listening, problem solutions, and reacting. Inevitably, when the aforementioned responsibilities are combined, they can become difficult, disrupting both the leader's and the employees' productivity. A big market change, for example, combined with an organizational system change that diverts the leader's attention away from employees, might lead to a drop in job performance.

Prior studies in the manufacturing sector investigated the factors that affect employee performance, and a recent survey by Darrell West and Christian Langsang in Brookings on July 10th, 2018, a global manufacturing scorecard of the United States of America and other eighteen Western nations, indicate that manufacturing sectors account for 16% of global GDP, and overall performance is discovered to be linked to technology, diversity, and lean manufacturing (West, 2018). Developing countries, particularly those in Africa, do not provide comparable results. According to empirical evidence, Africa lags considerably behind the rest of the globe when it comes to manufacturing sector performance, with employees performing stagnantly or declining due to a lack of leadership (Signe, 2018). Employee performance differences observed in previous empirical evidence from diverse contexts indicate that leaders can influence the environment in which employees perform their jobs, either positively or negatively, and that evidence of variation persists, with some organizations outperforming others despite their efforts to improve employee performance. Empirical research in Kenya suggests that the growth of manufacturing firms is encountering challenges, as reported (Were, 2016; Mukui, 2022; Kamau, 2016); yet, much remains unclear about how leaders affect employee performance in the Kenyan manufacturing sector. As a

result, this study investigated the mediating role of transformational leadership style in the relationship between leader's emotional intelligence and employee performance in selected manufacturing firms in Kenya.

Conceptual Framework

Figure 1 below illustrates the study's conceptual framework with three variables. This is a diagrammatic representation of variables and their relationships. In this study, conceptual framework presents employee performance as dependent variable, emotional intelligence as independent variable and transformational style as mediating variable.

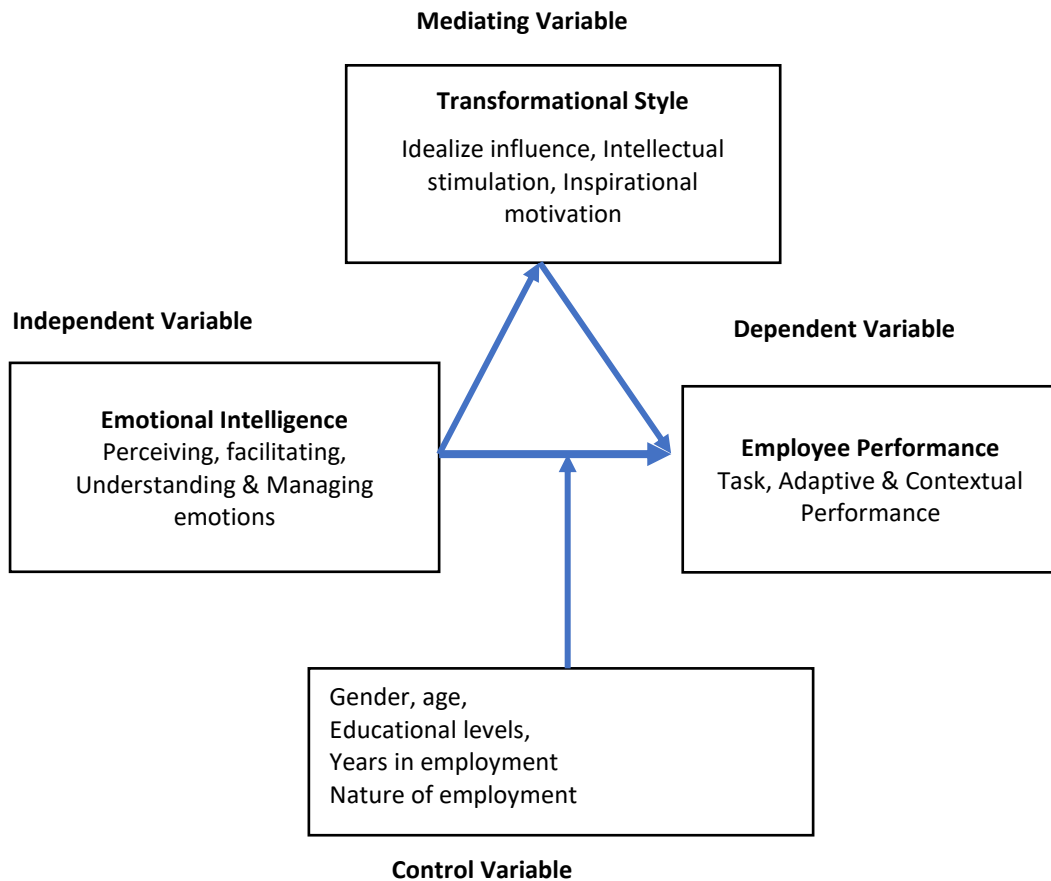


Figure 1: Conceptual framework
Modified model of Hayes Model 8(2012; 2018)

Empirical Review

Effects of emotional intelligence on Employee performance

Emotional intelligence has been disclosed to have a positive relationship

with inspiration motivation. Individual's reasoning, decisions and problem solving have considerably related with inspiration motivation and idealized inspiration (Palmer, Gignac, Manocha& Stough, 2005). In several studies, facilitation of thoughts, a component of emotional intelligence for instance has been established to form

various mental sets that prove a lot of adaptation for numerous types of tasks. This implies that leaders good at facilitation of thoughts may frame hidden emotions in people and check out to search for better ways in which to handle emotions in order to transform thinking and behavior. Similarly, facilitation of thought was disclosed to be associated with work life balance, honest, composed, problem solving which are critical in increasing employee performance (Adıgüzel & Kuloğlu, 2019). According to Herman (2013), individuals who can reason with their emotions are more likely to be engaged at work and perform better. This implies that emotionally intelligent people may easily deal with job challenges and generate self-motivation to exceed expectations.

Ngaithe, K'Aol, Lewa, and Ndwiga (2016) investigated the influence of Intellectual Stimulation and Individualized Consideration on staff performance in Kenyan state-owned enterprises (SOEs). The investigation utilized a descriptive research design and a positivist research philosophy. From a target population of 275 senior managers, a sample of 163 was drawn using stratified random sampling. A structured survey was utilized to collect data from selected members of the top management teams of SOEs. The study discovered that intellectual stimulation was positively and significantly related to and predicted staff performance. Individualized consideration was highly connected with and significantly predicted staff performance. The study concluded that Intellectual Stimulation and Individualized Consideration greatly improved staff performance in Kenyan state-owned enterprises. Based on the above evidence, it is clear that emotional intelligence enhances employee performance. This study hypothesizes the following:

H₀₁: Emotional intelligence does not have a significant direct effect on employee performance.

Effect of leader's transformational style on employee performance

Leaders have a significant impact on employee performance by influencing, remodeling workplace behaviors, and shaping reality through various leadership styles (Gardner & Stough, 2002). Leadership is about people and processes interacting, and when people are involved, emotional awareness and management become important because they affect the interactions (Gardner et al., 2002). A transformational leader is known for having charisma, which encourages employees to pursue goals, walk the walk, and change attitudes and feelings in their daily interactions. To improve positive relationships with employees, a leader must use a transformational style and be aware of and capable of regulating emotions in order to avoid conflicts.

According to Bass and Riggio (2006), transformational leaders motivate and satisfy followers through inspirations that have a positive effect on how individuals perform assigned tasks. In other words, task assignment should be accompanied by motivation and encouragement of people as they complete their tasks. Effective leaders benefit their followers through effective communication, supportive structures, and favorable job assignments (Graen & Uhl-Bien, 1995). In exchange, leaders achieve effectiveness through employee performance (Liden, Sparrowe & Wayne, 1997). It is commonly assumed that the phenomenon of leadership is only associated with men. However, a paradigm shift in leadership has revealed that certain personality traits, when controlled, make women effective leaders.

Empirical evidence also revealed a positive relationship between a leader's transformational leadership style and employee performance. Tayal, Upadhya, Yadav, Rangnekar and Singh (2018) investigated how a leader's transformational style influenced employee acceptance of change and performance in Uttarakhand, India. The study sample consisted of 378 bank employees. The results revealed that leader's transformational style led employees to accept change and improved performance. According to the findings, there is a positive relationship between transformational leadership and employee acceptance of change.

Odetunde and Ufodiama (2017) investigated transformational leadership and organizational culture as predictors of employee creativity and innovation in Nigeria's oil and gas services industry. Data were collected from 414 randomly selected employees of four oil and gas service companies in Lagos, ranging in age from 19 to 61 years ($x=33.4$). Transformational leadership and an appropriate organizational culture were found to be important factors in facilitating employee creativity and innovation in the oil and gas service industry. It was suggested that oil and gas service companies promote employee creativity and innovation by promoting and investing in transformational leadership training for their managerial staff, as well as establishing an enabling innovative organizational culture.

Gonnah and Ogollah (2016) investigated transformational leadership style and employee performance among Family Bank employees in Kenya. The study included 319 respondents as a sample size. The study used self-administered questionnaires to collect primary data. The results revealed that transformational leader style correlated with individual

employee performance using a simple random sampling technique. The study concludes that idealized influence has a significant impact on performance, and being a role model to subordinates has a significant impact on their attitude toward change as well as their willingness to work. The study also concludes that inspirational motivation and intellectual stimulation have a significant impact on performance. Based on the preceding discussions, it is clear that transformational leadership style positively influences employee performance. Therefore, this study hypothesized the following:

H₀₂: Transformational leadership style does not have a significant direct effect on employee performance.

Mediating effect of leader transformational leadership style on the relationship between emotional intelligence and employee performance

Empirical evidence linking leader's transformational style and emotional intelligence provide positive results. In Egypt, a recent study conducted by Shaaban (2017), a survey of 150 employees in ministry of military production established a significant positive relationship between emotional intelligence and transformational leadership. Mayer et al. (1997) indicated that emotional intelligence involves power to acknowledge emotion and use the emotional information to raise positive attitude in people. This means that once leaders perceive emotions, they admit what outcomes emotions are probably to trigger and transform the people's behavior. Hence, leaders have to be compelled to recognize and acknowledge their own emotions and those of others so as to transform work behaviors in order to improve performance.

Buil, Martnez and Matute (2019) investigated the role of organizational identification and work engagement in mediating the relationship between the transformational leadership style and employee performance. Partial least square regression was used to analyze data from 323 frontline hotel employees. According to the findings, identification and engagement fully mediated the relationship between transformational leadership and organizational citizenship behaviors, whereas engagement only partially mediates the relationship between transformational leadership and job performance. The findings suggest that identification and engagement have a sequential mediation effect on employee performance.

Another study conducted by Kim and Kim (2017), a stated review of 20 empirical studies covering five different continents were analyzed and results disclosed that most empirical evidence support emotional intelligence and transformational style but the studies indicated that they lacked further analysis of other factors which could affect the relationship.

Merry, Noureen and Noshaba, (2022) linked Transformational Leadership Style and University Teachers' Job Performance under the Mediated effect of Intrinsic Motivation Lahore university in Pakistan. Correlation research designed was used under the umbrella of quantitative approach. The population of the study was university teachers in public sector universities of Lahore. Multistage cluster sampling was used. For data collection 510 teachers were and response rate was 72%. Data were analyzed while using descriptive and inferential statistics. Positive relationship was found between transformational leadership and intrinsic motivation. It was also found that intrinsic motivation partially mediates the

relationship between transformational leadership style and job performance. Mostly literature supported that transformational leadership cultivate positive values among followers. The findings showed that most of the teachers in university level in Lahore had implemented transformational leadership at a high level. This proves that transformational leadership is suitable to be practiced in universities by teachers. The study utilized intrinsic motivation as a mediator as compared to the present study making use of transformational leadership as a mediator between emotional intelligence and employee performance.

Rajee, Sareena and Kengatharan (2020) amongst 177 academic heads in public universities in Eastern province of Sri Lanka disclosed a correlation between emotional intelligence and transformational leadership. The study's recommendation indicated that future researches should use large sample sizes. The study used a small sample size of 177 and conducted in public universities in Sri Lanka as compared to the current study utilizing a sample size of 384 in a manufacturing sector in Kenya. Also, the study looked into emotional intelligence and transformational leadership as opposed to the current study utilizing emotional intelligence, transformational leadership style, and androgyny and employee performance variables.

Rono, Korir, and Komen (2020) investigated the mediation effect of transformational leadership style on the link between dynamic capabilities and competitive advantage across manufacturing firms in Nairobi, Kenya. The positivist paradigm, explanatory research design, and quantitative approach were utilized to analyze a target population of 795 manufacturing firms in Nairobi, Kenya. A sample size of 321 firms was selected based on Yamane formula of

determination in selecting respondents to be served with the questionnaires. The study employed stratified and simple random sampling technique to constitute the required sample of firms. The results showed that dynamic capabilities positively and significantly affect competitive advantage of manufacturing firms. The results further indicate that transformational leadership style mediates the relationship between dynamic capabilities and competitive advantage. The results provide a channel through which CEOs of manufacturing firms can identify constructs by sensing, seizing and reconfiguring capabilities for competitive advantage.

According to the research presented above, leaders' transformational styles have a positive effect on emotional intelligence, which has also been shown to have a positive effect on employees. This implies that there may be a mediating influence on the relationship; therefore, in this study, it was critical to assess the mediating effect of the leader's transformational style on the relationship between the leader's emotional intelligence and employee performance. This study hypothesized the following:

H₀₃: Transformational leadership style has no mediating effect on the relationship between leader's emotional intelligence and employee performance

Theoretical Framework

Transformational Leadership Theory

Burns developed transformational leadership theory in 1978, and Bass and Avolio reviewed it in 1990 (Bass & Avolio, 1994). According to the theory, a leader identifies needed change, develops a vision to guide change by empowering their

followers, and then executes the change with their followers' commitment through idealized influence, individualized consideration, inspiration motivation, and intellectual stimulation (Bass et al., 1994). Changes in the environment, according to affective events theory, have an impact on employee performance. Leaders must motivate their employees to achieve set goals and improve performance.

Transformational leaders serve as role models as idealized influences (Bass & Riggio, 2006). As role models, leaders demonstrate fascinating behaviors such as honesty, trust, enthusiasm, and pride in order to be emulated by followers. A leader can also appeal to their hopes and dreams. In turn, followers tend to imitate their leaders' behaviors. A leader must be trusted in order to be emulated. According to the authors, Bass and Riggio (2006), trust is built by empowering followers and motivating them to achieve a group goal. Individualized consideration refers to the extent to which a leader attends to the needs of his or her followers, mentors them, and listens to their concerns and needs. Individual consideration is essentially the leader focusing on the needs of the followers. According to the author, Bass et al. (2006), the leader serves as an example, facilitator, mentor, and teacher in order to create a motivated team to complete assigned tasks. A leader inspires trust and respect in his or her subordinates by remaining committed to them. The term "inspiration motivation" refers to followers who are motivated by the achievement of a standard structure goal (Bass et al., 1994). A leader creates a vision, set goals and influence followers as a team towards the vision and set goals. The vision and goals bring followers together and provide a purpose for task completion, which is driven by the charisma of the leader. This is frequently the result of leaders being forced to change

and adopt best practices. The degree to which a leader provides vision, uses appropriate images to assist others in their work, and makes others feel important in their work is measured by inspirational motivation.

Intellectual stimulation is associated with group action. A leader challenges the established order, activity, or individuals by directing and encouraging followers to be creative. A leader encourages followers to think differently and to question their values, beliefs, and expectations (Bass et al., 1994). Brainstorming is an important part of intellectual stimulation. The leader encourages followers to look for new or innovative ways to help with problem solving or decision making. By doing so, followers may be able to call into question their pre-existing order, culture, and leader expectations. This challenging of established order provides a leader with relevant data to aid in thinking and action and the needs of followers are met within the intellectual thought (Bass et al., 1994). A leader pays attention to the needs of his or her followers and addresses them. As a result, followers gain confidence and trust in their leaders. Followers will rework their performance and raise the level of employee performance once they develop trust and confidence in their leadership and organizational mission.

Methodology

A research design is a comprehensive plan that guides the selection of data gathering methods and analysis procedures to meet the study's objectives (Awang, 2012). Explanatory research design, also known as causal research design, describes a phenomenon (Kothari, 2004). Explanatory design was utilized to collect data that helped answer the why and how questions. The data described the occurrence and offered evidence to support or refute the study hypotheses. Kothari (2004) defines a target population as the total number of products or individuals being investigated. The study's target sample included 3,500 employees from selected manufacturing firms at various levels. The sample size was determined using the Yamane (1967) formula, which yielded 360 respondents, as shown in Table 1. A stratified sample design was used to categorize the manufacturing firms into seven main categories: A, B, C, D, E, F, and G. Subsequently, every employee inside the selected organizations, or the target population, were divided into three strata: top management, middle management, and lower management, with random sampling undertaken within each.

Table 1: Sample design, procedure and size

Selected Firms	Manufacturing	Population size	Formula (Yamane, 1967) $3500/1+3500(0.05)^2 = 359$	Total sample size
A		410	$410/3500 \times 359$	42
B		170	$170/3500 \times 359$	17
C		380	$380/3500 \times 359$	38
D		745	$745/3500 \times 359$	76
E		325	$325/3500 \times 359$	33
F		800	$800/3500 \times 359$	82
G		700	$700/3500 \times 359$	72
		3,500		360

Source: Research Data (2022)

Primary data was collected from employees at various factories in Nairobi County. The questionnaire was split into two sections: A and B. The first section, A, included questions about demographic information with numerous options, and B, included responses to each questionnaire item, which were scored on a five (5) point Likert scale, with the highest score (5) indicating strong agreement and the lowest score (1) indicating strong disagreement, measured in intervals.

The pilot test samples were collected from a manufacturing company in Eldoret Town during February and March 2023. According to Zikmund et al. (2000), ten to thirty percent (10% or 30%) of the samples were convenient, as is usual of pilot tests. To ensure that the questionnaire met the requirement, 30 (Textile 300 x 10% = 30) employees from the manufacturing firm were piloted. The total sample size for pilot testing was 30, which serves as a convenient sample size for research pilot testing. The primary goal of the pilot test was to ensure that the questionnaire collected the required responses and identified issues before it was released to the general population (Zikmund, 2000). Content validity was adopted. According to the author Bryman (2016), "content validity relates primarily to measuring the adequacy of items that represent the concepts." Internal consistency reliability was tested using inter-item consistency reliability. According to the author, Hair et al. (2010), inter-item checks the consistency of questions responded using Cronbach's alpha values ranging from -1 to 1. The pilot's findings demonstrated that queries about employee performance variables were consistent with Cronbach's values. 83 of them were above .70, emotional intelligence variables had Cronbach's alpha values of .690 which is .70. Transformational leadership style variables

Cronbach's alpha values were at .92 which deemed desirable and reliable. Reliability for mediating variable, transformational style was measured using MLQ 5x. Since the study made use of already used instruments, its reliability of .75 to .82 was desirable.

Data was analyzed using SPSS to generate descriptive and inferential statistics. Categorical variables were summarized using frequency tables and percentages, whereas continuous data was summarized using mean and standard deviation. Multivariate statistics were employed via multiple regressions, and variables with p values less than or equal to 0.05 were considered statistically significant.

Hierarchically, regression model that was used to test the direct effects was as follows;

$$Y = \beta_0 + C + \beta_1 X + \epsilon \dots \dots \dots \text{Model 1}$$

To test the effect of mediating variable, transformational style (M) on the relationship between emotional intelligence and employee performance, Mackinnon's (2012) procedures were employed as follows;

$$Y = \beta_0 + C + \beta_1 X + \beta_2 M + \epsilon \dots \dots \dots \text{Model 2}$$

Where,

Y=Employee Performance

X=Emotional Intelligence

M= Transformational style

C= Control Variables (gender, age, level of education, office tenure)

ϵ =Error Term

Results and Discussion

Descriptive statistics

Descriptive statistics for various variables related to emotional intelligence, transformational leadership style and employee performance after the

transformation of the data are presented in table 2 below.

Table 2: Descriptive statistics for the variables

Variables	Mean	Std. Dev.	Skewness	Kurtosis
Employee Performance	4.22	.518	.245	.6722
Leader's Emotional Intelligence	3.308	0.611	-0.299	2.732
Transformational Leadership Style	4.07	0.611	-0.247	0.853

Source: Research Data (2024)

Employee performance had a high mean score of 4.22, indicating a strong overall agreement among respondents regarding high levels of performance, with a standard deviation of 0.518 reflecting moderate variability in the responses. The leader's emotional intelligence had a mean of 3.308 and a standard deviation of 0.611, suggesting a slightly lower but moderately distributed perception of emotional intelligence among leaders, with a negative skewness of -0.299 and a kurtosis of 2.732, indicating a distribution leaning toward higher scores. The transformational leadership style variable had a mean of 4.07, showing a generally high perception of transformational leadership and a standard deviation of 0.611, indicating moderate variation in the responses, with a slight negative skewness of -0.247 and a

kurtosis of 0.853, indicating a fairly normal distribution. These findings suggest a strong agreement on employee performance and leadership style, with moderate variation across respondents.

Correlations

The correlation coefficient indicates the level and direction of the relationship and any association with values of 0.9 or above is considered a cause for concern (Hair et al., 2010). Pearson Product Moment Correlation was used to test the correlations between variables, with the goal of determining the strength of the linear relationships between research variables including leader's emotional intelligence, transformational leadership style and employee performance metrics.

Table 5: Correlations

		Employee Performance	Emotional Intelligence	Transform. Style
Employee Performance	Pearson Correlation	1		
Emotional Intelligence	Pearson Correlation	.608**	1	
Transformational Leadership Style	Pearson Correlation	.614**	.433**	1

Source: Research Data (2024)

The findings as presented on the table 5 revealed positive correlations between leader's emotional intelligence, transformational leadership style and employee performance all significant. The

was a moderate positively significant relationship between emotional intelligence, and employee performance ($r = .608$, $p < 0.05$) and between transformational leadership style and

employee performance ($r = .614, p < 0.05$) however, emotional intelligence had a weak significantly positive relationship with transformational leadership style ($r = .433, p < 0.05$).

Effect of leader's emotional intelligence on employee performance

The first hypothesis stated that emotional intelligence does not have a significant direct effect on employee performance. The study showed a positive significant relationship between the two variables in which leader's emotional intelligence accounts for 37.9% of the variance in employee performance, $\beta = .584 = 58.4\%$, $R^2 = .379$, $F = 32.1$, with a significant $p = .000$.

According to documented research, a leader's ability to understand his or her own emotions as well as the emotions of others in the workplace helps the leader to inspire and motivate employees to perform (Mayer et al., 2016). This indicates that a leader's emotional intelligence increases their awareness of their own and others' emotions, providing an encouraging atmosphere for employees to better their performance. The current study's findings are in line with Rono et al.'s (2017) study of 338 employees at Almasi Beverages Limited Companies in Kenya, which found a positive correlation between emotional intelligence and employee performance. However, the current study's findings contradict those published by Joseph et al. (2015), who discovered that certain dimensions of emotional intelligence were not significantly related to employee performance. The argument made was that emotional intelligence is a relatively new concept that requires further sensitization, enquiry, and dissemination, demanding for further investigation and publication of study findings in this area.

Effect of leader's transformational style on employee performance

The second hypothesis suggested that a transformative leadership style has no significant direct effect on employee performance. The study demonstrated a significant correlation between a leader's transformational style and employee performance ($\beta = .428$, $p = .000$, $R^2 = .527$ with $F = 49.9$). This shows that the leader's transformational style accounts for 52.7% of the overall variance in employee performance. The findings of this study are consistent with those of Bass and Riggio (2006) and Gardner et al. (2002), who discovered that transformational leadership style include charisma, which promotes effective communication, encourages and inspires employees to pursue goals, shifts attitudes, and creates a positive work environment which improves job performance.

Employee performance improves when leaders use transformational leadership styles. The style is desirable because it inspires and motivates employees to work towards organizational goals. Leaders who exhibit transformation style are able to attract the best talented employees to the organization, and by expressing the transformational nature of leadership, they instill confidence and cause employees to develop trust in them. The study findings confirm Khan, Rehman, and Butt's (2020) study on the impact of transformational leadership on work performance of 308 employees in Pakistan's telecommunications sector, which found a positive association between transformational leadership style and job performance. Furthermore, in a separate study conducted in Bangladesh, Al-Amin (2017) revealed a positive relationship between transformational leadership style and employee performance. However, the findings of this study contradict Chen, Ning, and Yang's

(2018) study in China, which discovered that a supervisor's transformational leadership style had both good and negative effects on their subordinates' or employee performance.

Mediating effect of transformational leadership style on leader's emotional intelligence and employee performance

The third hypothesis stated that transformational leadership style has no significant mediation influence on the relationship between emotional intelligence and employee performance, was tested using a four-step technique for determining mediating effects. Baron and Kenny (1986) used a four-step approach in which various regression analyses were performed and the significance of the coefficients was assessed at each stage (Hayes, 2009). Step one was to determine the direct correlations between a leader's emotional intelligence and transformational leadership style. This was the leader's emotional intelligence predicting employee performance to test for path c' ($Y = \beta_0 + \beta_1 X + \beta_2 M + \epsilon$).

The findings revealed a partial mediating effect on the relationship between the leader's emotional intelligence and employee performance, $R^2 = .187$ which is 18.7%, $F = 73.6$ with a sig. $p = .000$, supporting the first phase of the mediating impact and the existence of a significant direct correlation. The data showed that leader's emotional intelligence accounted for 19% of the total variance in employee performance. The direct and indirect relationship of the variables indicated that transformational leadership style mediates the relationship between leader's emotional intelligence and employee performance. The direct effects yielded $\beta = .421$, $SE = .043$, $t = 9.8$ with a sig. $p = .000$, positive $LLCI = .337$, and $ULCI = .506$. The indirect results indicated that transformational leadership had a

mediating effect ($\beta = .186$, $BootSE = .032$, $BootLLCI = .129$, and $BootULCI = .256$). The findings show that improving employee performance necessitates a transformational leadership style that can inspire, motivate, influence, or transform employees' work behaviors, as organizations are constantly looking for better ways to improve performance and remain agile in business. Transformational leadership mediates the link between a leader's emotional intelligence and employee performance. The study's findings are similar to those of Rahman & Ferdousy (2014) who discovered that transformational leadership style had significant effect but the point of divergent is that Rahman et al. (2014) study established a full mediation effect of transformational leadership style on the relationship between a leader's emotional intelligence and employee performance. The previous and current study findings imply that leaders should continue to work on developing their emotional intelligence.

In as much as studies have found a strong relationship between a leader's emotional intelligence and employee performance, as well as a relationship between transformational leadership style and employee performance, the findings of this study support Lee, Yeh, Yu, and Lin's (2023) study, which found that, while employees respond optimally to transformational leadership style, other variables are also important. Similar results were found in Lee et al., (2023) findings, which revealed a positive relationship between a leader's emotional intelligence, transformational leadership, and employee job performance, with both direct and indirect relationships. The current study adds significantly to the existing body of literature by looking into the mediation effect of transformational leadership on the relationship between leader emotional intelligence and

employee performance. It provides new results based on a study of a leader's emotional intelligence, transformational leadership style, androgyny, and employee performance in Kenya's manufacturing sector.

Conclusion

The findings of this study revealed a positive association between leaders' emotional intelligence. Furthermore, transformational leadership style demonstrated partial mediation, implying that it mediates the relationship between a leader's emotional intelligence and employee performance. The findings revealed that enhancing employee performance demands a transformational leadership style that can inspire, motivate, influence, or transform people's work behaviors, as organizations are continually seeking for new ways to increase performance and remain agile in business.

Recommendations

The mediating effect of transformational leadership style on the relationship between leader emotional intelligence and employee performance yielded positive results which is addition to the literature. The current study's findings add to existing literature by demonstrating that there is not only a direct relationship between a leader's emotional intelligence and employee performance, but the relationship is also mediated by transformational leadership style.

This study's findings may be useful to policymakers since they influence policy and, when combined with strategic goals, can assist manufacturing firms in integrating leaders' emotional intelligence to increase staff performance. The findings revealed that a leader's emotional intelligence is linked to employee performance, which is crucial knowledge

for policymakers at all levels as they establish policies to assist leaders in effectively leading organizations, particularly in the manufacturing industry. Second, policymakers in the manufacturing industry have to embrace novel approaches, such as transformational leadership, which has been shown to influence the relationship between a leader's emotional intelligence and staff performance.

The study suggests that leaders emotionally support others in order to increase performance, and that leaders add transformational leadership approaches into their leadership responsibilities to transform their employees' work performance. Further research should focus on the mediating role of inspirational motivation in the relationship between a leader's emotional intelligence and employee performance.

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