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The Impact of Leadership Style on Employee Job Performance in Private Companies

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Abstract

This study aimed to examine the impact of leadership style on employee job performance in private companies in Riyadh, Saudi Arabia. The research focused on two main leadership styles, namely transformational leadership and transactional leadership, and their influence on employees' performance outcomes. A quantitative research approach was adopted, and data were collected using a structured questionnaire distributed to a sample of 64 employees working in private companies.

The collected data were analyzed using the Statistical Package for the Social Sciences (SPSS). Descriptive statistics, correlation analysis, and multiple regression analysis were conducted to examine the relationships between variables and to test the study hypotheses. The results indicated that both transformational and transactional leadership styles were positively perceived by employees, with transformational leadership scoring slightly higher in descriptive analysis.

The findings also revealed that employee job performance was rated at a high level, indicating that employees perceived themselves as efficient, productive, and capable of achieving work objectives. Furthermore, the correlation analysis showed a strong and statistically significant relationship between leadership style and employee job performance.

However, the regression analysis demonstrated that transactional leadership had a stronger and statistically significant effect on employee job performance, while transformational leadership did not show a significant effect when both styles were examined simultaneously. This suggests that transactional leadership practices, such as monitoring, rewards, and structured procedures, play a more direct role in enhancing employee performance in private sector organizations.

The study concludes that leadership style is a critical factor influencing employee job performance, and that organizations should adopt a balanced leadership approach that integrates both transformational and transactional elements. The findings provide practical implications for managers and contribute to the existing literature on leadership and organizational performance.

Keywords: Leadership Style, Transformational Leadership, Transactional Leadership, Employee Job Performance, Private Companies.

Chapter 1: Introduction

1.1. Research Background

Leadership remains one of the most influential factors in shaping employee behavior and organizational performance. In modern organizational environments, leadership style plays a crucial role in directing employee efforts, enhancing motivation, and improving job outcomes (Al-Malki & Wang, 2018). Effective leadership contributes to higher levels of trust, satisfaction, and performance within organizations, particularly in structured and performance-driven environments (Asencio, 2016).

Transformational leadership has been widely recognized as a leadership approach that enhances employee motivation and performance. Leaders who adopt transformational behaviors inspire employees to exceed expectations by creating a sense of purpose and commitment (Bellé, 2014). Empirical evidence shows that transformational leadership significantly improves employee job performance by strengthening employees' sense of meaning and perceived social impact (Bellé, 2014). Similarly, Biloa (2022) found that leadership style has a direct and measurable impact on employee job performance within organizational settings.

Transactional leadership, which focuses on supervision, structure, and reward-based exchanges, has also been linked to performance outcomes. Research suggests that directive and participatory leadership styles influence employee commitment and service quality, which ultimately affect performance levels (Dolatabadi & Safa, 2010). In addition, Belonio (2012) demonstrated that leadership style significantly influences both employee satisfaction and job performance, particularly in financial institutions.

Leadership effectiveness is also closely associated with employee trust and satisfaction, which serve as mediating factors in performance improvement (Asencio, 2016). Studies conducted in public sector organizations further indicate that leadership behaviors influence employee motivation and performance through structured managerial practices (Fernandez et al., 2010; Christensen et al., 2017).

Employee job performance itself represents the degree to which individuals effectively fulfill their work responsibilities and contribute to organizational goals. Leadership approaches that align managerial behavior with employee expectations tend to produce higher levels of productivity and performance (Hersey et al., 2013). Therefore, leadership style remains a key determinant of employee outcomes across various organizational contexts.

Despite the extensive research on leadership and performance, most empirical studies have focused on public institutions or specific sectors, leaving a need to further examine the relationship between leadership style and employee job performance within private companies. Accordingly, this study seeks to investigate the impact of leadership style on employee job performance in private companies, contributing additional empirical evidence to the leadership-performance literature.

1.2. Research Problem

Although leadership has been widely examined in organizational research, inconsistencies remain regarding the extent to which different leadership styles influence employee job performance, particularly within private sector organizations. While prior studies confirm that leadership plays a significant role in shaping employee attitudes and productivity, contextual variations across industries and organizational settings suggest that further investigation is needed. Therefore, identifying both theoretical and practical gaps is essential to clarify the problem addressed in this study.

1.2.1. Theoretical Gaps

Although previous studies have examined the relationship between leadership style and employee performance, several theoretical gaps remain. First, many studies have focused on specific leadership approaches such as transformational leadership without providing comprehensive comparative analysis across multiple leadership styles within the same organizational context (Bellé, 2014; Al-Malki & Wang, 2018). While these studies confirm

the positive influence of leadership behaviors on performance outcomes, the relative effectiveness of different leadership styles remains insufficiently explored.

Second, much of the existing literature has been conducted within public sector institutions or specific organizational environments (Asencio, 2016; Fernandez et al., 2010). Although these findings provide valuable insights, leadership dynamics may differ between public and private sector organizations due to variations in structure, competition, and performance pressures. Therefore, the generalizability of prior findings to private companies remains theoretically limited.

Third, previous research has often linked leadership style to employee satisfaction, trust, or commitment as primary outcomes (Belonio, 2012; Dolatabadi & Safa, 2010), while fewer studies have directly examined its measurable impact on employee job performance within private sector settings. This indicates a need for updated empirical investigation that directly tests the leadership–performance relationship in competitive private organizations.

1.2.2. Practical Gaps

From a practical perspective, many private companies continue to experience performance inconsistencies despite the availability of leadership theories and models. Managers frequently apply leadership styles based on personal experience rather than evidence-based practices (Hersey et al., 2013). Although research confirms that leadership behaviors influence employee satisfaction and performance (Belonio, 2012; Biloa, 2022), there remains limited practical guidance tailored specifically to private sector environments.

Moreover, while studies have shown that leadership can enhance employee trust and motivation (Asencio, 2016; Christensen et al., 2017), organizations often struggle to translate these theoretical insights into actionable managerial strategies. The gap between academic findings and managerial implementation highlights the need for context-specific research that provides practical recommendations for private companies operating under competitive market conditions.

Therefore, addressing both the theoretical and practical gaps is essential to better understand how leadership style influences employee job performance within private companies.

1.3. Research Significance

This study is important because it addresses both theoretical and practical aspects of leadership and employee performance within private sector organizations. By examining the relationship between leadership style and employee job performance, the research contributes to a deeper understanding of how leadership behaviors influence organizational outcomes in competitive business environments.

1.3.1. At the theoretical level

At the theoretical level, this study contributes to the existing body of knowledge in leadership theory and organizational behavior. Although leadership has been extensively studied, inconsistencies remain regarding the comparative impact of different leadership styles on employee performance, particularly in private sector settings. By empirically examining the relationship between leadership style and job performance, this research helps refine theoretical assumptions concerning how leadership behaviors translate into measurable employee outcomes.

Furthermore, the study supports and extends transformational and transactional leadership theories by testing their applicability within contemporary private organizations. It also enriches performance literature by linking leadership approaches to multidimensional aspects of job performance. Therefore, the study adds updated empirical evidence that strengthens the theoretical framework connecting leadership style and employee performance.

1.3.2. At the practical level

At the practical level, this study provides valuable insights for managers, human resource professionals, and decision-makers in private companies. Understanding which leadership styles positively influence employee job performance enables organizations to adopt more effective managerial approaches that enhance productivity, engagement, and work quality.

The findings may assist organizations in designing leadership development programs, improving supervisory practices, and implementing evidence-based management strategies. Additionally, the study can guide HR departments in recruitment, training, and performance evaluation processes by emphasizing leadership competencies that drive employee performance. Ultimately, this research supports private companies in achieving sustainable competitive advantage through improved leadership effectiveness.

1.4. Research Questions

Based on the research problem and the identified gaps, this study seeks to answer the following questions:

1. What is the dominant leadership style practiced in private companies?
2. What is the level of employee job performance in private companies?
3. Is there a significant relationship between leadership style and employee job performance?
4. To what extent does transformational leadership influence employee job performance?
5. To what extent does transactional leadership influence employee job performance?

1.5. Research Objectives

The main objective of this study is to examine the impact of leadership style on employee job performance in private companies.

To achieve this objective, the study aims to:

1. Identify the dominant leadership style practiced in private companies.
2. Measure the level of employee job performance in private companies.
3. Examine the relationship between leadership style and employee job performance.
4. Determine the impact of transformational leadership on employee job performance.
5. Determine the impact of transactional leadership on employee job performance.

1.6. Research Hypotheses

Based on the literature and research framework, the following hypotheses are proposed:

Main Hypothesis:

H1: Leadership style has a statistically significant impact on employee job performance in private companies.

Sub-Hypotheses:

H1a: Transformational leadership has a statistically significant positive impact on employee job performance.

H1b: Transactional leadership has a statistically significant positive impact on employee job performance.

1.7. Research Model

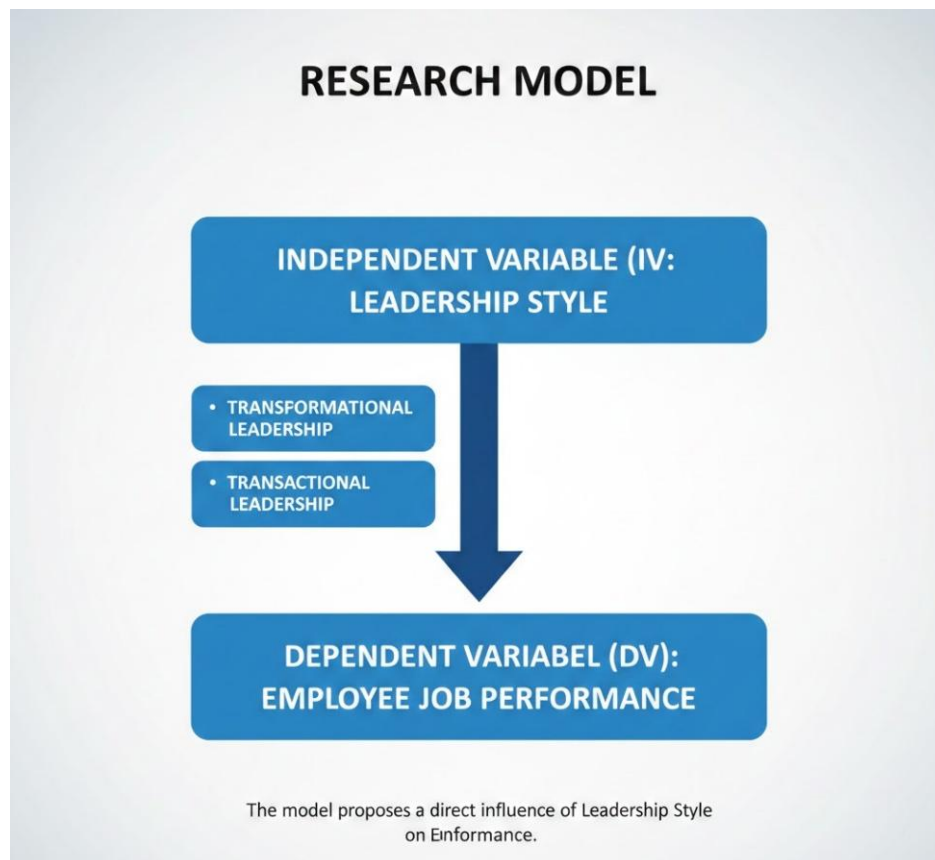
The research model of this study is developed based on leadership theory and prior empirical findings that confirm the relationship between leadership style and employee job performance. The model assumes that leadership style represents the independent variable, while employee job performance represents the dependent variable.

In this study, leadership style is examined through two main dimensions:

- Transformational Leadership
- Transactional Leadership

Employee job performance is treated as a multidimensional construct reflecting employees' effectiveness in performing their assigned tasks.

Conceptual Framework Structure:



Chapter 2: Literature Review

1.8. Introduction

This chapter reviews the relevant literature concerning leadership style and employee job performance. It establishes the theoretical foundation of the study by examining previous research related to leadership as the independent variable and employee job performance as the dependent variable. The chapter further explores empirical studies that investigated the relationship between leadership behaviors and employee performance outcomes in organizational settings (Al-Malki & Wang, 2018; Biloa, 2022).

1.9. The independent variable Leadership Style

Leadership style refers to the behavioral patterns leaders use to influence, guide, and motivate employees toward achieving organizational goals (Hersey et al., 2013). Contemporary leadership research emphasizes that leadership effectiveness depends on how leaders interact with employees and shape workplace attitudes and behaviors (Asencio, 2016).

Transformational leadership has been widely recognized as a leadership approach that enhances employee engagement and performance. Leaders who adopt transformational behaviors create a sense of purpose and inspire employees to perform beyond formal expectations (Bellé, 2014). Empirical research confirms that transformational leadership positively influences employee job performance by increasing perceived impact and motivation (Bellé, 2014; Biloa, 2022).

Transactional leadership, in contrast, focuses on structured supervision, clear expectations, and reward-based exchanges between leaders and employees. This leadership style promotes performance through monitoring and contingent rewards (Dolatabadi & Safa, 2010). Research indicates that directive and participatory

leadership styles influence employee commitment and service quality, which are directly linked to performance outcomes (Dolatabadi & Safa, 2010; Belonio, 2012).

Furthermore, leadership behavior has been shown to affect employee trust and satisfaction, which are critical components influencing performance levels (Asencio, 2016). These findings highlight leadership style as a central determinant of organizational effectiveness.

1.10. The dependent variable Employee Job Performance

Employee job performance represents the extent to which employees effectively fulfill their work responsibilities and contribute to achieving organizational objectives (Belonio, 2012). High levels of performance are associated with improved organizational productivity and service quality.

Performance is influenced by leadership behavior, organizational structure, and employee motivation (Fernandez et al., 2010). Research demonstrates that leadership practices that promote employee commitment and public service motivation significantly improve performance outcomes (Christensen et al., 2017).

In competitive environments such as private companies, job performance becomes a strategic priority. Effective leadership enhances employee efficiency, accountability, and overall work quality (Al-Malki & Wang, 2018). Therefore, understanding the determinants of job performance is essential for sustaining organizational competitiveness.

1.11. Relationship Between Leadership Style and Employee Job Performance

The relationship between leadership style and employee job performance has been supported by numerous empirical studies. Leadership behaviors significantly influence employee attitudes, trust, and work effectiveness (Asencio, 2016).

Bellé (2014) demonstrated through experimental research that transformational leadership positively affects employee performance by enhancing perceived social impact. Similarly, Al-Malki and Wang (2018) concluded that leadership style plays a critical role in determining job performance across organizational contexts.

Bilola (2022) provided further evidence that leadership style has a measurable and statistically significant impact on employee job performance. Additionally, Belonio (2012) found that leadership behavior directly influences both employee satisfaction and performance levels.

Although many of these studies were conducted in public institutions or specific sectors, their findings consistently indicate a strong association between leadership style and employee performance. However, differences in organizational structure and competitive pressures highlight the need for further research within private companies.

Therefore, based on empirical findings and theoretical arguments, leadership style is expected to significantly influence employee job performance in private sector organizations.

1.12. Conclusion

This chapter reviewed the theoretical and empirical literature concerning leadership style and employee job performance using contemporary research. The discussion emphasized transformational and transactional leadership as key dimensions influencing employee outcomes. Empirical evidence consistently supports the existence of a significant relationship between leadership style and job performance.

However, variations across organizational contexts justify further empirical investigation within private companies. The next chapter presents the research methodology used to test the proposed relationship.

Chapter 3: Research Methodology

3.1 Introduction

This chapter presents the research methodology adopted in this study. It describes the research design, population and sample, data collection instrument, procedures, and statistical techniques used to analyze the data. The purpose of this methodology was to ensure a systematic and scientific approach to examining the impact of leadership style on employee job performance in private companies.

3.2 Research Approach and Design

This study adopted a **quantitative research approach** to examine the relationship between leadership style and employee job performance. The quantitative method was selected because it allows for the collection of numerical data and the application of statistical techniques to test hypotheses and identify relationships between variables.

A **cross-sectional survey design** was used, where data were collected at a single point in time from respondents. In addition, the study followed a **descriptive and analytical research design**, as it aimed to describe the characteristics of the variables and analyze the impact of leadership style on employee job performance.

3.3 Population and Sample

The target population of this study consisted of employees working in private companies in Riyadh, Kingdom of Saudi Arabia. These employees were considered appropriate respondents as they experience different leadership styles and can evaluate their impact on job performance.

A sample of **64 employees** was selected using **convenience sampling**, due to accessibility and time constraints. This sampling method allowed the researcher to collect data efficiently from available participants.

3.4 Data Collection Instrument

Data were collected using a **structured questionnaire**, which was developed based on previous literature related to leadership style and employee performance.

The questionnaire consisted of three main sections:

- **Section 1:** Demographic information (gender, age, education level, and years of experience).
- **Section 2:** Leadership style, which included two dimensions:
 - Transformational Leadership
 - Transactional Leadership
- **Section 3:** Employee Job Performance

The questionnaire items were measured using a **five-point Likert scale**, ranging from (1 = Strongly Disagree) to (5 = Strongly Agree).

3.5 Validity and Reliability of the Instrument

The validity of the questionnaire was ensured by reviewing relevant literature and adapting previously validated measurement items. In addition, the questionnaire was reviewed to ensure clarity, consistency, and relevance to the study objectives.

The reliability of the instrument was assessed using **Cronbach's Alpha**, which measures internal consistency among the items. The results indicated that the reliability coefficients were above the acceptable threshold of **0.70**, confirming that the instrument was reliable and suitable for data analysis.

3.6 Data Collection Procedure

The data were collected through an online questionnaire distributed using **Google Forms**. The questionnaire link was shared with participants through various communication channels, including social media platforms.

Participants were informed about the purpose of the study, and their participation was voluntary. Confidentiality and anonymity of responses were ensured, and the data were used solely for academic research purposes.

3.7 Data Analysis Techniques

The collected data were analyzed using the **Statistical Package for the Social Sciences (SPSS)**. The analysis included the following statistical techniques:

- **Descriptive statistics**, including frequencies, percentages, means, and standard deviations, to describe the sample characteristics and responses.
- **Correlation analysis (Pearson correlation)** to examine the relationship between leadership style and employee job performance.
- **Multiple regression analysis** to test the impact of transformational and transactional leadership on employee job performance.

All hypotheses were tested at a significance level of ($\alpha \leq 0.05$).

3.8 Scope and Limitations of the Study

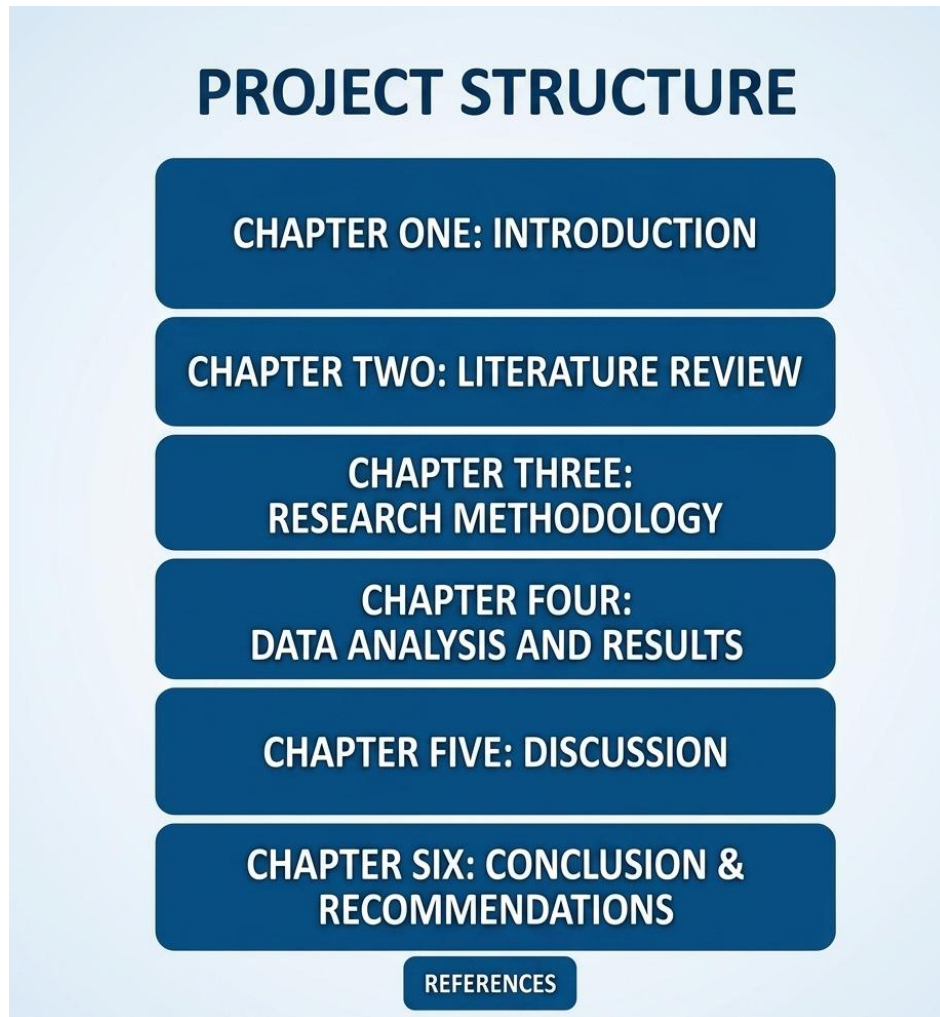
This study was limited to examining the impact of leadership style on employee job performance in private companies. It focused specifically on **transformational and transactional leadership styles** and did not include other leadership models such as servant or authentic leadership.

Geographically, the study was limited to private companies located in **Riyadh, Saudi Arabia**. The study was conducted during the academic year **2025–2026** and used a cross-sectional survey method.

Therefore, the findings may not be generalized to public sector organizations or other cultural and geographical contexts without further research.

3.9 The Project Structure

The proposed structure of the research project is organized as follows:



Chapter 4: Data Analysis and Results

4.1 Introduction

This chapter presents the results of the quantitative analysis. The findings are organized into three parts: the demographic profile of the respondents, the descriptive analysis of leadership style, and the descriptive and inferential analysis of employee job performance. The interpretation uses the five-point Likert scale, where mean scores from 3.40 to 4.19 indicate **Agree**, and scores from 4.20 to 5.00 indicate **Strongly Agree**.

4.2 Demographic Characteristics

Table 4.1: Gender Distribution of Respondents (N = 64)

Gender	Frequency	Percentage
Male	40	62.5%
Female	24	37.5%
Total	64	100.0%

The gender distribution shows that males formed the larger proportion of the sample at 62.5%, while females accounted for 37.5%. This indicates that the responses were more heavily represented by male employees, which should be considered when interpreting the findings. A pie chart would clearly show the dominance of male respondents.

Table 4.2: Age Distribution of Respondents (N = 64)

Age Group	Frequency	Percentage
Less than 25	4	6.2%
25–34	43	67.2%
35–44	17	26.6%
45 and above	0	0.0%
Total	64	100.0%

The age distribution shows that the majority of respondents were between 25 and 34 years old, representing 67.2% of the sample. The second largest group was 35–44 years old at 26.6%, while

only 6.2% were younger than 25. This suggests that the sample was mainly composed of early- to mid-career employees. A bar chart would show a sharp peak in the 25–34 category.

Table 4.3: Educational Level of Respondents (N = 64)

Education Level	Frequency	Percentage
Diploma	14	21.9%
Bachelor's Degree	40	62.5%
Master's Degree	6	9.4%
Doctorate	4	6.2%
Total	64	100.0%

Most respondents held a bachelor's degree, which accounted for 62.5% of the sample. Diploma holders represented 21.9%, while master's and doctoral holders made up 9.4% and 6.2%, respectively. This indicates that the sample was generally well educated, with a strong concentration at the undergraduate level. A column chart would show the bachelor's degree category as the highest bar.

Table 4.4: Years of Experience of Respondents (N = 64)

Years of Experience	Frequency	Percentage
Less than 1 year	5	7.8%
1–5 years	27	42.2%
6–10 years	19	29.7%
More than 10 years	13	20.3%
Total	64	100.0%

The experience distribution shows that the largest proportion of respondents had 1–5 years of experience, followed by those with 6–10 years. Together, these two groups represented more than 70% of the sample, which suggests that most respondents were relatively experienced but still in the middle stages of their careers. A bar chart would show the 1–5 years category as the highest.

4.3 Descriptive Analysis of Leadership Style

Table 4.5: Descriptive Statistics of Transformational Leadership (N = 64)

Rank	Item	Mean	SD	Verbal Result
1	My manager motivates employees to achieve high standards.	3.73	1.16	Agree
2	My manager builds trust and respect within the team.	3.73	1.30	Agree
3	My manager encourages innovative thinking.	3.72	1.09	Agree
4	My manager considers my individual needs and concerns.	3.53	1.34	Agree
5	My manager communicates a clear and motivating vision.	3.50	1.21	Agree
6	My manager inspires me to perform beyond expectations.	3.44	1.15	Agree
Overall Transformational Leadership		3.61	1.09	Agree

The results show that transformational leadership was perceived positively overall, with a mean of 3.61. The highest-rated items were “motivates employees to achieve high standards” and “builds trust and respect within the team,” both of which indicate that employees viewed their managers as supportive and encouraging. The lowest-rated item was “inspires me to perform beyond expectations,” although it still fell within the Agree range. This suggests that transformational behaviors were present, but their intensity varied across items. A bar chart would show relatively close scores across the six statements, with the first two items slightly higher than the rest.

Table 4.6: Descriptive Statistics of Transactional Leadership (N = 64)

Rank	Item	Mean	SD	Verbal Result
1	My manager emphasizes rules and procedures.	3.83	1.18	Agree
2	My manager monitors work performance closely.	3.50	1.30	Agree
3	My manager takes corrective action when mistakes occur.	3.47	1.18	Agree
4	My manager provides rewards for good performance.	3.45	1.22	Agree
5	My manager focuses on achieving short-term goals.	3.41	1.28	Agree
6	My manager clearly defines work expectations.	3.36	1.10	Neutral
Overall Transactional Leadership		3.50	1.05	Agree

Transactional leadership was also perceived positively, with an overall mean of 3.50. The strongest item was “emphasizes rules and procedures,” which suggests that managers in the studied companies rely more on structure and formal guidelines. The lowest item was “clearly defines work expectations,” which dropped into the Neutral range, indicating some inconsistency in role clarification. Overall, transactional leadership was present, but its clarity and consistency were weaker than its procedural aspect. A bar chart would show the rules-and-procedures item as the highest.

Table 4.7: Summary of Leadership Style Domains

Domain	Mean	SD	Verbal Result
Transformational Leadership	3.61	1.09	Agree
Transactional Leadership	3.50	1.05	Agree

Overall Leadership Style	3.56	1.04	Agree
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The summary table shows that both leadership styles were rated positively, but transformational leadership scored slightly higher than transactional leadership. The overall leadership style mean of 3.56 suggests that employees generally perceived their managers as applying leadership behaviors at an agreeable level. A comparative bar chart would show transformational leadership slightly above transactional leadership.

4.4 Descriptive Analysis of Employee Job Performance

Table 4.8: Descriptive Statistics of Employee Job Performance (N = 64)

Rank	Item	Mean	SD	Verbal Result
1	I achieve the objectives assigned to me.	3.97	1.28	Agree
2	I maintain high quality in my work.	3.94	1.27	Agree
3	I complete my tasks efficiently.	3.89	1.07	Agree
4	I meet my work deadlines consistently.	3.86	1.08	Agree
5	I contribute positively to team performance.	3.86	1.30	Agree
6	I am productive in my job.	3.83	1.30	Agree
7	I put extra effort into my work when necessary.	3.81	1.27	Agree
8	I adapt effectively to changes at work.	3.73	1.22	Agree
Overall Employee Job Performance		3.86	1.10	Agree

The results indicate that employee job performance was rated positively across all items, with an overall mean of 3.86. The strongest indicator was “I achieve the objectives assigned to me,” which suggests that employees felt they were meeting their assigned responsibilities effectively. High scores were also recorded for work quality and task efficiency, which indicates a generally strong performance level. The lowest item was adaptability to changes at work, although it still remained within the Agree range. This means that employees perceived themselves as performing well, but flexibility in changing work conditions may be an area for further development. A bar chart would show all performance items above the midpoint of the scale.

4.5 Relationship Between Leadership Style and Employee Job Performance

Table 4.9: Pearson Correlation Between Leadership Style and Employee Job Performance (N = 64)

Variable	Correlation (r)	Significance
Transformational Leadership and Employee Job Performance	0.769	$p < 0.001$
Transactional Leadership and Employee Job Performance	0.810	$p < 0.001$
Overall Leadership Style and Employee Job Performance	0.808	$p < 0.001$

The correlation analysis shows strong and positive relationships between leadership style and employee job performance. Transactional leadership had the strongest correlation with performance, followed closely by overall leadership style and transformational leadership. All correlations were statistically significant at the 0.001 level, which indicates that better leadership perceptions were associated with higher employee job performance. This supports the central assumption of the study that leadership style is closely related to employee outcomes.

Table 4.10: Multiple Regression Analysis Predicting Employee Job Performance (N = 64)

Predictor	B	SE	t	p-value
Constant	0.833	0.289	2.878	0.006
Transformational Leadership	0.190	0.179	1.062	0.293
Transactional Leadership	0.669	0.186	3.587	0.001

Model fit: $R^2 = 0.663$, $F = 59.96$, $p < 0.001$

The regression results show that the model explained 66.3% of the variance in employee job performance, which is a strong explanatory power. Transactional leadership emerged as a statistically significant predictor of job performance, while transformational leadership did not reach statistical significance in the multiple regression model. This suggests that, when both leadership styles are considered together, transactional behaviors such as clear expectations, rewards, monitoring, and corrective action had a stronger direct influence on performance in this sample. The result is important because it shows that although both styles are positively correlated with performance, transactional leadership may be the more influential predictor in this specific organizational context.

The results show that the sample was mainly composed of male, bachelor's degree holders, and employees aged 25–34 years with moderate experience. Both transformational and transactional leadership were perceived positively, but transformational leadership scored slightly higher in the descriptive analysis. Employee job performance was also rated highly, with all performance items remaining in the Agree range. Correlation and regression analyses confirmed a strong relationship between leadership style and employee performance, with transactional leadership showing the strongest predictive effect. Overall, the findings support the view that leadership style is an important factor in shaping employee job performance in private companies.

Chapter 5: Discussion

This study aimed to examine the impact of leadership style on employee job performance in private companies in Riyadh, Saudi Arabia. The findings of the statistical analysis provided important insights into the nature of leadership practices and their relationship with employee performance outcomes. The discussion of these results is presented in relation to the study objectives, research questions, and previous literature.

The demographic findings revealed that the majority of respondents were male and predominantly within the age group of 25 to 34 years. Most participants held a bachelor's degree and had between one to five years of work experience. This indicates that the sample largely consisted of relatively young and moderately experienced employees who are actively engaged in the workforce. Such a profile is consistent with the characteristics of employees in private sector organizations, where a significant portion of the workforce falls within early to mid-career stages. This demographic composition may have influenced the perceptions of leadership styles and job performance, as younger employees tend to be more responsive to leadership behaviors and workplace dynamics.

The results of the descriptive analysis showed that both transformational and transactional leadership styles were perceived positively by employees. Transformational leadership recorded a slightly higher mean score compared to transactional leadership, indicating that employees generally viewed their managers as supportive, motivating, and capable of fostering trust and innovation. This finding aligns with leadership theory, which suggests that transformational leadership enhances employee motivation, engagement, and performance by inspiring employees and addressing their individual needs. The high ratings for items related to motivation, trust, and innovation further support the presence of transformational leadership behaviors within the studied organizations.

At the same time, transactional leadership was also positively evaluated, particularly in relation to the emphasis on rules and procedures. This suggests that managers in private companies rely on structured approaches to ensure performance and maintain organizational control. However, the relatively lower score for clearly defining work expectations indicates that some inconsistencies may exist in communication or role clarity. This reflects a common characteristic of transactional leadership, where focus is often placed on monitoring and corrective actions rather than on clear guidance and long-term development.

The findings related to employee job performance indicated a high overall level of performance among respondents. Employees reported that they were able to achieve assigned objectives, maintain work quality, meet deadlines, and contribute positively to team performance. These results suggest that employees perceived themselves as effective and productive in their roles. The slightly lower score for adaptability to changes at work may indicate that employees experience some challenges in adjusting to dynamic work environments, which is common in competitive private sector settings.

The correlation analysis revealed strong and statistically significant relationships between leadership style and employee job performance. Both transformational and transactional leadership were positively associated with performance, which confirms the main hypothesis of the study. This finding is consistent with previous research, which emphasizes that leadership behaviors play a critical role in influencing employee outcomes, including productivity, motivation, and work quality. The strong correlation coefficients suggest that improvements in leadership practices are likely to lead to improvements in employee performance.

Interestingly, the regression analysis provided deeper insights into the relative impact of different leadership styles. While both leadership styles were positively correlated with employee performance, transactional leadership emerged as the only statistically significant predictor in the regression model. This indicates that, when both leadership styles are considered simultaneously, transactional leadership has a stronger direct effect on employee job performance in this study context. This finding may be explained by the nature of private sector organizations, where performance is often closely linked to clear expectations, monitoring, rewards, and accountability mechanisms.

In contrast, transformational leadership did not show a statistically significant effect in the regression model, despite its positive correlation with performance. This does not imply that transformational leadership is unimportant, but rather suggests that its impact may be indirect or mediated by other factors such as motivation, job satisfaction, or organizational culture. It may also indicate that transformational leadership requires a longer time to produce measurable performance outcomes compared to transactional leadership, which operates through immediate reinforcement mechanisms.

Overall, the findings of this study highlight the importance of leadership style as a key determinant of employee job performance in private companies. The results suggest that while both transformational and transactional leadership contribute to performance, transactional leadership may play a more dominant role in environments that emphasize efficiency, structure, and measurable outcomes. This provides valuable insight for managers and organizations seeking to enhance employee performance through effective leadership practices.

In conclusion, the study contributes to the existing literature by providing empirical evidence on the relationship between leadership style and employee job performance within private sector organizations in Saudi Arabia. The findings support the argument that leadership is a critical factor in shaping employee behavior and organizational success, while also emphasizing the need to balance different leadership approaches to achieve optimal performance outcomes.

Chapter 6: Conclusion & Recommendations

This study aimed to examine the impact of leadership style on employee job performance in private companies in Riyadh, Saudi Arabia. By adopting a quantitative approach and analyzing data collected from employees, the study provided empirical evidence on how different leadership styles influence employee performance outcomes.

The findings of the study revealed that both transformational and transactional leadership styles were positively perceived by employees, indicating that managers in private companies demonstrate a combination of supportive and structured leadership behaviors. Transformational leadership was associated with motivation, trust, and encouragement of innovation, while transactional leadership was linked to rules, procedures, monitoring, and performance control. This suggests that leadership in private organizations is not limited to a single style but rather involves a combination of approaches that aim to enhance employee effectiveness.

In terms of employee job performance, the results indicated a high level of perceived performance among respondents. Employees reported that they were able to complete their tasks efficiently, maintain work quality, meet deadlines, and achieve organizational objectives. These findings reflect a generally productive workforce and suggest that employees perceive themselves as capable of performing their roles effectively within the organizational environment.

The statistical analysis further demonstrated that leadership style has a significant relationship with employee job performance. Both transformational and transactional leadership were positively correlated with performance, confirming that leadership behaviors play a crucial role in shaping employee outcomes. However, the regression analysis revealed that transactional leadership had a stronger and statistically significant impact on employee job performance compared to transformational leadership. This finding highlights the importance of structured leadership practices, such as clear expectations, monitoring, and reward systems, in driving performance in private sector organizations.

Based on these findings, it can be concluded that leadership style is a key determinant of employee job performance, and that the effectiveness of leadership depends on the ability of managers to apply appropriate leadership behaviors in different situations. While transformational leadership contributes to long-term motivation and engagement, transactional leadership appears to have a

more immediate and measurable effect on employee performance in the context of private companies.

In light of the study results, several practical implications can be drawn. Organizations should focus on developing leadership capabilities that combine both transformational and transactional elements. Managers should be trained to provide clear expectations, monitor performance effectively, and implement reward systems that reinforce desired behaviors. At the same time, they should also foster a supportive environment that encourages innovation, builds trust, and addresses employees' individual needs.

Furthermore, organizations are encouraged to invest in leadership development programs that enhance both interpersonal and managerial skills. Such programs can help managers adopt flexible leadership styles that respond to different employee needs and organizational demands. In addition, human resource departments should integrate leadership competencies into recruitment, training, and performance evaluation processes to ensure alignment between leadership practices and organizational goals.

From a research perspective, this study provides valuable insights into leadership practices in private sector organizations in Saudi Arabia. However, it also highlights the need for further research to explore additional factors that may influence employee job performance, such as organizational culture, job satisfaction, and employee motivation. Future studies may also examine the role of other leadership styles or investigate the long-term effects of leadership behaviors on performance outcomes.

Despite its contributions, this study has certain limitations. The use of a cross-sectional design limits the ability to establish causal relationships between variables. In addition, the reliance on self-reported data may introduce bias in respondents' perceptions. The sample was also limited to private companies in Riyadh, which may restrict the generalizability of the findings to other sectors or regions. In conclusion, this study emphasizes that effective leadership is essential for enhancing employee job performance in private companies. By adopting a balanced approach that integrates both transformational and transactional leadership styles, organizations can improve employee productivity, strengthen engagement, and achieve sustainable organizational success.

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