The Relationship Between Leadership Styles And Employee Motivation In The Ghana Audit Service.

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Abstract: Leadership is one of the most broad studied subjects in academic and research circles, yet it is least understood, invoking complex debates and discussions. Scholars and theorists have spent considerable time to define and explain the purpose which leadership serves in business and other entities. This article presents the results on the relationship between leadership styles (Transformational, Transactional and Laissez-faire) and employee motivation in the Ghana Audit Service. Statistical analyses were done on data gathered from employees of the Ghana Audit Service in the Headquarters. It was realized from the study that there is a positive significant relationship between the leadership styles and employee motivation. The article presents the results of the study.

Keywords: Leadership, Leadership Styles, Employee Motivation.

1.   INTRODUCTION

In today's world, there is a lot of focus on the importance of leadership behaviour and style to the operations of organisations and at the same time, organisations are struggling to attract and retain talented employees. Companies today are forced to function in a world full of change and complexity, and it is more important now than before to have the right employees in order to survive the surrounding competition. New companies and businesses are blossoming, new technologies are constantly developing and the knowledge and perception of how much employees actually mean to organisations are getting greater every day. Most companies are looking for the right expertise in different areas, and human resources are therefore important competitive factor, that needs to be taken into consideration when managing organisation (Ljungberg & Larsson, 2005). The key challenge for modern organisations is to understand the strong influence of organisational culture on leadership styles and its direct and indirect effects on individual members of organisations. The complication of understanding leadership and the measurement of competency of leaders are reported as key factors contributing to slowness in organisational development (Yoon, Donahue & Woodley, 2010). Motivation on the other hand, is a crucial factor in any human activity. This is because motivation is a determinant factor towards employee performance, a key that dramatically influences organizational performance (Polacek & Roe, 2001). It therefore presupposes that motivation serves as a catalyst and makes it possible for attainment of tremendous employee productivity and operational efficiency. The main purpose of motivation at workplace is to minimize dissatisfaction and to keep people within the organisation (Tosi, Rizzo & Merol, 2000). There are so many factors that may motivate an individual employee. Examples include technical supervision, interpersonal relations, salary, working conditions, status, company policy and job security (Tosi, Rizzo & Merol, 2000). Some authors (Oldham & Hackman, 2010; Lawler, 1969) indicate that job design plays an important role in shaping employees behaviour while others (Allender & Allender, 1998; Roche & MacKinnon, 1970; Mayfield & Kopf, 1998; Tharenou, 1993) suggest that leadership style and freedom given to employees are crucial in motivating employees. Another

group of researchers (Luthans & Stajkovic, 2000; Armstrong & Murlis, 2004) try to prove that recognition can be used to motivate people to perform well. Leadership cannot succeed without motivation (Bittel, 1992). Based on this, the objective of this article was to find out the relationship between the various leadership styles and employee motivation in the Ghana Audit Service, Accra. The article is structured as follows. First, the concepts of leadership and leadership styles as well as motivation were critically looked at. Next, the author presented the methodological framework of the study, detailing the procedures applied and the data collection tool, as well as the sample used in the study. Finally, the author discussed the results obtained, recommendations as well as future research avenues resulting from the findings.

2.   The Concept of Leadership

There are different definitions and views on the nature of leadership in the literature over the years. Yukl (1989: p.252) states that "researchers usually define leadership according to their individual perspectives and aspects of the phenomenon of most interest to them". Finding one specific definition of leadership is a very complex task as studies on the topic are wide and varied and there is no generally accepted definition (Bass, 1985). Generally, leadership involves influencing other individuals to act towards the attainment of a goal or goals. In the 1950's, renowned leadership theorist, Stogdill, captured what is considered an accurate definition of leadership: "….the process of influencing the activities of an organized group in efforts towards goal setting and goal achievement" (Stogdill, 1974: p.11).

2.1.   Leadership Styles

Leadership is considered in this article as both an individual and group-directed measure of leader's behaviour and style. Leadership style is defined as the pattern of behaviours that leaders display during their work with and through others (Hersey & Blanchard, 1993).

2.1.1.   The Transformational Leadership Style

The concept of transformational leadership was first developed by (Burns, 1978). Yukl (1989) defined transformational leadership as the process of influencing major changes in attitudes and assumptions of

organizational members and building commitment for the organizational mission and objectives. The transformational leader is concerned with helping the follower reach his or her potential by coaching him or her to grow personally in the context of the organization's vision and goals. It has been shown that this approach is effective in improving organizational performance (Vecchio, Justin & Pearce, 2008). However, Shibru & Darshan (2011) confirmed that the transformational style raises the efficiency and productivity of an organization because of its flexibility and how it gives the followers the chance to be creative.

2.1.2. The Transactional Leadership Style
Bass (1990) explained transactional leadership as an exchange relationship between leader and follower and is grounded in the social learning and social exchange theories, which recognize the reciprocal nature of leadership. Some behaviour inherent to the transactional leadership in terms of two characteristics: the use of contingent rewards and management by exception (active/passive). The transactional leaders are good at making issues clear, but they lack some positive skills such as giving attention to the needs of individuals.

2.1.3. The Laissez-Faire Leadership Style
Deluga (1990) describes the laissez-faire leader as an extreme passive leader who is reluctant to influence subordinates' considerable freedom, to the point of abdicating his/her responsibilities. There is no relationship exchange between the leader and the followers. Laissez-faire leader lives and work with whatever structure put in place without any suggestions or criticisms. Goals and objectives are established only when necessary and required. One of the main characteristics of laissez-faire leaders is that they always want to delegate authority into the hands of their subordinates. Laissez-faire leaders give a considerable freedom to their subordinates to do things for themselves. In such situations, followers could be adventurous and build self-confidence to meet future challenges on their own.

2.2. Leadership Styles and Motivation
Research has shown that transformational leadership rather than transactional and laissez faire leadership, results in higher levels of employees satisfaction, commitment and performance (Alam & Mohammad, 2009). Given that high levels of satisfaction and commitment have been demonstrated to have an inverse relationship with intentions to quit, it is therefore simple to assume that a similar relationship would exist between transformational-transactional leadership styles and intentions to quit. In addition, good leadership appears to increase satisfaction and commitment, and turnover intentions (Kara, Uysal, Sirgy & Lee, 2013). The word "motivation" is derived from the Latin word "movere" which means to move. Greenberg and Baron (2003) defined motivation as the set of processes that arouse, direct, and maintain human behaviour towards attaining goals. Content theories try to explain why people are motivated in different ways and in different work settings. They include Hierarchy needs theory, ERG theory, Herzberg's Two Factor Theory and Acquired needs theory. Vroom's Expectancy Theory, Adam's Equity Theory, Locke's Goal Setting Theory and

Skinner's Reinforcement Theory, among others are examples of process theories Mobley (1982) found that the relationship between motivation and turnover, although not particularly strong, is consistent, as well as consistent with Vroom's (1964) assertion that dissatisfied employees are more likely to leave than satisfied employees. He recommended that motivation be measured in order to effectively predict and understand turnover (Mobley, 1982). Efforts should also focus on what satisfies employees, as well as what causes them to be committed to the organization. Meta-analyses revealed that job satisfaction can be enhanced through variables, "which include both employee personality and work environment" (Bowling, Eschleman, Qiang, Kirkendall, & Alacron, 2010 p.602). Thus, hypothesis 1 was formulated.

Hypothesis 1: There is a significant relationship between motivation and employee turnover intention.

3.0. Methodology

3.1. Sample and Procedure
This study was carried out at the Ghana Audit Service (the Supreme Audit Institution of Ghana) in Accra, Headquarters due to the fact that the organization engages the services of professional Accountants and Auditors with the core function being auditing. Simple random and purposive sampling techniques were used in order to make sure the purpose of the study is achieved

Sample size of one hundred and fifty-three (153) respondents were selected because of cost and time constraints. After administration of questionnaires, one hundred and fifty (150) questionnaires were valid for the study. A response rate of 98% was attained. The respondents' age ranged from 20 to 60, and 68% of them were men. As anticipated, the sample had a high level of education: 36.7% were Chartered Accountants whereas 28.0% and 22.6% were Postgraduate and Degree holders/Graduates respectively. 6.7% were Diploma/HND holders and the remaining 6.0% were Secondary education graduates. The sample was made up of employees with different positions: 82.7% of the respondents were Auditors, followed by 10.6% which were Administrative Assistants and the remaining 6.7% being Directors. Finally, 42.0% of the respondents have been with the Ghana Audit Service for less than 5 years. Also, 36.7% have been with the service for 6-9 years and the remaining 21.3% having been working for more than 10 years.

3.2. Measures
Questionnaires were developed in relation to survey instrument used in measuring each construct Three categories of questionnaires were used in this research to obtain information on Leadership Styles, Turnover Intention and Motivation, namely; Multifactor Leadership Questionnaire (MLQ) Employee Turnover Intention Questionnaire (ETIQ) and Employee Motivation Questionnaire (EMQ). The following subsections discuss the measures used for each construct.

3.2.1. Multifactor Leadership Questionnaire [MLQ]
Over the years, the Full Range Leadership Development Theory is a suitable theoretical construct for measuring leadership styles. The MLQ was formulated from the Full Range Leadership Development Theory (Avolio & Bass,

1997). Thus, the MLQ is based on the work of renowned leadership theorists like Bass, Avolio and Yammarino (Avolio & Bass, 1997). The MLQ has been improved and tested since 1985 and has resulted in the development of many versions of the questionnaire. The latest version, Form 5X (Revised), was used in this study. The MLQ comprises a 5 point Likert scale and the respondents were instructed during the administration of the questionnaires to mark the most suitable answer. The scale ranges from 1 to 5 as: 1 - Not at all, 2 - Once in a while, 3 – Sometimes, 4 - Fairly often, and 5 - Frequently if not always.

3.2.2. Employee Motivation Questionnaire (EMQ)
The employee motivation questionnaire was based on Abraham Maslow's Five Hierarchical order of needs, namely; basic needs, safety needs, esteem, love and self-actualization needs. The scale has been used by different researchers since it covers all the needs of individuals. It was used because they have been tested in many different organizational settings and found to be reliable.

4.0. RESULTS

4.1. Data analysis
Several analyses were carried out to verify the relationships between these three global variables (leadership styles, turnover intention and motivation). To determine whether there were multicollinearity effects, the author also calculated the variance inflation factors (VIF) for all relationships. All VIFs were lower than 2.5, which were far lower than the acceptance criterion of 10 and indicated that there was no multicollinearity problem (Field, 2009; Hair, Black, Babin, & Anderson, 2010). Then, using Cronbach's alphas, we evaluated construct reliability. The Cronbach's alphas for all constructs were not higher than 0.90. MLQ instrument is deemed to be a reliable measure of transformational leadership (0.849), transactional leadership (0.701) and laissez-faire leadership (0.749). Overall, the results showed adequate reliability and validity levels for all measures. The Cronbach's alpha reliability coefficient for the turnover intention instrument was 0.885. Also, the average Cronbach's alpha reliability coefficient for motivation instrument was 0.762.

4.2. Testing of Hypothesis

Table 1: *Regression of Employee Motivation on Turnover Intention*

Model	R	R Square	Adjusted R Square
1	.403[a]	.163	.157

a. Predictors: (Constant), Motivation

To test hypothesis 1, which predicted motivation will moderate the relationship between leadership styles and turnover intention, the author applied the procedure recommended by Baron and Kenny (1986) and carried out hierarchical regressions. As shown in Table 1, the author began by introducing the control variables. At the second level of entry (i.e., step 2 of the hierarchical regression model), the beta coefficients were .010 ($p < .05$) and .232 ($p > .05$) for leadership styles and motivation respectively and the incremental change, ΔR^2 was .163 ($p > .05$). Finally, the interaction term did not explain a significant

amount of incremental variance in turnover ($\beta = -.001$, $p < .05$). Thus, the interaction showed that motivation did not moderate the relationship between the overall leadership styles and turnover intention. Thus, hypothesis 1 was not supported.

5.0 DISCUSSIONS
In a study conducted by Bright (2008) to find whether the relationship among public service motivation (motivation, job satisfaction and turnover intention of public employees were mediated by person-organization (P-O) fit. While there was no guarantee as to a perfect fit between individuals and public organizations or to favourable levels of job satisfaction and turnover intent, the results confirmed that "high levels of motivation are congruent with the characteristics of public organizations, and will have favourable levels of job satisfaction and turnover intentions" (Bright, 2008, p. 163).

5.1. Recommendation
It is recommended that management in the Ghana Audit Service must endeavour to limit the upswing of staff turnover and increase the likelihood of achieving the company's set targets and objectives by implementing and fostering an environment that focuses mainly on transformational leadership behaviours such as inspirational motivation, intellectual stimulation, idealized influence and contingent reward. With the laissez-faire leadership style, it is recommended that being a professional organization, empowering employees and giving them some decision making latitude makes their job bring some sense of meaning, achievement and impact and hence make them want to stay. The Ghana Audit Service managers need to understand the significant motivational factors and how they influence employees' performance. Perhaps, tying performance and salary increases to work outputs may be one of the ways to encouraging commitment and advancing organization's aspirations. Also, it is essential for managers to assure their employees of commensurate pay but essentially to emphasize to employees that pay is based on performance and that 'bonuses' and other benefits like training and development programmes are awarded for extra efforts put in by those who are committed to advancing the fortunes of the Ghana Audit Service.

CONCLUSION
Leaders who embrace values of high morals, altruism, genuine concern, personalism, dignity, and the well-being of the individual will help create an environment where Ghana Audit Service employees can thrive, be inspired, motivated and satisfied with their leaders and the organization.

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