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***Research paper***



# The Impact of Laisser-Faire Style Leadership on Administrative Performance: the Case of Tanzanian Organizations

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**Abstract**

This study investigated the Impact of Leadership style on Administrative Performance in Tanzanian Organizations. In many organizations, leadership through employee's commitment is regarded as the key to administration performance to well-functioning, hence leading to attaining goals and objectives of organizations. The objectives of this study were to analyze the impact of Democratic, Laisser-faire and Bureaucratic Styles of Leadership on administrative performance in Zanzibar to understand the influence of autocratic leadership styles on administrative performance. A survey was designed and data collected by dissemination of a questionnaire to a sample size of 120 respondents from Zanzibar, Tanzania. These respondents were selected using random sampling and purposive sampling and data collected was analyzed by the latest Statistical Package for Social Sciences (SPSS) software. The leadership style of democratic, laisser-faire, transactional and transformational leadership styles had a significant positive relationship with staff commitment in the organizations. The laisser-faire and transformational leadership style significant positive association with staff commitment would enhance the productivity and profitability in organization.

***Keywords***: *Leadership, Administrative Performance.*

## 1. Introduction

This study focused on assessing the Impact of Leadership styles on Administrative Performance in Organizations. For any organization the aim and goal is not only to survive, but also to sustain and being competent to its existence by improving performance. Many researchers observe that administrative performance management is which represents an important part of the roles that leader's play in organizations [1]. In order to meet the needs of the highly competitiveness employees in organization must continually increase the performance [2]. Prior, many literatures suggest that role of leadership is critically important for achieving the performance of organizations [3,4,5,6,7,8,9,10,11]. Lastly a leader can also have an impact on organization performance through the way he/ she structures the strategies to mitigate the conflict between the subordinates [12]. However, the finding of prior studies about the role of leadership in increasing performance [13,14,15] suggested that the role of leadership in an organization critically enhanced the important performance to achieve a high administrative performance. However, some other studies [16,17], suggested that the role of leadership is not so important in achieving the administrative performance. Many researchers observed that staff's commitment represents an important part of the role leader's play in organization [18]. Nowadays businesses are operating in a turbulent environment and stiff situations where some sectors are searching for measures that will allow them to enhance their stability and competitiveness. Staff's commitment is one of the measures to have committed employees as we can qualify it, as generally regarded as organization achievement regarding interests or ideas from different people and push them to compete, reward them to overcome higher positions improvements [19]. In workplace the success and failure are based on the employees' performance of an organi
zation, and this depends on how a leader manages different situations in workplace. The leaders' way of managing different situations reflects in their overt behavior [20]. The general Objective of this research was to assess the impact of leadership style on administrative performance in organizations in Zanzibar State Trading Corporation. To assess the impact of leadership and commitment of staffs at work, [21], discovered as the nature of work can lead to change and sustain the culture of the organization to generate more productivity and new strategy and reinforcing according to the staff beliefs, shared values, norms, practices and handling of their conflicts that has established in the organization. The findings of this study may assist management of organizations to be aware of the best leadership style behavior to enhance organization performance. The better outcome that has been experienced in organizations, are the result of how the firm designed the best they use their leadership styles that build an effective team that lead to increase of performance in organization. The study will also assist managers in design well their leadership style to their subordinates to make sure they reach the certain goal through commitment, and a guide to other people who are interested in conducting the same related research. Furthermore, the study findings would help management of public organization at large to adopt best leadership behaviors which are suitable to them and effectiveness in reaching the organization goal.

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## 2. Literature Review

[22] argued that, in any organization comprised with two major ways which all needed to be addressed separately by the leaders, the situation of being so attentive of development of particular work and commitment, and the problem factor which might occur, and people factor in order for organization to be more effective. First, to construct a multifaceted commitment is complex. That is, commitment between leaders and subordinates can take different forms depends the nature of work or department. Second, there has been broadening of the areas within which commitment is studied. Top management can feel committed to an organization, individuals, supervisors, or a particular work group. Furthermore, [23] observed that leadership style at the workplace has a significant influence to affects employee's self-image either positively or negatively particularly in energy level and the interests of working by creating a stimulating work environment or on the other side filled with tension or fear. Administrative success and failure of each organization is based on the employee's performance and this depends on how a leader images different situation of participation with employees. The leader's way of managing different situations reflects in their overt behavior [24].

## 3. Framework of the Study

This study was guided by a conceptual model developed from the literature and it takes into account many aspects in relation leadership and administrative performance. This includes the leadership behaviors: transformational, transactional were adopted to find leadership styles to organizational staff commitment to achieve high administrative performance as shown in figure 1.

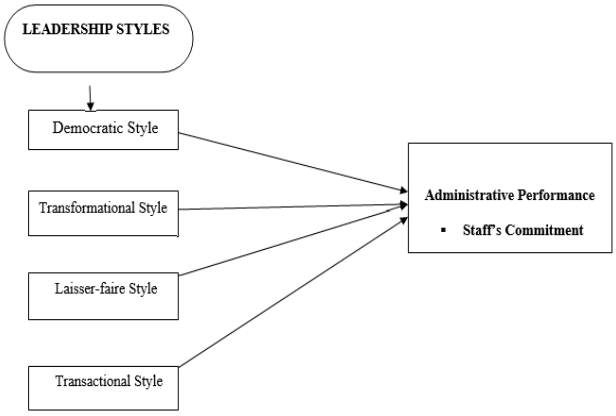



**Figure1:** Framework.

## 4. Research Design

The research adopted the survey study, because it is an in-depth study of a particular situation/problem. Also, it is a method used to narrow down a very broad field of research into one easily researchable topic. [25] explained the research design as the arrangement of collecting and analyzing data in a manner that aims to come up with relevance results to the study. The targeted population was the 120 employees of Zanzibar State Trading Corporation.

a. Dependent Variable: Staff commitment b. Predictors: (Constant), Transformation leadership, Transactional style, Democratic leadership, Laisser-faire leadership. The ANOVA revealed that the overall regression model is a good fit for the data, because the table shows that the leadership styles significantly predicts staff commitment, that show that there is a statistical significant relationship between variables since the significant is 0.000 which is less than 0.05. $F(4, 115) = 573.9$, $p < 0.05$.

a. Dependent Variable: Staff commitment

### 4.1. Staff Commitment= 0.22 – 0.135 (Transactional) + 0.017 (Democratic) + 0.735 (Laisser-Faire) + 0.376 (Transformational)

From Beta measurement, the positive (+) is the results shows the positive relationship between variables that the increase of independent variable leads the dependent variable to increase too, and the negative (-) results shows the negative relationship between variables that the increase of independent variable leads dependent variable to decrease. Therefore, the coefficient shows that, the model experienced the results of one unit of Transactional style of leadership decreased the staff commitment by 13.5% with significant of 0.003 from coefficient results; the increase of Democratic leadership increased the staff commitment by 0.017% with significant of 0.699 from coefficient; the other unit of Laisser-faire increased the staff commitment by 0.735% with significant of 0.000; the increase of one unit of Transformational leadership increased staff commitment by 37.6% with significant of 0.000 from coefficient, when the influence of the other independent variables is assumed to be constant. Multi-Collinearity is satisfied as tolerance scores are less than 0.2. VIF similarly confirms this as none of the predictor variables VIF scores are above 10.

## 5. Findings

The results in the study had been emphasized by different studies and theorists among them one of a good example was by [26,27] who all argued that the prime factor of organization to effectiveness is a leadership style which influence to the subordinates that make them satisfied, committed, and improve the productivity. The result from correlation and regression related to laisser-faire showed the significant positive relationship with the staff commitment, which followed by the transformational style which had the correlation of 0.922 and regression of 0.376, the democratic took the third with correlation of 0.812 and regression of 0.017. The leadership style of democratic, laisser-faire, transactional and transformational leadership styles had a significant positive relationship with staff commitment in the organizations. However, two of these variables showed the most significant among others to the relationship with staff commitment which are laisser-faire and transformational leadership style, would enhance the productivity and profitability in organizations in Tanzania. Through laisser-faire leadership style indicated that most of employees are satisfied on how their leaders lead them for the organization goals and objectives. Besides, laisser-faire style was the most important since it helps members of organizations although they had a freedom to work on their own, to cooperate and work together for the best of their knowledge, skill and resources to accomplish the organization's task.

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**Table.1**: Correlation Analysis

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 141.690 | 4 | 35.423 | 573.995 | .000[b] |
| | Residual | 7.097 | 115 | .062 | | |
| | Total | 148.787 | 119 | | | |

**Table.2:** Coefficients

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | 95.0% Confidence Interval for B | | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | | Lower Bound | Upper Bound | Tolerance | VIF |
| 1 | (Constant) | .022 | .081 | | .277 | .782 | -.137 | .182 | | |
| | Transactional style | -.135 | .045 | -.129 | -3.038 | .003 | -.224 | -.047 | .228 | 4.378 |
| | Democratic leadership | .017 | .043 | .017 | .388 | .699 | -.069 | .103 | .223 | 4.490 |
| | Laisser-faire leadership | .735 | .049 | .725 | 15.038 | .000 | .638 | .832 | .178 | 5.606 |
| | Transformation leadership | .376 | .048 | .372 | 7.761 | .000 | .280 | .472 | .181 | 5.539 |