

# Heterogenous Impact of Leadership Styles on Employee Performance and the Mediating Role of Employee Engagement: An Empirical Study on Private SMEs in Malawi

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**Abstract:** In recent years, the crucial role of matching leadership styles with employee performance in the management of Small and Medium Enterprises (SMEs) has been increasingly acknowledged in different developing countries, Malawi included. Properly adopting, a given leadership style can keep employees performing at their best, which sends a productive signal for organizational growth and sustainability. Conversely, adopting an inappropriate leadership style can often lead to a low level of motivation within employees. Thus, in general terms, performance targets are not achieved time and again due to an inability to motivate individual or groups of employees within an enterprise. However, a lot of small and medium enterprises' proprietors and managers in Malawi struggle to adopt appropriate leadership styles as they have a poor understanding of how they relate with the management of small and medium enterprises. Furthermore, there is still a lack of research in the management literature regarding the best leadership style for Malawi's SME sector. It is, therefore, imperative to identify that leadership style which best fits the management of SMEs in Malawi to heighten Employee performance. Subject to the said pressing issues, the purpose of this study is to determine the direct and indirect impact of leadership styles on the levels of performance of employees in SMEs while taking employee engagement as an interposing variable, more specifically focused on the level of democratic, autocratic, and charismatic leadership. The study will thus try to examine how each behavioral component of those three styles of leadership would function towards promoting SME performance within the Malawian economy. Thus, the study recommends that charismatic leadership style be prioritized in the SME sector to enhance Employee performance. It is also suggested that a comprehensive leaders' training program, organized by recognized institutions, be introduced to enhance the level of Democratic and Autocratic leadership skills among SME entrepreneurs in Malawi. This paper scrutinized leadership styles impact on performance levels of employees in SMEs with employee engagement as the mediating variable. Three hundred questionnaires were distributed, and data from 231 employees from various private small and medium enterprises in Malawi were collected. SPSS was used to process and measure the analysis and structural models. Using a cross-sectional survey design, data was collected from 231 employees from various private SMEs, with subsequent analysis using structural equation modeling to explore direct and indirect effects. The results indicate that charismatic leadership had the strongest positive impact on both employee engagement and performance, followed by democratic and autocratic leadership styles. Charismatic leadership was particularly effective in fostering an emotionally engaging work environment that promoted both higher performance and motivation. Democratic leadership also significantly enhanced engagement and performance by fostering inclusivity in decision-making processes. Interestingly, autocratic leadership, although traditionally seen as limiting autonomy, positively impacted employee performance by providing structure and clarity. Employee engagement was found to mediate the relationship between all three leadership styles and employee performance, emphasizing its critical role in translating effective leadership into productive outcomes. The study concludes that adaptive leadership styles, tailored to specific organizational contexts, can significantly enhance employee engagement and performance, providing actionable insights for leaders in Malawi's SME sector. One of the key variables in determining how engaged employees are with their leader, the company, and the company's success is their leadership style. So far, there have been studies on the relationship between leadership style, employee performance, and employee engagement at the district level. However, there has yet to be research on the relationship between leadership style, employee performance, and the engagement of employees in the private sector in Malawi, which is a gap that needs to be researched. Therefore, this study examines the relationship between three leadership styles, namely Autocratic leadership, charismatic leadership, and Democratic leadership, concerning engagement in work and performance of private sector employees

**Keywords:** Democratic leadership; Charismatic leadership; Autocratic leadership; Employee performance; Employee engagement; SMEs.

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## 1. Introduction

### 1.1. Background of Study

Leadership revolves around forming connections and fostering relationships with team members. Each style has its distinct advantages and limitations, which are very likely to affect both performance and sustainability in the long run of SMEs (Cui, 2022). For example, some leadership styles

promote creativity and enthusiasm in employees, while there are those ineffective in promoting innovation and affecting overall operational effectiveness (Iqbal, 2020). Hence, understanding the impact of these different leadership styles becomes pivotal in maximizing the performance of SMEs in terms of sustaining their role in driving any country's economic growth, like Malawi (Azim, 2017). These SMEs, from the traditional family-owned businesses to the more established manufacturing and service businesses, are vital

for catalyzing innovation, creating jobs, increasing competitiveness, facilitating inter-industrial links, and thus economic development (Begum, 2022). However, despite that huge contribution, SMEs in Malawi operate in a challenging environment with problems like limited access to financial resources, human capital problems, generalized regulatory frameworks, and competition from larger enterprises (Islam, 2021). To ensure a continuous contribution by SMEs to Malawi's economy, the challenges posed must be addressed ahead in combination with emerging opportunities. Therefore, effective leadership, where quite centrally an appropriate leadership style is adopted, acts as the guiding hand in traversing this turbulent environment toward organizational sustainability. Thus, this study seeks to identify and assess the role of leadership styles in SME performance in Malawi, aiming to add knowledge to this dynamic context. The dynamic between leaders and their team members is critical to a company's growth. Hence, this paper will explore the varied effects of Leadership Styles on Employee Performance and how employee engagement acts as a mediator in this relationship: A case study of Private SMEs in Malawi. This study was inspired by the increasing trend of employee resignations in Malawi, attributed to poor communication and lack of unity between managers, supervisors, and their teams. Small and medium-sized enterprises (SMEs) are pivotal in developing various economies, including Malawi. SMEs significantly contribute to the economy's income, production, and job creation, as evidenced by several studies. The Malawi Gemini MSE Survey revealed that SMEs employ approximately 1.7 million individuals (comprising owners and paid or unpaid workers), representing at least 38 percent of Malawi's total working-age population. Women account for at least 42% of this employment figure and contribute around 15.6% to the national Gross Domestic Product (GDP). This highlights the potential of SMEs to align with the Government of Malawi's strategic goal of transitioning from a predominantly import and consumption-based economy to one focused on manufacturing and exporting, given that the production and exportation of goods and services are key features of the SME-dominated private sector. Despite the ongoing expansion of the market, small- and medium-sized enterprises (SMEs) in Malawi are experiencing unprecedented levels of competition. This reality has underscored the importance for these firms to bolster their management and leadership capabilities to enhance their operational performance. Consequently, this paper aims to explore the relationship between leadership styles and employee productivity, while also investigating the growth pathways for SMEs in Malawi. (Udin U. D., 2022) described leadership as the dynamic between leaders and their followers, focusing on how leaders direct their teams toward fulfilling the company's objectives. (Xu G. Y., 2008) highlighted the crucial role of leadership in an organization, emphasizing its importance in the creation of vision, mission, determination, setting goals, and formulating strategies, policies, and procedures to achieve these goals effectively and efficiently, including the guidance and coordination of organizational efforts and activities. According to (Arifani, 2020) leadership is identified as a key determinant in influencing the quality of work and productivity of employees, significantly impacting an organization's capacity for change. (Harris, 2007) noted that exceptional leadership is essential for attaining top-quality outcomes. Today, numerous organizations are grappling with issues stemming from unethical behaviors,

such as high employee turnover and disappointing financial outcomes. These challenges may be attributed to a lack of strong leadership. (Vigoda-Gadot, 2012) has confirmed that achieving their defined goals is a primary objective for most companies. This underscores the importance of having effective leaders who can organize and inspire their workforce. (Sriram, 2012) encourages organizations of the 21st century to capitalize on emerging opportunities and navigate the threats that continually present themselves. As such, there's a critical need for employees who are prepared to exceed their normal job responsibilities to foster a well-suited organization. Small and medium-sized enterprises (SMEs) are recognized as essential to the strategic plans of governments worldwide, playing a significant role in achieving national objectives across both developed and emerging economies. (Muthuraman S. H., 2020) supports the strategies adopted by numerous developed nations that focus on nurturing, expanding, and supporting SMEs to reduce unemployment, enhance wealth distribution, and boost economic growth. (Al Farsi, 2021) and (Al-Hussaini, 2019) have noted that existing research highlights the crucial role of SMEs in generating revenue, creating jobs, reducing poverty, encouraging the development and use of entrepreneurial skills, and enabling the integration of various sectors across different geographical and economic contexts. The expansion of SMEs in several countries has been attributed to factors such as diversification, privatization, unemployment, and the involvement of expatriates in many small business ventures.

Many organizations expect their employees to exert more effort to meet set goals. Issues within human resources often serve as obstacles that hinder a company from achieving these targets (Loestefani, 2022). Effectively managing human resources is a crucial aspect of management that can enhance both efficiency and effectiveness in the workplace. Consequently, a well-structured company is better positioned to compete in the market. It's essential for an organization to have competent human resources, as this ensures that other resources can be utilized to their fullest potential in reaching company goals. The performance and success of a company can be gauged by the results produced by its workforce. To improve employee performance (Muhaimin, 2023), it is important to recognize that an organization's success or failure largely depends on its human resources; thus, initiatives aimed at improving working conditions are vital (Wardhana, 2023). Insufficient oversight from management, leading to a lack of accountability among employees, must be addressed to prevent negative impacts on performance levels (Mendo, 2023). (Bakker A. B., 2023) suggests that leadership is an interaction among individuals and groups, where each person engages with others and occupies a distinct role. The way one selects this role can differ from one person to another. This selection pertains to the concept of influence, as leaders have the power to sway others while being influenced by themselves. Leadership is not merely a technique; it's also a characteristic of an individual. If a leader struggles to manage their own tasks and challenges, it's unrealistic to expect them to successfully lead others. Leadership must begin with self-management. Leadership style pertains to the various approaches leaders employ to guide and influence their team members. Both types of leaders emphasize task-oriented strategies while also prioritizing interpersonal relationships (Alrowwad, 2020). A leader's style reflects their behavioral patterns, which are shaped by their strengths and weaknesses. However, not every leader can adapt their style effectively to

suit different situations and contexts. Consequently, it is essential for a leader to identify the most suitable leadership style to nurture, guide, and harness the potential of their employees (Wijayanti, 2020). The performance of employees, both in terms of quality and quantity, is essential for the success of various activities. Leaders, as the key drivers, play a vital role in enhancing educational quality by overseeing school operations, administration, staff development, and maintaining infrastructure (Mendo A. Y., 2023). These leaders face the challenge of effectively meeting their responsibilities while shaping policies and proposing innovative strategies to improve education. Additionally, government initiatives, including legislative reforms in the education sector, influence the planning, execution, and assessment of educational institutions (Wardhana A. K., 2022). Deming's assertion that 80% of quality issues originate from management and leadership underscores the importance of examining how different leadership styles affect employee performance. The problems discussed earlier are also evident in several previous studies. For instance, (Firdaus, 2023) found that charismatic leadership positively impacts employee performance. In contrast, (Aldian, 2023) concluded that the charismatic leadership style does not affect employee performance. Additionally, research by (Zulaikha) indicated that democratic leadership styles positively influence employee performance, whereas (Bilola, 2023) argued that they do not. In Malawi, the applied leadership style is primarily democratic; however, charismatic elements are also present both within and outside the organization. This dual approach is necessary as the organizations seek to align with the environment and character of the leaders, who prioritize transparency and open communication in all matters.

Furthermore, most SME'S maintain a level of sovereignty in their practices. Thus, the charisma of an authoritative leader with a high social status becomes crucial for facilitating effective internal and external communication (Rochim, 2023). Overall, the SME's adaptation to its community's needs underscores the importance of having a charismatic leader in ensuring smooth communication channels, both internally and externally (Ryandono, 2019).

Organizational success, whether in manufacturing or service sectors, is often gauged by performance. (Wagimin, 2019) corroborates findings from multiple studies that underline the importance of leadership styles in enhancing employee performance. It is suggested that effective leaders utilize their abilities and influence to positively impact their followers and the organization. This study seeks to examine the role of Employee Engagement as a mediating factor between leadership styles and Employee Performance, a topic that (Bakker A. B., 2011) has claimed lacks sufficient empirical research. Previous studies have shown that the effects of leadership styles, Employee Engagement (EE), and Employee Performance (EP) vary within the same industry. Much of the research on employee performance has focused on analyzing the individual aspects of the concept separately or consolidating them into a single measure. According to (Sendawula K. S., 2018) and (Jung, 2000), academic achievement is often seen as the sole measure of productivity and quality of work when assessing employee performance. Meanwhile, some research, such as that by (Kleysen R. S., 2001), considers employee performance as unified construction. Malawi, located in Southern Africa, faces unique challenges in managing its human resources, largely due to a significant unemployment rate and widespread job

insecurity among its workforces. Despite having a working population of approximately 10.22 million out of a total population of 20,931,751, Malawi suffers from one of the highest unemployment rates globally. Those who are employed often experience instability in their jobs, primarily due to the nation's struggling economy. This job insecurity leads to diminished trust and confidence among employees. To address these issues, it's crucial for Malawian organizations to adopt diverse leadership styles that can motivate and engage employees effectively, thereby minimizing burnout. Currently, many companies, especially in the private sector and within government institutions, tend to stick to a single, traditional leadership style. This approach limits their ability to adapt and innovate.

Research by (Rasool et al., 2015) indicates that while some private companies are open to experimenting with various leadership methods, a large majority still rely on a singular style. In contrast, government entities predominantly favor an autocratic leadership approach. This has led to challenges identified by (Muthuraman S. A., 2021), including ineffective leadership that fails to meaningfully involve employees in the operational and production processes. This study aims to investigate strategies for actively engaging employees to enhance their performance. While there are numerous leadership styles available, Autocratic and Charismatic Leadership are often seen as the most prevalent and influential within the context of Malawi's organizational culture. In Malawi, a significant number of companies are criticized for their lack of accountability, substandard services, and an unwillingness to adapt their operational systems. It's widely recognized that organizational leaders hold absolute control over decision-making processes and wield unchecked power. As noted by (Khan, 2015), this centralization of authority often results in diminished employee motivation, as workers see little reason to exert extra effort in their roles. The challenge, therefore, lies in fostering employee engagement within an atmosphere marred by distrust and a lack of confidence. To combat this, leadership must focus on cultivating trust.

The importance of employee engagement in enhancing both organizational and individual performance and productivity is well documented, with (Amah O. E., 2018) highlighting its benefits. Research by (May, 2004), (Rothmann, 2010), and (Ugwu, (2014) has pointed out factors such as leadership behavior, the organizational climate established by leaders, and intra-organizational relationships as key drivers of employee engagement (Kruse, 2012), emphasized that the style of leadership is crucial for fostering employee engagement, as it influences other factors either directly or indirectly. According to (Amah O. E., 2018), effective leadership is instrumental in creating an organizational environment that supports relationship building and optimal performance, underlining the pivotal role of employee engagement in securing a competitive edge for businesses.

The quest for the most impactful leadership style has seen value-based leadership models, including autocratic leadership, rise to prominence, as suggested by (Dean, 2008). Research by (Breevaart, 2014), (Zhang X. &, 2010), (Hanninen, 2017), and (Robinson Jr, 2018) has explored various aspects of how leadership styles influence employee engagement and outcomes such as task performance and burnout, the interplay between organizational resources and job demands, and how employee 'voice' contributes to

engagement levels. Building on these studies, the current research examines the differential impacts of leadership styles on employee engagement within a model framework. This study's primary contribution lies in its comprehensive examination of the effects of leadership styles, extending from employee performance to engagement, and enhancing the discourse on leadership's role in small and medium-sized enterprises (SMEs). By proposing to explore the theoretical links between leadership style and employee performance, and employing empirical analysis to assess the impact of various leadership styles on SME employee engagement and performance, this study aims to address the gap in empirical research within this field

## **1.2. Research Question Statement and Research Gaps**

### **1.2.1. Research Questions**

The research question of this study will be as follows:

Heterogeneous Impact of Leadership Styles on Employee Performance and the mediating role of employee engagement: An empirical study on Private SMEs in Malawi.

### **1.2.2. Research Gap**

It is widely acknowledged that the topics of leadership styles, employee performance, employee engagement, and the dynamics within Small and Medium-sized Enterprises (SMEs) have attracted significant attention in recent years. After conducting extensive research and reviewing numerous studies, it's clear that there are many research opportunities yet to be explored in this area. The relationship between leadership styles and employee performance, as well as between leadership styles and employee engagement, may differ across sectors. The findings of this research will demonstrate that the influence of leadership styles on employee engagement (EE) and employee performance (EP) within a particular sector is consistent. A conceptual model, endorsed by SME employees in Malawi, is suggested to examine how leaders' motivation and support can enhance Employee Performance. (Matzler, 2008) suggested that the leadership behavior of SMEs' top management significantly influences the firms' innovation and performance levels. Consequently, as SMEs navigate the global market, it is imperative for them to develop innovative visions to stay relevant and competitive. In this context, the leadership behavior of a business owner or manager plays a vital role in providing clear guidance and a unified vision that all employees should embrace (Yang, 2008). This study contributes to existing literature by shedding light on these aspects.

Firstly, the study aims to clarify the influence various leadership approaches have on boosting employee involvement. While previous research has suggested a link, no study has yet conclusively demonstrated this connection by simultaneously evaluating the impact of multiple leadership styles (Breevaart, 2014). Additionally, this research intends to bridge the existing gap in the literature on leadership and engagement by identifying factors that can strengthen the link between leadership approaches and employee engagement. The objective of this paper is to examine how different styles of leadership affect employee performance, considering the mediating role played by the levels of employee engagement, and to compile and assess the insights from existing studies on the dynamics between various leadership styles and employee engagement. Although the study of leadership within organizations is

branching into diverse areas, most of the literature has focused on two perspectives. It starts by exploring the origins of each leadership style and their importance in shaping employees' attitudes towards their work, highlighting their recent influence. The discussion then delves into Autocratic, Democratic, and charismatic leadership styles, exploring their assessment, implications, and principal factors. In conclusion, the review emphasizes significant observations regarding the connection between various leadership styles, employee performance, and engagement.

## **1.3. Research Objectives**

This study creates and evaluates a research model that looks at the connections between (Autocratic, Democratic, and Charismatic), employee engagement, and employee performance. Specifically, this study aims to:

Identify the effect of leadership styles (Autocratic, Democratic, and Charismatic) on employee engagement.

Determine the effect of leadership styles (Autocratic, Democratic, and Charismatic) on employee performance.

Evaluate whether focusing solely on one or two leadership styles affects the performance of employees and to what degree.

## **1.4. Significance of the Study**

An in-depth analysis of leadership research, presenting key theories of leadership According to their perspective, the study of Organizational leadership has taken different directions. However, the research focus has generally been on two main areas: the traits and behaviors of leaders, the circumstances that necessitate leadership, and the potential outcomes of various leadership styles. There is a range of opinions among researchers about how critical leadership is and its impact on the success or failure of any project, organization, or institution. Nonetheless, the consensus among many scholars is that the style of leadership and the leaders themselves are crucial for the growth and prosperity of any organization. Moreover, this research could be utilized by those with opposing views to enhance organizational productivity and efficiency, thereby achieving sustainability within the organization.

## **2. Literature Review**

### **2.1. Background of Malawi**

Malawi, located in Southern Africa, has a population of approximately 21.48 million and most of the people are the youth in households which have 4.4 occupants on average (Housing, 2018). A report released by the Bank in 2024 stated that despite major economic reforms and live economic protection policies since a long time ago, Malawi has remained one of the world's poorest countries. This calls for strengthening the economy that relies mostly on agricultural production, which employs more than 80% of the population, and thus is highly vulnerable to external shocks, particularly climatic shocks. The Vision is driven by Malawi 2063, a vision heralded in January 2021, on the basis that Malawi aspires to be "a prosperous, self-sufficient, industrialized nation with upper-middle-income status." It provides the foundation for a decade-long Country Partnership of the World Bank. Framework (CPF) from FY21 to FY25. This data was supplied by the United Nations Committee for Development Policy, and Malawi is one of the Least Developed Countries (LDC). Examples of the variables that

were employed to rank the countries include gross national income (GNI) broken down to above \$1,018, an index of human assets, and an index of economic and environmental vulnerability (UNCTAD, 2021). The definition of SME from the European Union is reoriented around the number of employees, being fewer than 250 employees. This features micro enterprises, small enterprises, and medium sized enterprises (Keskgn, 2010). Moreover, infrastructure in the country is still undeveloped, with little or no access to basic or reliable transportation, electricity, and communication systems. Such infrastructural deficits became glaringly prominent in the wake of COVID-19 as stakeholders began to consider ways of dealing with COVID-19.

The bedrock of today's economic life is small and medium enterprises (SMEs). Most SMEs do poorly in their operations, sometimes within their first two years of operation, and operate with little or no support from top management. Reports indicate that people in Malawi can hardly survive on a daily income that falls below one dollar (DUAN, 2016). The low status of the world's poorest countries, where households are having a hard time addressing their basic needs. The recent report confirm that most Malawians lack access to necessities, such as clean water, adequate healthcare, and quality education (Nations, 2020). For most Malawians, these firms are synonymous with small-business development and job creation. Small and Medium Enterprises have generally been regarded as the engine for economic activity in many countries, and indeed the largest employer in their communities, in the case of the least developed and emerging countries, but often small and medium enterprises are limited in financing (Van, 2019). Further explanations on micro enterprises all encompass self-employed individuals who function independently without any employees (Keskgn, 2010). It has been confirmed that older and unwilling access to finance, which has been pointed out by numerous studies, is one of the major challenges SMES must face. Apparently, it got worse during COVID19 when other newer SMEs rushed to find finances to grow their businesses (Majanga, 2015). The main role of SMEs to the economy is to promote the need to accommodate the estimated 600 million jobs, the growth and sustainability of the SMEs should be prioritized (Bank, 2022). Several studies suggest that the size and importance of the SME sector varies from country to country. Although SMEs have been acknowledged in developed countries recently, developing countries have always seen this significance since the 1970s (Berry, 2007). This could mean that SMEs are significant in the economy due to their role, being much more apparent in developing nations where opportunities for personal development and empowerment may be limited. For these reasons, local communities depend mainly on SMEs for livelihood. They can provide avenues for job creation and entrepreneurship, allowing people in the community to better their economic status. The further development and survival of SMEs assume great importance in developing countries, and this serves to make a strong case for the role SMEs play in economic development. While changes brought about by the COVID-19 pandemic have raised arguments that this growth has faced unprecedented disruption, the pandemic has presented some challenges to SMEs for their sustained growth, thereby possibly impeding the positive effect they have on local economies. Such disruptions have indeed underscored the quintessential importance of understanding the unique challenges faced by SMEs in crises and creates a chance to find ways to assist in

recovery and assure future development. (Bartik, 2020)

The impact of COVID-19 on the growth of SMEs in developing countries emphasizes the importance of these enterprises in driving the economy. Given their substantial impact on the economy, it is important to understand how SMEs can be promoted (Garcia-Martinez, 2023). Numerous studies show that the importance of SMEs in the modern world is growing, highlighting the new ideology of neoliberalism and globalization. In essence, SMEs should be the main instruments for a sustainable business environment, especially in developing countries. (Bank, 2022). The World Bank highlights a trend in developing economies toward smaller enterprises rather than big industries, as these are very adaptable since they come with low capital, thus cheap production. There are several sectors of SME that have been recognized as potential economic bases to spur economic growth. Creating avenues for the management of SMES will be more pleasurable only if they are aimed at fostering economic empowerment among the disadvantaged. (Masalira S. &, 2013). This is enough reason for developing countries to pour considerable effort into poverty alleviation, hence introducing projects intended to indirectly foster SMEs. Malawi, for instance, has the National Economic Empowerment Fund (NEEF). This Fund aims to influence economic development through the provision of various loan products for MSMEs. Its goals include increasing employment by supporting enterprises that create jobs, as well as promoting entrepreneurship development among youth, women, and other groups that may contribute to socio-economic growth. SMEs were feared to close because of the COVID-19 pandemic. Nevertheless, they were affected by some other events besides the pandemic. s (NEEF., 2024). As anticipated, the survival of SMEs depends on the number of years they have been in business (Bowler, 2007). But researchers, who have inquired why SMEs fail in Malawi found 11 out the economic, regulatory and social factors as the causes (Wanjohi, 2010). Similarly, it has been argued that accessing financial resources is crucial for SMEs survival (Marlow, 2005) COVID-19 indeed represents a new case in itself, inducing interventions from governments, with the majority of such interventions being costly for SMEs, since the success of most SMEs depends on how fast these goods and services turn around. Besides, some scholars suggest that the success of self-employed businesses is highly reliant on the regularity of purchases and supplies coupled with the expenditure behaviors of prospective consumers' (Gourinchas, 2020) With closure of businesses being the major intervention measures during COVID-19, people had nowhere to run commerce activities. The restricted movement mostly left the buying power at a very low level among the buyers. The larger population that depends on daily earnings lost their ability to afford purchases of goods and services during this time. The commitment of the Malawi Government to promote small-scale enterprises began in the 1970s with the establishment of institutions to foster the growth, existence and survival of MSMEs in Malawi. During the same period, membership and advocacy organizations also grew. (Lora, 2015).

With reference to financing, it was disclosed that most SMEs mainly rely on informal credit mechanisms, contributions from relatives and loan associations (Chilima, 2022).The Government of Malawi acknowledges the significant role of SMEs in the economy. Recognizing their potential to mitigate poverty, the sector has increasingly been

the focus in development policies (Malaw, 2002). This concern is manifested in the Malawi Poverty Reduction Strategy Paper, where SMES are cited as the greatest contributor to proper growth

The financing gap for small and medium-sized enterprises can be traced mainly to their lack of availability of sound regulations. Most small and medium-sized enterprises in hospitality and tourism would be near impossible to secure external funding as they don't own fixed and semi-touchable assets (like real estate and buildings) to provide as collateral. (Li W, 2021b). SME financing has been widely researched due to its economic significance (Huang SZ, 2021a).

SMEs contribute up to 90% of all businesses across the globe (Peterhoff, 2019). In addition, SMEs contribute to about 60% of employment worldwide and employ nearly 80% of the workforce in the developed world. Another critical finding was that small and medium enterprises contributed 50% of the global Gross Value Added (GVA). The 2012 Fin Scope MSME survey reveals that 1,050,320 people employed in only about 41% of Malawi's MSMEs further demonstrates the pivotal role SMEs play in our domestic economy. The contribution of small and medium-scale enterprises to socio-economic growth and development takes many forms, including increasing public revenue collections through taxation, provision of goods and services to the public, and, even more importantly, poverty alleviation through job creation and empowerment of citizens economically. Much as other studies done across time and space Numerous studies conducted over time and across various regions have demonstrated that inadequate transportation, poorly educated labor forces, and unreliable electricity supply significantly hinder the growth and sustainability of small and medium-sized enterprises (SMEs) (Kazooba, 2006). However, among these challenges, access to finance consistently ranks as the most critical barrier according to current evidence.

In Malawi, maintaining updated data on micro, small, and medium enterprises (MSMEs) proves difficult due to the characteristics of this sector. A large proportion of businesses operate informally without registration making it challenging to monitor new startups, closures, or shifts in business size categories such as from micro to small or from small to medium. At an institutional level, establishing a comprehensive tracking system in response to these difficulties has also presented significant obstacles. The intricacies associated with gathering reliable information continue to complicate efforts aimed at building a robust database for MSMEs within the country. It has been established that more than 90 percent of these SMES were not registered with the Registrar General (Mhone, 2019). He argues that these SMEs do not want to register because of the registration fees. As the result, the Government of Malawi is putting in place measures to encourage SMEs to comply with the being developed policies and trade legally. Emphasis should be given to waiving registration fees for SMEs during emergencies. In addition, through public awareness campaigns, individuals involved in small businesses must appreciate the importance of trading legally.

Hitherto, the most comprehensive single major study undertaken in the sector and serves as a reference point in highlighting the important features and context of MSMEs in Malawi (Malawi F. M., 2012). The findings added important figures to the already significant role the SME sector played in driving the country's development agenda through the promotion of sustainable economic growth and development.

They provide the need and justification to redirect the policy to focus on efforts to develop the sector and accordingly channel financing to boost the SME sector in Malawi.

Furthermore, the various foreign exchange rate systems management discrepancies in Malawi have presented another challenge for small- and medium-sized enterprises. The effect of the exchange rate is transmitted mainly through the procurement and importation of raw materials and the limitations on the availability of trade credit for small businesses by commercial banks. From an institutional perspective, weaknesses in the legal framework in such aspects as the enforcements of guarantees make it very hard for financial institutions to recover bad loans. Hence, lenders are forced to impose stiff conditions for financing to small and medium-sized enterprises. Other than the general macroeconomic and policy issues highlighted above, some of the other challenges make access to credit a puzzle for MSMEs. Structure and nature of MSMEs themselves also carry their fair share of the burden. As reported by (Lemuel, 2009), there are a myriad of internal structural and organizational problems within SMEs that are of huge concern to banks and financing institutions. According to his findings, most SMEs tend to be disorganized in such aspects as internal control functions, accounting and human resource management. A study on SME financing in sub-Saharan Africa, (Derreumaux, 2009) concludes that internal controls in the management of small-scale businesses play second fiddle. As such detection and correction of weaknesses becomes harder. Resultantly, banks lose trust in SMEs as they try to minimize risks and comply with central bank regulatory requirements regarding risk management. This state is a result of the universal reality that most MSMEs are owned by individuals or families who are themselves decision makers in all aspects of the business without having any professional checks, a scenario that increases chances of committing errors in the running of the business hence eroding confidence from the lenders.

SME finance and economic growth in Malawi said from the years 1981 to 2014, it concluded that the expansion of access to finance in Malawi has not had a positive impact on the growth of SMEs (Zidana, 2015). Let alone Malawi, the impact of SMEs on the national GDP has been so tremendous. Quite a number of studies have been conducted on SMEs concerning their positive contributions towards the national economy; their growth patterns world over, as well as challenges hampering their growth and performance, including studies by (Zimmerer, 2002) and (Nieman, 2003). These made significant contributions regarding SMEs' contributions and operations. In their assessment of the roles of SMEs in national economies, (Masalira, 2013) argue that the SME sector is and has been acknowledged worldwide as an economic powerbase to stimulate economic growth. They further claim that Small and medium sized businesses are not merely necessary, but vital in an emerging and growing economy. In their study, they find that SMEs account for about 91% of the formal business entities, contributing to about 51% of GDP, and providing almost 60% of employment in South Africa. Supporting these arguments is (Cant, 2012), who estimates that small business undertakings create about 80% of all new job opportunities annually in South Africa and that the sector has been placed on the South African government's priority list due to its contributions. (forum, 2003) further indicates that SMEs account for about 88.7% of the work force in Indonesia, and that they are also significant

in enhancing the quality of human resources, nurturing a culture of entrepreneurship, fostering creativity and opening up new business opportunities SMEs contribute to economic development in various ways: by creating employment for rural and urban growing labor force, providing desirable sustainability and innovation in the economy as a whole (Fida, 2008). The development of SMEs is seen as the way to accelerating the achievement of wider socio-economic goals, including poverty alleviation (Cook, 2000). According to the findings of (Longley, 2006), small businesses with fewer than 500 employees drive the US economy by providing jobs for every half of the nation's workforce. According to (Ackah, 2011) the SME sector is considered very important in many economies because it provides jobs, pays taxes, is innovative and very instrumental in countries' participation in the global market. They further explain that SMEs account for nearly 93% of the registered businesses in Ghana and therefore play an important role in economic development by providing employment opportunities, opening new business opportunities, enhancing entrepreneurship, and fostering creativity among many other things.

SMEs across the world have been identified as vital in achieving industrial and economic development objectives and that SMEs are earmarked as the cornerstones of both developed and developing economies (Nkwe, 2012). Governments themselves view SMEs as major sources of employment, economic growth and wealth creation and in addition, development of this sector contributes to poverty alleviation and generation of potential entrepreneurs (Mutula, 2006). Apart from these contributions more studies further stated that the sector offers linkage development to large industries and is essential for a competitive and efficient market (Nkwe, 2012). SMEs support the rural economy in providing income generating activities thus increasing the rate of growth of real per capita income, balance income distribution and improve economic stability. It is also argued that SMEs offer a large part of the solution to countries like Botswana where there are difficulties faced by marginalized groups such as disabled, youth and women (Acquah, 2007). In addition to their positive contributions to developing economies, (Monks, 2010), analyses the contributions of SMEs even to the already developed economies. In his paper, (Kongolo, 2010), finds that SMEs play a significant role in the national development as they contribute to the transition of agriculture-led economies to industrial ones furnishing plain opportunities for processing activities which can generate sustainable source of revenue and enhance the development process. The creation of SMEs by individuals is commonly termed entrepreneurship which is defined as the emergence and growth of new businesses (April, 2005) and whose main motivational factor is the maximization of profits (Nieman, 2003), which becomes a basic and traditional measure of business growth and success over time (Samuels, 2003). Unlike other big entities, SMEs are mostly owned by individuals or a small group of individuals who are involved in the ownership and control of such small business entities and prefer it that way to being employed due to, according to (Zimmerer, 2002), the fact that entrepreneurship creates an opportunity for the trader to be independent and able to achieve what is important to him as a person; and that with entrepreneurship, the owner of the business is able to reach their full potential since most entrepreneurs use their businesses as instruments of self-expression and self-actualization. Leadership is among the critical factors

impacting whether a small or medium business becomes unstoppable success, and that is greatly shaped by the managerial skills and leadership style the owner/manager displays within the organization (Aghahowa, 2021).

Despite extensive literature on leadership styles and employee performance, a research gap exists in understanding how leadership styles specifically impact employee performance and engagement in the Malawian SME sector. Previous studies have predominantly explored this relationship in large corporations and public-sector organizations, often focusing on broad, generalized effects. In the Malawian context, there is limited empirical evidence on the influence of different leadership approaches such as autocratic, democratic, and charismatic styles on performance outcomes within private SMEs. It makes sense that most SME owners/managers are unable to apply the appropriate styles of leadership that account for a situational context, as they do not see the connection between leadership styles and SME management. Ineffective leadership, in turn, will occur (Alifah, 2021) Additionally, employee engagement as a mediating variable in the relationship between leadership styles and performance remains underexplored. Engagement is essential for fostering a motivated workforce, yet its dynamics in SMEs, particularly in developing economies like Malawi, have not been comprehensively examined. This study seeks to address these gaps, offering insights into how distinct leadership styles impact both engagement and performance among SME employees.

Despite national development policies highlighting the importance of bolstering the private sector as a key driver of development (Malawi, 2006), Malawi suffers from a frail private sector contributing only about 20% to the country's total annual investment. However, this chapter aims to lay the foundation for understanding the scope and significance of the study at hand. It provides background information relevant to the research topic. Following this, the chapter deals with the specific problem that makes the present study necessary.

## 2.2. Problem Statement

In the constantly fluctuating world of business, greater emphasis is being expended to reveal the complex connection between leadership dynamics and Employee performance. There seems to exist a wide gap in the understanding of the specifics of the connection, such as the connection between styles of leadership and business performance in SMEs. SME owners, managers, and policymakers often keep grasping the belief that what is needed is good management for business rather than leadership (Mgeni, 2016). This old-time assumption prevents realizing the contribution of leadership into SMEs. However, the past two decades have shown deficiencies in the performance of SMEs and raised questions about this belief. Evidence in favor of this is displayed by (Okeke, 2019), indicating that the reasons behind slow growth and poor performance of many SMEs are mainly due to inadequate leadership within these enterprises.

Significant example would be creating a positive connection between leadership practices and SME performance in Nigeria (Obiwuru, 2011), In further support of this observation at the world level, another study affirms the universality of the positive impact of appropriate leadership styles (Hemmen, 2015). However, within that acknowledgment of said positive impact are important queries concerning SME owners and managers' awareness

regarding their selected leadership styles. Understanding the specific leadership styles, we have within the framework of boosting a firm's performance and understanding the positive and negative aspects of those specific leadership styles become key questions, as pointed out in various analysis (Hossin, 2023b). This leads into the real ins-and-outs of the leadership dynamic in SMEs, exposing conscious decisions and strategic considerations for success in the field. However, from the comparison made on reviewing the literature exhaustively, it is seen there exists scarce literature addressing the styles that impact SME performances significantly. Moreover, a considerable gap continues to exist even in those studies between a unilaterally agreed theory culminating in a specific style of leadership proving to yield higher business performance. SMEs in Malawi are now facing persistent challenges, particularly intense competition within their industries and on a global scale. To navigate these challenges and thrive in the global economy, SMEs must undergo significant transformations, like fostering innovation, embracing digitalization, and more importantly, practicing effective leadership styles

### 2.3. Leadership Styles

Leadership consistently ranks as a key topic of interest within organizational behavior studies. While the definition of leadership can vary, the common thread is the ability to guide others, setting apart individuals as leaders. Efforts to clearly define "leadership" have encountered challenges, making it a complex area for both scholars and practitioners. This complexity has sparked scholarly debates for over a century, resulting in a variety of definitions, as highlighted by (Devi, 2021). Leadership is deemed a crucial component in management, with research spanning from global politics to specific industry characteristics in an attempt to understand what makes a leader. (Anastasiou, 2021) noted in their research review that there are nearly as many definitions of leadership as researchers are attempting to define it. Some experts, (Megawaty M. H., 2022), describe leadership as the act of directing or coordinating tasks for group members. (Andrej, 2022) elaborate further, explaining leadership as the ability to leverage various resources to motivate, engage, and meet the expectations of followers. Leadership's impact on critical project outcomes and the behavior of others highlights its importance for every individual. This significance is underscored by (D. Muijs, 2011), who pointed out leadership's pivotal role in organizational success. The effects of effective leadership are often prominently displayed, influencing both national history and the dynamics within individual organizations. (James, 2011) posits that leadership encompasses creating an organization's future vision, crafting strategies to realize this vision, and effectively communicating it across the organization. (Bass., 1985) highlights that leadership and performance that surpass expectations mark a significant advancement in understanding the characteristics of exceptional leaders, their strategies for achieving results, and the reasons behind their often extraordinary leadership success. (Gandolfi, 2017) points out that there is a diversity of leadership styles within organizations, with some scholars like (Bhatti, 2012) suggesting that autocratic and democratic leadership styles are among the most prevalent. Autocratic leadership, as discussed by (Zheng, 2021), is characterized by leaders having absolute control over their followers, a style commonly adopted in various sectors, including the military.

Contrarily, (Chukwusa, 2019) describes democratic leadership as involving the active participation of subordinates in decision-making, with leaders encouraging their input in setting goals and solving problems. The success of an organization heavily relies on the quality of its leadership. Effective leaders are those who anticipate change, seize opportunities, and inspire their team to achieve high levels of performance and productivity. The significance of strategic leadership in today's management practices cannot be overstated, as leaders must have the ability to navigate organizational challenges, recognize unexpected factors, and make informed decisions to steer their organization towards success, as noted by (Syakur, 2022) and (Laliasa, 2018). The latter also supports the democratic leadership style for its inclusivity and empowerment of subordinates in problem-solving processes.

An emphasis on a democratic leadership setup, the leader's role is to outline the objectives, the means to achieve them, and leave the decision-making to the team members, who also enjoy autonomy to address challenges they encounter. This leadership model prioritizes a collaborative team effort (Saggaf, 2019).

From a conceptual standpoint, differentiates performance into two categories: individual employee performance and overall organizational performance. The former refers to the contributions of an individual within an organization, while the latter encapsulates the collective achievements of the organization. The attainment of organizational objectives is intricately linked to the utilization of resources and the active participation of employees who are instrumental in realizing these goals (Niswaty, 2019).

Furthermore, charismatic leadership can also be defined by distinguishing itself through a leader's unique appeal and inspirational capabilities (Wahid, 2018). Charismatic leaders are not only revered for their authoritative positions but also for their prestige, spiritual depth, and unwavering principles, as (Setiawan, 2014) elaborates. Such leaders wield a profound influence on their followers, instilling a strong belief in the leader's vision, a willingness to comply, and a deep emotional investment in the organization's mission, according to (Rafikah, 2018). (Juliarti, 2022) also notes that effective charismatic leadership significantly boosts employee organizational commitment, while a good work-life balance indirectly influences this commitment.

#### 2.3.1. Autocratic Leadership

Autocratic leadership, often labeled as "oppression" leadership, centralizes power in the hands of the leader, making them believe their decisions and views are absolute, as highlighted by (Burke, 2016). (Obiwuru. T, 2011) characterizes autocratic leaders as those who demand obedience from their employees and control the decision-making process entirely. Such managers do not seek input from their team or allow them to give feedback. Instead, they are expected to follow orders without question, relying on a system of rewards and punishments to motivate employees, as noted by (Cherry., 2018). This method leans more towards instilling fear and applying punishment rather than offering incentives. Recent criticism of autocratic leadership points to higher rates of employee turnover and absenteeism in organizations led by such leaders, according to studies cited by (Cherry., 2018). Autocratic leaders typically make choices based on their personal beliefs and are resistant to considering their followers' perspectives (Cherry., 2018); (AL Khajeh, 2018). Communication tends to be one-way, from leader to

employees, who are then expected to execute these directives without input. The process of making effective decisions usually requires contributions from multiple individuals; hence, the autocratic style might lead to subpar decision-making, planning, and organization. However, theories on social hierarchy suggest that autocratic leadership could, in certain contexts, boost morale and performance by establishing a clear, hierarchical structure that provides predictability and security. This structure can promote team psychological safety if team members accept the established hierarchy. On the contrary, if team members dispute this hierarchy and engage in power struggles, the centralizing actions of autocratic leaders can lead to frustration and decreased psychological safety and performance. In certain scenarios, especially during crises or when quick decisions are necessary, autocratic leadership might prove beneficial if the leader is insightful, equitable, and understands their followers well, as (Armstrong, 2012) and (Bhargavi, 2016) suggest regarding leadership styles and organizational performance. (Chua, 2018) The fundamental belief behind the autocratic leadership style is that individuals are inherently irresponsible, lazy, and untrustworthy, which leads them to rely on leaders to handle leadership and management responsibilities. This reliance results in ineffective outcomes, so it is assumed that leaders should undertake these tasks independently, without any participation from their followers. An autocratic leader exerts complete authority over their followers and feels entitled to manage them as they see fit. One of the primary advantages of this style of leadership is the ability to make swift decisions, allowing for immediate action on tasks to carry out those decisions (Bojadziev, 2019) It also guarantees the dominance of the leader. Regarding the drawbacks, many employees feel displeased when treated this way. Nevertheless, the autocratic leadership approach is usually most effective in scenarios where the leader has specialized knowledge or during a crisis, when swift decision-making is essential and delays need to be avoided (Olayisade, 2021).

### **2.3.2. Charismatic leadership**

A charismatic leader is recognized for their exceptional ability to influence and guide followers through their compelling qualities and behaviors (Mhatre, 2014). This type of leadership is often seen as a method of social influence where one or more individuals inspire and motivate their followers by outlining necessary actions and equipping them with the means and encouragement to fulfill objectives. The concept of charismatic leadership has been the subject of numerous theoretical and empirical studies over the last few decades (Jacobsen, 2001). Furthermore, the failure of employees to adapt to change and the persistence of the status quo can often be attributed to managers' inability to effectively implement change (Paais, 2020). Leaders must align the organization's relevance with the goals of change and pursue these goals through effective leadership that fosters change, grounded in the organization's values, which are reinforced through education and training (Pardo Del Val, 2003). Historically, charisma was considered a "gift," and "hero" was a term used to describe a leadership role model. Scholars argue that the perceived superhuman or supernatural attributes of a leader are crucial for the foundation of charismatic authority. Charismatic authority is often contrasted with legal or traditional authority, emphasizing that it stems from personal attributes rather than formal positions; it is typically seen in less conventional, more informal

organizations, especially during crisis situations, and is characterized by strong personal traits (Özdemir, 2020). A key feature of charismatic leadership is the leader's ability to captivate and persuade followers through their personal magnetism and compelling communication skills. Charismatic leaders have a knack for envisioning the future clearly, persuasive, and inspiring. They communicate a powerful and engaging vision that resonates with their followers, providing them with a sense of direction and motivation (Bhatia, 2018). Such leaders are often seen as bold figures who are willing to challenge the status quo and take risks to realize their vision, unafraid of making unconventional decisions (Bhatia, 2018). The vision they share is not only compelling but also delivered in a manner that galvanizes their followers. Their self-confidence and belief in their own capabilities help to instill confidence and trust among their followers. Charismatic leaders are characterized by their enthusiasm, vigor, and a clear sense of purpose, which attracts and captivates their followers. They can evoke strong emotions in their followers, driving them to exceed expectations in pursuit of shared goals.

### **2.3.3. Democratic Leadership**

Democratic leadership plays a significant role in empowering employees. This leadership style involves guiding and impacting the work of team members. Democratic leadership is also characterized by a leader's approach that encourages employees to voluntarily participate in decision-making, planning, and providing constructive criticism and suggestions for accountability (Ghifara, 2022). Democratic leadership is rooted in a dynamic interaction between leaders and their subordinates, as leaders create opportunities for participation in the decision-making process (Syamsidar, 2021). Leaders avoid making unilateral decisions by actively involving subordinates and emphasizing collaborative deliberation. This participatory approach fosters well-managed educational institutions that thrive on innovation, as diverse ideas contribute to the progress of these organizations (Alam, 2023). It is viewed as a comprehensive approach to leading, influencing, and managing individuals to execute tasks based on predetermined plans (Nabella, 2022). Known also as participatory leadership, it emphasizes self-determination and fair participation, distinguishing itself from authoritarian leadership through its focus on active engagement, accountability, and delegating responsibilities, as it emphasizes collaboration between leaders and their followers during the decision-making process. While the leader may implement the decision, this occurs after fostering consensus within the team or group (Olayisade, 2021). Democratic leaders, who should not be assessed merely based on their popularity, offer choices and encouragement to their team members, allowing them to have a say in decision-making processes. A key duty of such leaders is to enable their team members by sharing responsibilities and promoting group dialogues (Xie, 2018). Every team member is responsible for their choices and actions, contributing to the collective autonomy of the group (Aqqad, 2019). The style of leadership being described involves actively engaging followers in the process of setting goals, addressing challenges, and fostering teamwork. This approach can be utilized across various organizations, whether in the business sector, non-profit organizations, or governmental bodies. It is particularly effective in environments where team members possess patience, expertise, experience, and a willingness to contribute their knowledge during the decision-making

process (Jdetawy, 2018). However, democratic leadership is not without its challenges. It might lead to inefficiencies if roles are not clearly defined or if there is a pressing time constraint. Additionally, team members might not possess the essential skills or knowledge for effective decision-making. Despite these obstacles, democratic leadership can be advantageous when team members are willing to pool their expertise and insights. Nonetheless, the decision-making process within this leadership model tends to be more time-consuming (Al-Yami, 2018).

#### **2.4. Factors that influence leadership Styles in SME**

Effective leadership in small and medium-sized enterprises (SMEs) necessitates careful consideration and a flexible approach, as these environments are sensitive and subject to rapid, unpredictable changes. To identify the most suitable and effective leadership style or combination of styles for SMEs operating in various situational contexts, it's essential to take multiple factors into account. These factors can be internal or external, tangible or influenced by the context. Consequently, researchers are continuously exploring the elements in each scenario that impact the leadership style adopted by leaders in SME management (Soomro, 2019). In their research, (Agarwal, 2021) identified eight key factors that can greatly impact the leadership styles chosen by owners or managers of small and medium-sized enterprises (SMEs). These factors include personality, belief systems, company culture, employee diversity, individual personality traits, levels of control, organizational structure, and experience. Another study also highlighted the factors that affect leadership in small and medium-sized enterprises (SMEs) and suggested that these factors are like those found in larger organizations, albeit on a smaller scale. The researchers identified various demographic variables, including gender, age, and race, that can significantly influence the leadership styles adopted by SME owners or managers. As a result, earlier related studies (Hejazi, 2012) support these findings. The existing literature (Soomro, 2019) emphasizes that various strategic, personal, motivational, and communicative factors can assist SME leaders in effectively managing their organizations. In their recent studies within the Vietnamese context, (Le T. D., 2022) noted that previous research identified four key attributes influencing the choice of leadership styles: Enterprise Characteristics (including Business Sectors, Development Phases & Sizes of Enterprises, Company Relationships & Connections, and Job Features), Leader Characteristics (such as Leader's Personalities, Managerial Skills and Level, Emotional Intelligence, and Past Employment Experiences), Employee Characteristics (comprising Employee Personalities and Age, Competencies, Working Experience, and Attitudes), and Other Environmental Factors (which include Macro, Micro, and Internal Factors). The various factors outlined above play a crucial role in influencing the relevance of different leadership styles within the context of managing small and medium-sized enterprises (SMEs) (Le T. D., 2022) Therefore, it is essential to thoughtfully assess all aspects associated with leadership styles prior to selecting one to implement in SME management.

#### **2.5. Employee Performance**

Some scholars posit that employee performance encompasses the level of achievement employees reach in

completing tasks (Chaurasia, 2013), while others view it as the results attained within the work setting (AL Zaabi, 2016). Furthermore, (Donkor, 2020) highlights that employee performance is vital for organizational success, urging organizations to identify factors that enhance high-performance levels. According to (Charbonnier-Voirin, 2012) and (Dirani, 2020), performance is often evaluated against broad indicators and specific criteria that mirror professional accomplishments or the fulfillment of set goals, with common metrics being productivity, behavior, and the quality of work and products. Research by (Kleysen R. S., 2001) and (Sendawula K. S., 2018) evaluates supervisor perspectives on performance through productivity, work quality, and innovative behavior at the individual level. The role of leadership style is paramount in enhancing employee performance and discipline, as described by (Day, 2013), who asserts that leadership involves a blend of philosophies, skills, characteristics, and attitudes aimed at influencing subordinates' performance. (Hanafi, 2018) categorizes leadership styles into three main types: task-oriented, relationship-focused, and outcome-focused, arguing that the most effective style is one that motivates and is adaptable to varying situations. (Hanafi, 2018) also agrees on the significant influence of leadership style on employee performance, emphasizing the leader's critical role in decision-making and accountability for outcomes. Hence, leadership style is crucial for achieving organizational objectives, which are unattainable without high employee performance.

#### **2.6. Employee Engagement**

Work engagement is significantly influenced by factors related to the workplace, including job stability, leadership quality, and the performance of employees, as noted by (Al Haziazi, 2021). The concept of employee engagement, introduced over the last twenty years, highlights its novelty in the professional sphere (Polmear, 2022). (Almawali, 2021) emphasizes the profound effect of leadership behaviors on fostering a high level of employee engagement. Organizations are encouraged to adopt leadership approaches that empower employees, especially as business environments become more dynamic. The evolving nature of business practices has also reshaped the expectations from leaders. Effective leadership is now seen as guiding and motivating team members towards optimal resource utilization and achieving company objectives, as stated by (Tahir, 2021). This leadership fosters a positive organizational culture and commitment to the company's core values. HR experts view the challenge of engagement as being significantly determined by an employee's work experience and treatment within the organization. Distinct from job performance, engagement focuses on an employee's personal investment in their work (Dan Crim, 2006). An emotionally committed employee demonstrates passion and concern for the organization's success. The collective view among scholars defines employee engagement as a mix of cognitive, emotional, and behavioral dedication towards achieving desired company outcomes (Prayogi, 2021). Research points to employee engagement being characterized by attributes such as having a sense of organizational purpose, showing involvement, commitment, enthusiasm, and exerting focused effort and energy, encompassing both attitudinal and behavioral elements (Schneider, 2008). While employee engagement is often equated with work engagement in studies,

due to overlapping psychological needs and satisfactions, it is distinct from related concepts like organizational commitment, citizenship behavior, and job involvement (Saks, 2006). The factors influencing employee engagement are categorized into three groups: organizational factors (like management styles and job rewards), job-related factors (such as the work setting and task features), and individual characteristics (including physical energy and self-awareness)

### **2.6.1. Employee Engagement as a Multifaceted Construct**

The research conducted by (May, 2004) highlighted that employee engagement encompasses cognitive aspects as well as the adaptable employment of emotions and actions. (Wellins, 2005) described engagement as a blend of dedication, allegiance, productivity, and a sense of ownership. (Cha, 2007) described employee engagement as the emotional and active participation of an employee in their work, characterized by complete engagement that includes emotional, physiological, and cognitive aspects. This engagement comprises three key elements: engagement in work, recognition from the organization, and a feeling of value towards one's work. (Schneider, 2008) proposed treating employee engagement as a comprehensive term that encapsulates various forms of engagement, such as trait engagement, psychological state engagement, and behavioral engagement, each requiring different frameworks like a proactive personality (for trait engagement), involvement (for psychological state engagement), and organizational citizenship behavior (for behavioral engagement). (Bakker A. A., 2011) defined engagement as a positively charged emotional state marked by vigor and dedication. (Soane, 2012) introduced a model of employee engagement based on three pillars: focus on one's work role, activation, and a positive emotional state. Furthermore, (Xu L. G., 2013) categorized employee engagement into four aspects: organizational identity, attitude towards work, mental condition, and the potential for effectiveness. (Xiao, 2014) conceptualized employee engagement through five dimensions: proactivity, loyalty, efficiency, identity, and dedication. Lastly, (Liu, 2016), identified five dimensions of employee engagement among knowledge workers: organizational identity, commitment, immersion, energy, and a state of satisfying harmony.

### **2.6.2. Employee Engagement as a Dedicated Willingness**

Employee engagement refers to the level of commitment and enthusiasm employees have towards their company, illustrating their willingness to remain with the organization and exert significant effort for its success. This concept manifests in three key behaviors: 1) Positive Speech: Employees speak highly of their company, colleagues, and their experience, 2) Desire to Stay: Employees express a strong intent to remain part of the company for the long haul, viewing their position not as a temporary stepping stone but as a lasting career choice, and 3) Exertion of Effort: Employees show a readiness to go above and beyond in their work to contribute to the company's achievements. Some organizations interpret employee engagement as the extent of an employee's readiness and capability to contribute to the company's prosperity, distinguishing between intellectual and emotional engagement. Intellectual engagement relates to an employee's understanding of their role within the company and their department, where the job's financial, professional, or personal development rewards foster a sense of intellectual commitment. Emotional engagement, on the other hand, is influenced by job satisfaction and the fulfillment employees

feel from their role within the organization. According to (Zhang Y. F.-K., 2010) emotional engagement is crucial. (Xie W. H., 2006) highlighted that employee engagement encompasses the worker's passion for their job, including their diligence, devotion to the company, loyalty to their superiors, and self-assurance.

### **2.6.3. Employee Engagement as a Positive State of Mind**

(Schaufeli W. S.-R., 2002) described work engagement as a fulfilling, positive mental state related to work, marked by energy, commitment, and deep focus. Unlike fleeting emotions, it's a stable and broad affective-cognitive condition not tied to specific individuals, events, or actions. (Harter, 2002) saw employee engagement as the degree to which an individual is engaged, satisfied, and enthusiastic about their job. (Zeng, 2005) defined it as a durable, positive emotional and motivational condition that energizes employees, inspires a readiness to invest in their work at any moment, and is marked by feelings of joy, pride, and motivation throughout the work process.

### **2.6.4. Employee Engagement as the Opposite of Burnout**

Engagement encompasses energy, involvement, and productivity, which oppose the three elements of burnout: tiredness, skepticism, and diminished work effectiveness, as identified by (Maslach, 2001). Both engagement and burnout represent opposite spectrums, according to (Schaufeli W. B., 2004), who articulated that the characteristics of vigor and dedication directly counteract exhaustion and skepticism. In (González-Romá, 2006) distinguished two opposing sets of dimensions (emotional exhaustion versus vigor, and cynicism versus dedication) as separate, underlying dimensions of energy and identity. (Demerouti, 2010), suggested that while cynicism and dedication represent opposite ends of the identity spectrum, the notion that emotional exhaustion and vigor sit at opposite ends of the energy spectrum was not upheld. Leadership style is among the key factors anticipated to foster employee engagement.

## **3. Theory and Hypothesis**

### **3.1. Hypothesis**

#### **3.1.1. Leadership Styles and Employee Performance**

The effectiveness of employees plays a crucial role in enabling an organization to achieve its strategic goals. Leaders not only act as essential guides for their team members but also bear responsibility for the organization's success (Scott, 2018). Some researchers argue that autocratic leaders lack trust in their employees, believing that only incentives can motivate them. This leads to a lack of loyalty from the staff, who eagerly await the downfall and replacement of such leaders (Velu, 2017). Employees tend to respond negatively to the threatening behavior of hostile managers, negatively affecting optimal performance (Mohamme, 2014). On the other hand, leaders who focus on positive and trustful relationships with their employees can enhance worker engagement (Riva, 2021). Various studies have identified employee engagement as an increased emotional attachment an employee has towards their organization, motivating them to put in more effort at work. This engagement, when combined with certain leadership styles, is crucial. (Megawaty M. H., 2022) highlighted that leadership elements influencing employee engagement include pride in the organization, a sense of team unity, intellectual encouragement, career growth opportunities, trust and integrity, and a direct link between the organization's

performance and that of the employee. Consequently, this level of engagement impacts on service-oriented firms, suggesting that employees are more dedicated to serving their leaders when they see them as transformative (Maral, 2022). Democratic leadership, which promotes the free expression and open discussion of ideas, is described as a collective leadership approach (Demirtas, 2020). However, some studies have pointed out that while democratic leadership might be attractive due to the diversity of ideas from the staff, it can lead to delays in results due to prolonged decision-making processes (Jony, 2019). According to (Al-Malki, 2018), the pinnacle of organizational excellence is linked to employee performance, achievable only when leaders facilitate a stress-reduced environment, define clear responsibilities, and foster a spirit of teamwork among their employees.

#### The Influence of Democratic Leadership Style on Employee Performance

Democratic leadership style generally assumes that the opinion of a person is better than his or her own, and participation gives rise to responsibility for its implementation (Andarista, 2021). Another assumption is that participation creates room for the development of a member. The view is in harmony with another one that has been conducted by (Chua J. B., 2020).

H1a: Democratic leadership has a positive impact on Employee performance.

#### The Influence of Autocratic Leadership Style on Employee Performance

Authoritarian leadership promotes efficiency and a work ethic in subordinates. First, an authoritarian leader can perform effectively by providing specific and clear objectives that his or her subordinates should work on. Having complete control of the decision-making in the organization, the authoritarian leader gives a single purpose or mission for the followers to concentrate on their line of work, eliminating all confusion (Schaubroeck, 2017). Goal-setting theory suggests that specific goals, as opposed to those based on general ideas or conventions, almost always lead to the respondent performing at a higher level (Locke, 2006). It was also argued that if an employee has a specific goal to aim for, he can measure his success clearly, fairly, and objectively with respect to achieving it. Even authoritarian leaders keep strict oversight (Locke, 2006).

H2a: Autocratic leadership has a negative impact on Employee performance

#### The Influence of Charismatic Leadership Style on Employee Performance

Charismatic leaders have a deeply rooted, extraordinary influence on their followers. Followers view the beliefs of the leader as utterly sincere, embrace the leader with no skepticism, and surrender voluntarily to the key character; they are attracted to their leader, invested emotionally in the vision and mission of their group or organization, tend to promote its successes, and set lofty performance goals (Firdaus D. R., 2023). A charismatic leadership style could basically form a foundation on which people being led are influenced to work vigorously and with great confidence along with zeal and effectiveness to achieve common organizational objectives, a charismatic leader could be adored by many of his followers without the latter realizing it; there is no way that it can be described in concrete terms (Akbar M. R., 2024).

H3a: Charismatic leadership has a positive impact on

Employee performance.

### 3.2. Leadership Styles and Employee Engagement

Previous studies have explored the role of various elements in boosting employee engagement. (Firman, 2021) highlighted that organizational effectiveness is significantly influenced by how leaders manage their teams. By aligning tasks with employees' interests and goals, new opportunities and approaches for enhancing company performance and productivity are unveiled (Firman, 2021). The cornerstone of organizational success is employee engagement, as it leads to heightened productivity and profitability. Leadership styles are crucial in predicting the level of employee engagement. The care shown towards employees' growth and well-being is also a reliable indicator of job performance, satisfaction, and organizational loyalty, as noted by (Alimo-Metcalf B, 2008), (Griffin, 2015), and (Saks A. M., 2014a). These studies argue that for organizations to thrive, having engaged employees is essential; companies with disengaged staff face a greater risk of failure. (Rayton, 2014) posits that the quality of the leader-employee relationship is fundamental in fostering employee engagement. Business leaders are thus faced with the task of identifying the most effective strategies to motivate and engage their teams (Eneh, 2016); (Galuska, 2014); (Maghraoui, 2016). Several factors contribute to an organization's success, with leadership being a pivotal element (Mehmood, 2016). (Megawaty M. H., 2022) identifies several leadership qualities—such as trust, integrity, the link between organizational and employee performance, intellectual stimulation, career growth opportunities, the leader-employee bond, pride in the organization, and team unity—as key to influencing employee engagement.

The leadership approach adopted can significantly impact employee engagement levels. Employees' actions and behaviors are influenced by the leader's style. (Anitha, 2014) discovered a strong link between effective leadership and high employee engagement. (Khuong, 2014) found that employee engagement levels increase with the presence of sociable, ethical, and visionary leadership. (Anitha, 2014) also noted that the work environment, shaped by leadership, directly affects employee engagement. Leaders play a critical role in steering the direction of an organization and can drive change by employing the right engagement strategies (Ahmed, 2015). Successful organizations are often those with effective leadership, necessitating leaders who inspire and motivate their workforce (Mehmood, 2016).

(Eldor, 2016) points out that excellent leadership is rooted in proven leadership practices, which, when applied, can enhance both employee and organizational performance. (Anitha, 2014) outlined seven key areas leaders should focus on to boost employee engagement and productivity: the work environment, leadership, employee well-being, team dynamics, professional development, compensation, and organizational policies. Leaders that create a conducive work environment and support personal goal achievement can significantly increase employee engagement (Bhuvanaiah, 2015). (Zhang T. A., 2014) and (Bolarinwa, 2015), emphasized the importance of meaningfulness, safety, and resource availability as psychological conditions leaders must foster to engage their employees effectively.

H1b: Employee engagement mediates the relationship between Democratic leadership and Employee performance positively.

H2b: Employee engagement mediates the relationship between Autocratic leadership and Employee performance positively.

H3b: Employee engagement mediates the relationship between charismatic leadership and Employee performance positively.

H4: Employee engagement has a positive and significant relationship with Employee performance.

### 3.3. Leadership Styles, Employee Engagement, And Employee Performance

This research emphasizes the role of Employee Engagement as a mediator in the link between various leadership styles and Employee Performance (EP), grounded in a theoretical framework. Enhanced performance is achievable only when expectations are reasonable and the interaction between managers and employees is equitable. The effectiveness of leadership in improving employee performance hinges on its ability to motivate higher Employee Engagement levels. An improvement in the exchange relationship between a leader and their subordinate boosts engagement, which in turn, enhances performance (Chaurasia S., 2013). Previous research has identified a

positive correlation between Employee Engagement (EE) and EP (Schaufeli W. E., 2015) It's recognized by leaders that focusing on Employee Engagement leads to a more effective and productive workforce (Rich B. L., 2010). Without the engagement of employees, leadership improvement initiatives are doomed to fail. Work engagement is described by (Schaufeli W. S.-R., 2002) as a positive, motivational state related to work that includes vigor, dedication, and absorption. Although Autocratic leadership can be strategically chosen by a leader and may be perceived positively by team members, a nuanced approach to Autocratic leadership is necessary to circumvent the negative perceptions and outcomes traditionally associated with it. Building on the discussions above, a proposed relationship between leadership styles and EP, mediated through EE, is established. Hence, the above hypotheses.

### 3.4. Research Model

The figure below shows the research framework comprising of the independent, dependent and mediating variables. The independent variables are Democratic, Charismatic and Autocratic leadership styles whereas the dependent variable is employee performance and employee engagement as the mediating variable.

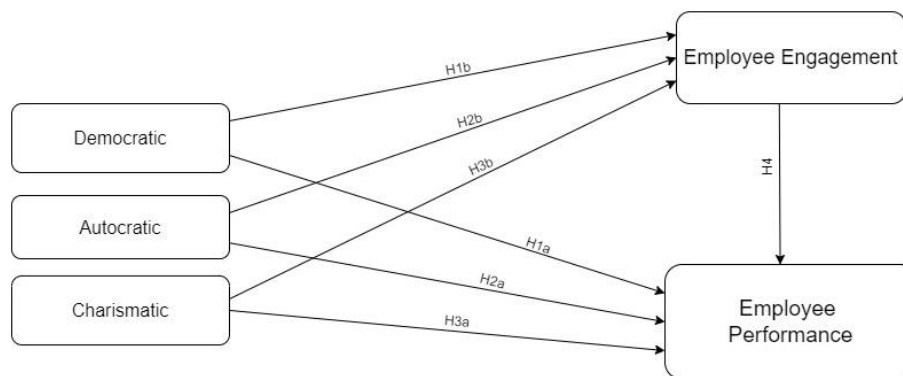


Figure 1. Conceptual Framework

## 4. Research Methodology

### 4.1. Sample Selection and Data Collection

This study employs a quantitative, cross-sectional design to explore the impact of different leadership styles on employee performance and to assess the mediating role of employee engagement within this relationship. Data was collected using a structured questionnaire administered to employees from several small and medium-sized enterprises (SMEs) in Malawi's private sector. Participants were selected using purposive sampling based on specific inclusion criteria. We included employees from private SMEs in Malawi who had at least one year of experience in their current roles and were familiar with the leadership practices in their organization. We excluded individuals who had less than one year of experience or worked in non-SME organizations, as they were less likely to provide relevant insights into the leadership styles and employee engagement within SMEs. In addition, internet is overpriced beyond the reach of most Malawians. The section of the Malawian public that has access to the Internet often experience poor and sluggish internet connections (Akademie, 2019). Therefore, the questionnaire was distributed both in electronic and physical format since not all respondents had access to internet. Combining data from both formats contributed to validating

findings and providing a more robust basis for conclusions.

A purposive sampling approach was used to select 300 participants from various SMEs, with a response rate of 77% yielding 231 usable responses. The data collection instrument incorporated the Multi-Factor Leadership Questionnaire (MLQ) for leadership style assessment employee engagement and performance that have been validated in prior research. A five-point Likert scale was employed across all measures, ranging from "strongly disagree" to "strongly agree," allowing for a detailed analysis of participants' perceptions. The instrument used was in the form of a questionnaire that was distributed directly to the respondents, then the data was summarized by Microsoft Excel before being entered into the program SPSS. SPSS was used to process and measure the analysis and structural models.

In the context of the questionnaire, questions about enterprise scale are investigated. The selected scales are reliable scales modified by existing researchers many times. The data used in this paper was collected, starting from 8 October 2023 to 31 October 2023. To increase the recovery rate of the research questionnaires some monetary incentives were provided to the respondents.

### 4.2. Measurement Tools

To assess the relationship between leadership style, employee performance and employee engagement, the

“Multi-Factor Leadership Questionnaire” (MLQ) by (Bass, 1995) was developed and used for this study. The study questionnaire adopted a five-point Likert scale in calibrating the responses of the respondents. According to (Bloomberg, 2011), the Likert scale is the most often used variation of a summated scale, which consists of statements that represent a favorable attitude toward an object of interest (Alshurideh, 2010). The study used the Likert scale because previous empirical research on leadership style used the Likert scale to collect data on respondents’ perspectives, choices, and opinions (Brooke, 2007). The tool includes 20 items. However, this questionnaire has been refined to adapt to the leadership context as well as to the characteristics of the private sector in Malawi. The Questionnaire was built on a five-point Likert scale from 1 to 5, where 1=strongly disagree, 2=disagree, 3=neutral, 4=agree, and 5=Strongly agree. The Multi-Factor Leadership Questionnaire, Employee Engagement and Employee Performance Questionnaire was divided into three parts, the first part focuses on answering demographic issues, the second part focuses on analyzing different leadership styles of leaders in private sector firms, and the third part focuses on analyzing and evaluating the level of employee engagement and employee performance.

#### 4.2.1. Leadership Style Scale

The study uses the charismatic leadership scale developed by (Zehir, 2014) to measure leadership from five aspects. This scale has been widely used in previous studies and has good reliability and validity. The scale is divided into four dimensions: high performance, sense of mission, and organizational goals. The Likert 5-point method was used. A summary of the items is provided on the table.

**Table 1.** Democratic leadership scale

No	Item
1	My leader/supervisor has a sense of mission which he transmits to other
2	My leader/ supervisor communicates expectations of high performance
3	My leader/supervisor provides inspiring strategic and organizational goals
4	My leader/supervisor shows sensitivity to the needs and feelings of other organization members

Democratic leadership: the sub-scale of democratic leadership developed by (Ahmed Zakaria Abdullahi, 2020) in the context of Chinese culture is adopted. This scale has been widely used in previous studies and has good reliability and validity. The scale is divided into four dimensions: decision-making processes, supportive communication, guidance, responsibility, and “passion. The Likert 5- point method was used. A summary of the items is provided in the table.

**Table 2.** Autocratic leadership scale

No	Item
1	My leader/supervisor involves us in decision-making processes
2	My leader/supervisor provides us with frequent and supportive communication
3	My leader/supervisor provides guidance without pressurizing us
4	My leader/supervisor helps us accept responsibility for completing our tasks

Authoritarian leadership: the sub-scale of authoritarian

leadership developed by (Ahmed Zakaria Abdullahi, 2020) in the context of Chinese culture is adopted. This scale has been widely used in previous studies and has good reliability and validity. The scale is divided into four dimensions: authoritarian behavior, power, authority, and control, rewards or punishments, and direction, day-to-day activities and he asked me to obey his leadership”. The Likert 5- point method was used. A summary of the items is provided on the table.

**Table 3.** Charismatic leadership scale

No	Item
1	My leader/supervisor retains all power, authority, and control in all decision-making
2	My leader/ supervisor rewards or punishes us to motivate us to achieve organizational objectives
3	My leader/ supervisor provides us with the needed direction
4	My leader/ supervisor adopts one-way communication and does not consult us

#### 4.2.2. Employee Performance

The employee performance scale prepared by (Al Montaser Mohammad1, 2022), is adopted, with a total of four items, such as “performance improvement, participation, problem solving and implementation” and so on. The Likert 5- point method was used. A summary of the items is provided on the table.

**Table 4.** Employee Performance scale

No	Item
1	The company is keen on my participation in making decisions that improve performance
2	The management structures in this company encourage the performance of workers.
3	I generate ideas or solutions to address problems.
4	I push ideas forward so that they have a chance to become implemented

#### 4.2.3. Employee Engagement

(Al Montaser Mohammad1, 2022), Is a four-dimensional model applicable to different cultural backgrounds? It includes four dimensions: vigor, dedication, resilience, and immersion. The Likert 5- point method was used. A summary of the items is provided on the table.

**Table 5.** Employee Engagement scale

No	Item
1	At my job, I feel strong and vigorous
2	I can continue working for very long periods at a time
3	In my job, I am mentally very resilient
4	I am immersed in my work

## 5. Results and Empirical Analysis

This paper selects existing mature scales which were used to formulate a questionnaire. SPSS26.0 was used to analyze the data collected. Through the descriptive statistical analysis, reliability and validity test, confirmatory factor analysis, correlation analysis, and the hypotheses proposed above are verified. The data analysis results are discussed after analyzing the data.

## 5.1. Descriptive Analysis

Table 6 contains the descriptive analysis of the 4 control variables and the basic situation of the sample population was analyzed as follows. In terms of gender distribution, men and women account for 59.3% and 40.4%, respectively, which is relatively balanced. The age distribution covers a wide range of respondents, 18 employees fall between the ages of 18-20yrs (7.8%), 69 employees fall between the ages of 25-30yrs (29.9%), 111 employees fall between the ages of 30-39yrs (48.1%) and 33 employees fall between the ages of 40 and

above with mean age of 27. The employee's occupation status was categorized into four parts namely full-time 25.5%, part-time 55.0%, retired 19.5%, - and prefer not to say, respectively. The number of employees of the enterprise is mainly 50–100, accounting for 50% in total, and the education level of employees comprised of highest diploma 10.8%, bachelor's degree 7.1 % and master's degree 22.0 %. In terms of enterprise-type distribution, the top three are the social service industry, the insurance industry, and the manufacturing industry, which account for 56.0% in total. Overall, the samples are widely distributed and representative.

**Table 6.** Descriptive Analysis

Name	Option	Frequency	Percentage	Accumulated Percentage
Age	18-24	18	8	8
	25-30	69	30	38
	30-39	111	48	86
	Above 40	33	14	100
Gender	Male	137	59	59
	Female	94	41	100
Education Level	Highest Diploma	25	11	11
	Bachelor's Degree	155	7	78
	Master's Degree	51	22	100
Employment Status	Full-time	59	26	26
	Part-time	177	55	81
	Prefer not to say	45	19	100

## 5.2. Reliability and Validity Analysis

**Table 7.** Reliability and Validity Analysis

	Items	Factor loading	AVE	CR	Cronbach alpha	KMO
Democratic	D1	0.87				
	D2	0.86				
	D3	0.88	0.74	0.92	0.92	8.56
	D4	0.82				
Autocratic	A1	0.80				
	A2	0.86				
	A3	0.81	0.67	0.89	0.89	8.38
	A4	0.79				
Charismatic	C1	0.79				
	C2	0.79				
	C3	0.80	0.62	0.87	0.87	8.20
	C4	0.78				
Employee Employment	EE1	0.88				
	EE2	0.80				
	EE3	0.75	0.67	0.89	0.89	0.83
	EE4	0.84				
Employee Performance	EP1	0.81				
	EP2	0.73				
	EP3	0.80	0.65	0.88	0.88	0.82
	EP4	0.87				
		>0.5	>0.5	>0.7	>0.7	>0.7

Table 7 displays the reliability analysis which consists of the factor loadings, AVE, CR, KMO AND Cronbach alpha. Cronbach's alpha reliability test was chosen as the top way to assess the fitness and consistency of the collected data (Trochim, 2010). It is stated that the alpha value increases as the test variable correlations improve, with a reliable alpha value above 0.70 (Kline, 2000). which depicts that the items

are reliable since their respective alpha values are greater than 0.7. Therefore, the reliability of each variable is good and meets the research requirement. The KMO value for all thirty-one items in our constructs is 0.87,  $p < .05$  which indicates that these results are valid since the KMO is greater than 0.7. The composite reliability (CR) and the average variance extracted (AVE) were calculated for the theoretical interest in

scale development. All research variables fall in the acceptable CR range from .87 to .92, and the AVE range from .65 to .75 represented in the CR and AVE table. The

analysis above shows that our research is reliable and valid therefore, we perform further analysis like confirmatory factor analysis (CFA).

**Table 8.** Confirmatory Factor Analysis

Number	Index	$\chi^2$	df	P	$\chi^2/df$	GFI	RMSEA	RMR	CFI	NFI	NNFI
1	5-factor model	199.73	160	0.02	1.25	0.93	0.03	0.05	0.99	0.93	0.98
2	4-factor model	716.06	164	0	4.37	0.761	0.12	0.14	0.8	0.78	0.77
3	3-factor model	1031.68	167	0	6.18	0.66	0.15	0.17	0.69	0.66	0.65
4	2-factor model	1398.7	169	0	8.28	0.53	0.18	0.19	0.56	0.53	0.51
5	1-factor model	1891.17	170	0	11.12	0.37	0.21	0.24	0.39	0.37	0.32

Table 8 displays the Confirmatory factor analysis was carried out in this research using SPSS data analysis and the five-factor model was adopted. Model 1 (5-factor model) includes all study variables rated by employees (Democratic, Autocratic, Charismatic, Employee Engagement, and Employee performance) being presented as five independent factors. Model 2 (4-factor model) combines employee engagement and employee performance as one factor and treats the other three variables as three independent factors. Model 3 (3-factor model) combines Democratic leadership, employee engagement, and employee performance as one factor and considers the other two variables as two independent factors. Model 4 (2-factor model) combines Autocratic, Democratic, employee engagement, and employee performance with charismatic leadership as the constant factor. Model 5 (1-factor model) combines all five variables as one factor. The results show that model 1 (5-factor model) which is our hypothesized model was superior to all other models (model 2 -model 5). Model 1 results indicate ( $\chi^2 = 199.7$ ;  $df = 160$ ;  $p < .001$ ; comparative fit index (CFI) = .99; goodness-of-fit index (GFI) = .93; Normed Fit Index (NFI) = .93 root-mean-square error of approximation (RMSEA) = .03; and standardized root-mean-square residual (SRMR) = .05.), Model 2 ( $\chi^2 = 716.1$ ;  $df = 164$ ;  $p < .001$ ;

comparative fit index (CFI) = .80; goodness-of-fit index (GFI) = .76; Normed Fit Index (NFI) = .76 root-mean-square error of approximation (RMSEA) = .12; and standardized root-mean-square residual (SRMR) = .14.). Model 3 ( $\chi^2 = 1031.7$ ;  $df = 167$ ;  $p < .001$ ; comparative fit index (CFI) = .69; goodness-of-fit index (GFI) = .66; Normed Fit Index (NFI) = .66 root-mean-square error of approximation (RMSEA) = .15; and standardized root-mean-square residual (SRMR) = .17.). Model 2 ( $\chi^2 = 1398.7$ ;  $df = 169$ ;  $p < .001$ ; comparative fit index (CFI) = .56; goodness-of-fit index (GFI) = .55; Normed Fit Index (NFI) = .56 root-mean-square error of approximation (RMSEA) = .18; and standardized root-mean-square residual (SRMR) = .19.) and lastly model 1 ( $\chi^2 = 1891.2$ ;  $df = 1170$ ;  $p < .001$ ; comparative fit index (CFI) = .39; goodness-of-fit index (GFI) = .67; Normed Fit Index (NFI) = .39 root-mean-square error of approximation (RMSEA) = .21; and standardized root-mean-square residual (SRMR) = .24.). The above CFA results indicate that our model fit is accepted and best suited for this study since all alternative models (model 2, 3, 4 & 5) were inferior to (model 1) therefore, we move further to correlation analysis.

### 5.3. Correlation Analysis

**Table 9.** Correlation Analysis

Variables	Mean	SD	1	2	3	4	5	6	7	8	9
1. Age	2.69	0.81	1								
2. Gender	1.41	0.49	0.69	1							
3. Educational level	2.11	0.56	0.01	0.02	1						
4. Employment Status	1.94	0.67	-0.43	-0.06	0.06	1					
5. Democratic	3.32	1.08	-.87	-0.07	0.08	0.10	1				
6. Autocratic	3.72	1.01	0.07	0.07	0.00	-0.08	-0.07	1			
7. Charismatic	2.86	0.71	.16*	-0.04	0.02	0.03	0.06	-.20**	1		
8. Employee Engagement	2.98	0.8	.26**	-0.04	-.055	.25**	.23**	.21**	.32**	1	
9. Employee Performance	3.26	0.78	.22**	0.10	0.05	0.10	.32**	.19**	.37**	.58**	1
**P<0.01	*P<0.05		N=231								

Table 9 shows the analysis of correlation encompassed seven variables, including demographic aspects like age, gender, educational attainment, and employment condition, along with theoretical models of leadership styles, employee engagement, and employee performance. The findings reveal the interconnections between our control variables and the primary variables under study. The data from the correlation analysis presented significant relationships: age was found to correlate notably with charismatic leadership ( $b = .16$ ,  $p < .05$ ), Employee Engagement ( $b = .26$ ,  $p < .05$ ), and Employee Performance ( $b = .22$ ,  $p < .05$ ). However, age showed no

significant correlation with democratic leadership ( $b = .09$ ,  $p = .19$ ), autocratic leadership ( $b = .07$ ,  $p = .31$ ), or other demographic variables in this investigation. The outcomes suggest that a leader's charisma, as well as employee engagement and performance levels, are influenced by age. In contrast, a leader's tendency towards democratic or autocratic styles appears to be age independent. Regarding gender, the analysis found it to have no significant correlation with leadership styles (democratic ( $b = .07$ ,  $p = .3$ ), autocratic ( $b = .07$ ,  $p = .3$ ), charismatic ( $b = .04$ ,  $p = .6$ )), or with employee engagement ( $b = .04$ ,  $p = .6$ ) and performance ( $b = .1$ ,  $p = .1$ ),

indicating that these factors are not influenced by gender. Similarly, educational level was found to have no significant correlation with any of the constructions studied, suggesting that leadership style, employee engagement, and performance are not dependent on one's level of education. Employment status, however, showed a significant positive correlation with employee engagement ( $b = .3, p < .05$ ) but not with leadership styles or employee performance, indicating a relationship between employment status and job engagement alone. On the other hand, a democratic leadership style was significantly correlated with higher levels of employee engagement ( $b = .23, p < .05$ ) and performance ( $b = .32, p < .05$ ), but not with other leadership styles, suggesting that democratic leadership positively impacts employee engagement and performance. Autocratic leadership was significantly correlated with charismatic leadership ( $b = .20,$

$p < .05$ ), employee engagement ( $b = .21, p < .05$ ), and employee performance ( $b = .29, p < .05$ ), highlighting a relationship between autocratic leadership and both charisma, engagement, and performance. Furthermore, charismatic leadership was significantly associated with both employee engagement and performance ( $b = .23, p < .05$ ), and a mutual significant positive correlation was observed between employee engagement and performance. Overall, the analysis revealed that leadership styles significantly influence employee engagement and performance, with certain styles showing inter-correlations (autocratic and charismatic), while democratic leadership did not significantly correlate with the other styles examine.

#### 5.4. Hypothesis Test

**Table 10.** Hypothesis Analysis

Term	c	a	a (p)	b	b (p)	a*b Mediating Effect Value	a*b (Boot SE)
	B	S. D	t	B	S. D	t	P
Constant	1.94	0.32	6.16	2.23	0.28	7.89	0.000***
Age	0.27	0.06	4.47	0.18	0.06	3.32	0.001***
Gender	-0.06	0.10	-0.63	-0.04	0.09	-0.49	0.63
Education	-0.11	0L.888	-1.20	-0.14	0.08	-1.73	0.085*
Employment status	0.32	0L.074	4.29	0.31	0.07	4.67	0.000***
D					0.04	3.54	0.000***
A					0.05	5.36	0.000***
C					0.64	5.86	0.000***
R <sup>2</sup>	0.14						
Adjusted R <sup>2</sup>	0.13						
F	F (4,213)=9,506, P=000***			F (7,230)=16.108 P=000***			

SPSS model 26 was used to test the direct relationship between democratic, autocratic, and charismatic leadership styles, employee engagement, and performance. Our hypotheses were largely supported which can be seen in the related table. which provides more information including t-statistics, standardized path coefficient (b), and significant levels. Standardized path coefficients (b), t-statistics, and associated significance levels for all relationships in the study model are presented in related tables. The study used a two-tailed t-test with a significance level of 5%, the path coefficient will be significant if the t-value is larger than 1.96. The result shows democratic leadership has a positive and direct impact on employee performance ( $b = .22, t = 5.38, p < .05$ ). In line with hypothesis 1a, democratic leadership has a positive direct effect on employee performance, which means under a democratic leader, employees will perform well in the organization, hence fostering an inclusive environment and actively engaging employees in decision-making. Democratic leaders contribute to improved performance as employees feel more valued and empowered, this is in line with research conducted by (Chua J. B., 2020). Contrary to expectations, Autocratic leadership was found to have a positive direct effect on employee performance ( $b = .21, t = 4.94, p < .05$ ) rejecting hypothesis 2a which states Autocratic leadership has a negative impact on Employee performance. Employees' performance tends to increase under autocratic leadership. This suggests that in certain contexts, such as SMEs, a structured and authoritative approach can enhance performance by providing employees

with clear expectations and stability, this confirms the study by (Huang, 2015). We also found charismatic leadership to have a positive direct effect on employee performance ( $b = .43, t = 6.89, p < .05$ ) providing support for hypothesis 3a. This suggests that leaders who employ a charismatic style, characterized by inspiring and motivating employees through a shared vision, enhance performance outcomes more effectively than other styles, this confirms the research by (Akbar, 2024). However, we found the three leadership styles (democratic, autocratic, and charismatic) positively affecting employees' performance in the organization, but charismatic leadership was found to have a relatively greater positive direct effect on employee performance than democratic and autocratic. In Addition, democratic leadership has a relatively high effect on employee performance compared to autocratic leadership. The above results provide support for hypotheses 1a, 2a, and 3a. To test hypothesis 4, this study used a two-tailed t-test with a significance level of 5%, the path coefficient will be significant if the t-value is larger than 1.96. Results indicate that there is a positive direct relationship between employee engagement and employee performance ( $b = .56, t = 10.1, p < .05$ ) supporting our hypotheses (H4). We found employee engagement to have a strongly direct positive effect on employee performance, suggesting that despite the leadership style, engaging employees is the best way to foster their organization's performance. Although we didn't hypothesize the direct relationship between the three leadership styles and employee engagement. We found that democratic leadership has a positive direct relationship with

employee engagement ( $b = .15$ ,  $t = 3.54$ ,  $p < .05$ ) suggesting that democratic leaders will positively engage employees. Consequently, we found autocratic leadership to have a positive direct effect on employee engagement ( $b = .24$ ,  $t = 5.36$ ,  $p < .05$ ) and lastly, we found charismatic leadership to be positively associated with employee engagement ( $b = .37$ ,

$t = 5.86$ ,  $p < .05$ ). The results provide evidence support for all our research hypotheses.

### 5.5. Mediating Effect Analysis

Mesomeric effect (Bootstrap 5000)

**Table 11.** Mediation Analysis

variables	Employee Engagement			Employee Performance		
	b	p	t	b	p	t
Age	0.27	0.00		0.18	0.00	
Gender	-0.06	0.53		-0.04	0.63	
Education level	-0.11	0.23		-0.14	0.09	
Employment Status	0.32	0.00		0.31	0.00	
D	0.14		-3.11	0.13		-3.60
A	0.17		-3.66	0.04		-0.94
C	0.31		-4.65	0.21		-3.64
R <sup>2</sup>	0.14			0.34		

**Table 12.** Bootstrap test

Term	c	a	a (p)	b	b (p)	a*b Mediating Effect Value	a*b (Boot SE)	a*b (z)	a*b (P)	a*b (95% Boot CI)	c'Direct Effect
D <sub>-</sub> =>EE=>EP	0.22	0.15	0.000***	0.41	0.000***	0.06	0.02	3.26	0.001***	0.026-0.098	0.16
A <sub>-</sub> =>EE=>EP	0.21	0.24	0.000***	0.41	0.000***	0.10	0.02	5.05	0.000***	0.065-0.14	0.12
C <sub>-</sub> =>EE=>EP	0.43	0.37	0.000***	0.41	0.000***	0.15	0.03	4.61	0.000***	0.093-0.224	0.27

Bootstrapping analysis was conducted to test the mediating effects which were shown to be significant (Hayes, 2013). This Bootstrapping analysis was conducted to test the mediating effects which are shown above to test the mediating relationship (hypothesis 1b, 2b, and 3b), we use Bootstrap 5000 analysis, where b = mediating effect value, boot C is mediating effects while 95% = coefficient,  $p < .05$ . The results from the mediating analysis show that employee engagement positively mediates the indirect relationship between democratic leadership and employee performance ( $b = .06$ , BootCI 95% = .03 to .1,  $p < .05$ ), this provides support for hypothesis 1b. In line with hypothesis 2b, employee engagement also positively mediates the indirect relationship between autocratic leadership and employee performance ( $b = .1$ , BootCI 95% = .07 to .14,  $p < .05$ ). This means that autocratic and democratic leadership is related to employee performance through employee engagement. Employee engagement mediates the relationship between charismatic leadership and employee performance ( $b = .15$ , BootCI 95% = .10 to .22,  $p < .05$ ) which provides support for hypothesis 3b. All hypotheses were strongly supported however, employee engagement has a stronger mediate effect between charismatic leadership and employee performance than for the other two leadership styles, suggesting charismatic leadership to be the most suitable style to improve employee performance in an organization.

## 6. Conclusion

### 6.1. Conclusion

The purpose of the study was to explore the impact

mechanism of leadership style on employee performance. Three typical leadership styles, Democratic leadership, Autocratic leadership, and charismatic leadership were selected to explore the impact of the three leadership styles on employee performance and introduce employee engagement as the mediating variable. Through empirical research, this paper analyzed the collected data, based on the results of the research hypotheses above. This paper has reached the following findings: (1) Autocratic, Charismatic, and Democratic leadership styles have a positive impact on employee performance and employee engagement. Employee engagement has a strong and direct positive effect on employee performance. (3) Employee engagement positively mediates the indirect relationship between democratic leadership and employee performance. From the above findings, it can be seen that Charismatic leadership has a positive impact on employee performance because Charismatic leadership can create an appropriate environment for engaged employees, actively encourage employees to tackle problems from a new point of view, cultivate their transformative ability, acquire new knowledge, stimulate them to rethink and review their previous understanding of transformative ability, encourage them to evaluate existing problems incorporate strategies and objectives, and achieve the purpose of effective change by actively discovering and solving problems. The future is clearly and convincingly envisioned by charismatic leaders. They articulate a strong and rousing vision that reverberates with their supporters and gives an internal compass and motivation (Bhatia, 2018).

The results also show that the Autocratic leadership style has a positive impact on employee performance because,

under the Autocratic leadership style, leaders and subordinates are often based on consultancy. The employees are motivated to work with fear and punishment instead of rewards and incentives. Through benefit negotiation and reciprocal transactions to jointly achieve the goal, it will stimulate the incentive of employees to actively complete the task, to promote employee performance in enterprises. Under the guidance of realizing employee performance, theories on social hierarchy suggest that autocratic leadership may also positively affect morale and performance through the creation of a psychologically appealing, hierarchically ordered environment of predictability and security. Therefore, under the guidance of tasks, although employees are not willing to develop, they can also achieve the purpose of innovation and actively affect management innovation. that autocratic leadership can foster team psychological safety when team members accept the hierarchy within the team. In contrast, competition for power frustrates members, impairing psychological safety and performance. In some circumstances, if the leader is smart, fair, and has a good grasp of the followers, autocratic leadership may be effective (Armstrong, 2012).

We can also see that Democratic leadership has a positive impact on employee performance. Democratic leaders will positively engage employees compared with other enterprises, those enterprises that practice democracy actively carry out adaptive learning and can successfully carry out transformative activities. These leaders provide options and support to their subordinates or followers so that they can take part in decision-making. Therefore, as opposed to authoritarian leadership, this style of leadership is characterized by active participation, Therefore, democratic leadership is directly related to employee performance.

From the mediating effect analysis, the impact of leadership style on employee performance is largely influenced by the mediating variable of employee engagement, which shows that leadership style affects both engagement and performance levels. At the specific level, employee engagement positively mediates the indirect relationship between democratic leadership and employee performance in addition autocratic and democratic leadership also relate to employee performance through employee engagement which strongly portrays employee engagement as the medium to boost performance

Employee performance was found to have a strongly direct positive effect on employee engagement, suggesting that despite the leadership style, engaging employees is the best way to foster their organization's performance. Employee Performance based on leadership will be ineffective unless the leadership offers the incentive for higher levels of Employee Engagement. When the quality of the exchange relationship between the leader and subordinate increases, the level of engagement also increases, leading to an increase in performance (Chaurasia S., 2013).

This study has examined and analyzed the heterogeneous impact of Leadership Styles on Employee Performance and the mediating role of employee engagement in SMEs in Malawi. This research hypothesized Democratic and Charismatic leadership styles have a positive influence on employee performance, while Autocratic influences it negatively. However, the research results have shown that Autocratic leadership to have a positive impact and confirmed the proposed hypotheses for Democratic and charismatic to be acceptable, which means that the three studied leadership

styles all have a positive impact on employee performance. Regarding research, question 3 to determine if considering only one or two leadership approaches has an impact on employee performance and to what extent. Different styles are needed for different situations and each leader needs to know when to exhibit a particular approach. Leaders must adjust their leadership style to the situation as well as to the people being led. The present study was an attempt to explore suitable leadership styles concerning the performance of employees. The results also revealed that each leadership style is a combination of different types of behavior and characteristics of leaders. If there is the need to decide quickly and act a leader should rely on the autocratic style. If the group is undisciplined and poorly organized, the autocratic style is more efficient. The democratic leadership style matches with a well-organized and stable group. In the longer term, the democratic style of leadership, which includes giving employees a certain freedom and involving them in decision-making, is more productive. The charismatic leadership style matches with attempts to induce followers to reorder their needs by transcending self-interests and striving for a higher order.

Numerous studies have indicated that leadership is essential in influencing and fostering organizational success (Alifah A. &, 2021). Furthermore, the adoption of suitable leadership styles is paramount in all facets of small and medium-sized enterprise (SME) management, as it significantly enhances the firm's performance, growth, and sustainability (Le T. D., 2022). In conclusion, this study undertakes a detailed exploration accompanied by useful recommendations on the Democratic, Autocratic, and Charismatic leadership styles as applied in SMEs in Malawi. Mentioned here are the specific ways through which these leadership styles contribute to improved SME productivity in the nation. Using these findings, SME leaders and policymakers can come up with the correct interventions to be embarked upon so as to ensure that the coming into being of a more robust SME sector would ultimately work toward the attainment of national objectives in the economic domain. This research fills a very important knowledge gap and creates a foundation on which subsequent leadership and management studies in relation to SMEs may be built on.

## 6.2. Theoretical Implications

It is rather important to note that, in an SME, theory suggests that the performance of the employees determines the success and failure of the business significantly by the leadership styles of leaders adopted (Uzohue, 2016). From a theoretical standpoint, this research adds to the body of knowledge on EP and the function of EE in mediating and understanding the complexity of leaders' perspectives of SMEs in Malawi. Employee engagement has been identified as a mediator in this theory (Udin, 2022). However, the use of suitable leadership styles enhances the productivity, performance, services, satisfaction, organizational commitment, and organizational structure of SMEs (Franco, 2015). Practicing effective leadership styles in the management of SMEs reaps immediate and real benefits to a leader. It provides a holistic approach to the smooth running of SMEs; it provides a framework through which they identify essentials in SME management and improve them consistently; it creates a benchmarking platform to compare its performance with all the relevant parties, both inside and outside of an SME; it lays down structures, processes, and

relationships that empower employees to participate fully in the day-to-day activities of an SME. Besides, this study will add to existing management literature and to further knowledge of leadership practice and the choice of a leadership style in SME management. Finally, this study suggests that Malawian SME organizations that can effectively use these perspectives to improve EP will realize the rewards of better-performing employees. In the long term, this would impact the organization's overall performance confirms with the idea that the effectiveness of leadership, along with the overall success or failure of a small or medium-sized enterprise (SME), is heavily influenced by the management skills and leadership approach used by the owners or managers within the organization (Aghahowa, 2021). Past studies have demonstrated that adopting a suitable leadership style is vital for enhancing the performance of small and medium-sized enterprises (SMEs) (Alifah A. &, 2021). Furthermore, leaders need to be mindful of the various leadership styles, because with effective leadership, employees are motivated to put in extra effort, enhancing the organization's growth and sustainability. On the other hand, poor leadership can lead to a lack of initiative and motivation, resulting in consistently low output from employees (Aghahowa, 2021). There are various types of leadership styles in an organizational setting, each with its own advantages and disadvantages. The leadership approaches used by SME managers have been examined, analyzed, adapted, and reinterpreted by numerous scholars, researchers, and practitioners throughout the years (Jdetawy, 2018), (Alifah A. &, 2021) Every style possesses different dimensions, characteristics, methods, and procedures for improving the performance of SMEs.

### 6.3. Practical Implications

SME management teams may be able to assess the strengths and weaknesses of their organizations and develop appropriate leadership styles by diagnosing the status of leadership styles, EE, and EP in Malawi and exploring the relationships between these constructs. Senior and business managers should adopt suitable leadership styles for enhancing EP. By combining leadership styles and addressing the importance of EE, this study aims to find ways to improve EP. The wavering and challenging external factors have led many SMEs to focus on improving resource management (Menhat, 2019). The outcomes of this study provide advice for executives in the SME to coordinate their organizational efforts to increase EP through EE and leadership styles. EE should be recognized as a technique for boosting EP and retaining personnel in small and medium enterprises. As mentioned earlier, small and medium enterprises play a crucial role in driving financial activity in various countries, including those that are least developed and developing. (Huang SZ, 2021b) and (Van, 2019) small and medium-sized companies (SMEs) offer the primary chance for employment to generate revenue for local communities. Limited competition from large corporations and a shortage of skilled workers presents significant challenges for small and medium enterprises. (Huang SZ, 2021b) The absence of government regulatory measures has been linked to various issues. In recent years, the number of businesses has increased, yet not all have advanced, while a few have managed to succeed. Small and Medium Enterprises (SMEs) in Malawi encounter several difficulties, with the most significant being limited access to financing, insufficient production space, and a lack

of markets for their goods. Various financial institutions are supporting SMEs by offering loans to help grow their businesses. While some have gained financial support, for others, the assistance has led to more challenges than they faced prior to receiving it. The study by (Zidana, 2015) A study on SME financing and economic growth in Malawi, covering the period from 1981 to 2014, found that simply increasing access to finance has not had a beneficial effect on the growth of SMEs in the country.

### 6.4. Limitations and Future Research

Recognizing the limits of a study does not signal insincerity; it merely puts in evidence the determination of the researcher to present, reveal, and accept in pursuit of knowledge the lack of a choice for a scapegoat (Arham, 2014) and (Hossain, 2019). It adds more weight and credibility to any research reporting by providing the reader with further understanding of the study boundaries of potential advancement and the total strength of the research endeavor. Thus, this study recognizes certain limitations in compiling, analyzing, presenting, and discussing information collected. These limitations are described in this section. The study's ultimate limitation is that it relied on a limited number of enterprises to test its hypotheses. The findings of this study can be cautiously generalized to other enterprises in different contexts. A case study approach could be appropriate in the future to understand better the process and mechanism by which increased EP is obtained and explain these outcomes. Researchers would be able to understand the complicated interactions between the variables. Future research might look at the research model in several situations in SMEs, such as private hospitals, network service providers, and education, and test its validity and application in various countries. Moreover, the research could also explore various leadership styles, focusing on the characteristics of Autocratic, Charismatic, and Democratic styles and advocating EP. In addition, a combined methodology that merges quantitative and qualitative approaches should be used to gain a more comprehensive knowledge of employee performance among various supervisors. Despite the study's reported sample size of 300 respondents, only 231 respondents were gathered because of time restrictions and slow or unreliable internet. The effectiveness and efficiency of the data collection procedure was yet another drawback. Twenty questionnaires were distributed during the pre-testing phase, but the problem that arose was that some of the values such as unanswered questions were missing from some of the surveys gathered. Furthermore, due to the respondents' attitudes which included answering mindlessly or merely to get the answer over with some replies did not even accurately reflect their positions. Lastly, there is the issue of uninterested respondents who were reluctant to complete the questionnaire. The surveys were created using Microsoft Forms and made available to them via social media platforms including WeChat and WhatsApp. As most of the targeted respondents are active social media users, these platforms are essential for connecting with them. Consequently, since respondents must complete all questions before they can click "Submit on the form, using the Microsoft Form to administer questionnaires does not result in missing values.

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## Appendix

### Appendix A Survey Questionnaire

Survey Questionnaire on Heterogeneous Impact of Leadership Styles on Employee Performance and the mediating role of employee engagement: An empirical study on Private SMEs in Malawi.

Dear Respondent,

I am inviting you to participate in this research by completing the following survey questionnaire. The following questionnaire will require approximately 5-10 minutes to complete. The questionnaire should be completed by anyone above the age of 18 who is an employee. Thank you for taking the time to assist me with this research. Under no circumstances are you obliged to answer any of the questions; however, doing so will greatly assist me in completing my research and enhancing my understanding of this research focus. The data collected will remain confidential and used solely for academic purposes. Kindly indicate the extent to which you agree or disagree with the following statement by ticking [√] the option that best applies to you.

#### Section one Demographic

- What best describes your gender?  
 Male  Female
- What age group do you belong to?  
 18-24  25-30  30-39  Above 40
- Kindly state your employment status.  
 Full-time  Part-time  Prefer not to say.
- What is your highest level of education?  
 Highest diploma  Bachelor's degree  Master's Degree

#### Section two Leadership styles

Kindly indicate the extent to which you agree or disagree with the following statement by ticking [√] the option that best applies to you.

1=Strongly Disagree 2=Disagree 3=Partially Agree  
4=Strongly Agree 5=Agree

### Democratic leadership

- 
- |   |  |                            |                            |                            |                            |                            |
|---|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| 1 | My leader/supervisor has a sense of mission which he transmits to other                        | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 2 | My leader/ supervisor communicates expectations of high performance                            | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 3 | My leader/supervisor provides inspiring strategic and organizational goals                     | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 4 | My leader/supervisor shows sensitivity to the needs and feelings of other organization members | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
- 

### Autocratic leadership

- 
- |   |  |                            |                            |                            |                            |                            |
|---|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| 1 | My leader/supervisor involves us in decision-making processes                | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 2 | My leader/supervisor provides us with frequent and supportive communication  | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 3 | My leader/supervisor provides guidance without pressurizing us.              | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 4 | My leader/supervisor helps us accept responsibility for completing our tasks | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
- 

### Charismatic leadership

- 
- |   |  |                            |                            |                            |                            |                            |
|---|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| 1 | My leader/supervisor retains all power, authority, and control in all decision-making            | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 2 | My leader/ supervisor rewards or punishes us to motivate us to achieve organizational objectives | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 3 | My leader/ supervisor provides us with the direction needed                                      | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 4 | My leader/ supervisor adopts one-way communication and does not consult us                       | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
- 

### Employee Performance

- 
- |   |  |                            |                            |                            |                            |                            |
|---|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| 1 | The company is keen on my participation in making decisions that improve performance | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 2 | The management structures in this company encourage the performance of workers.      | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 3 | I generate ideas or solutions to address problems.                                   | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 4 | I push ideas forward so that they have a chance to become implemented                | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
- 

### Employee Engagement

- 
- |   |  |                            |                            |                            |                            |                            |
|---|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| 1 | At my job, I feel strong and vigorous                  | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 2 | I can continue working for very long periods at a time | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 3 | In my job, I am mentally very resilient                | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| 4 | I am immersed in my work                               | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
-