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Abstract

Workplace culture plays a primary function in modeling the behavior and performance of the firm through the collective efforts of individual members of the organization. Studies have emphasized that Workplace culture is an integrating force that pulls organizational behavior in the direction desired by management. Consequently, managers make deliberate efforts toward developing performance-driven Workplace culture. Workplace culture also reflects how it is perceived by the external entities, its values and social standards, as well as its relationship forms and levels with other organizations and individuals. This paper sought to assess the effect of workplace culture on the relationship between leadership style and performance. This paper reviewed effects of

Workplace culture and its impact on organizational performance, through an analysis of existing empirical studies and models linking with workplace culture and performance. Pursuant to the analysis of wide literature, it is found that workplace culture has a deep impact on the variety of organizations' processes, employees and its performance. The study adopted a cross-sectional survey research design. The study targeted the 40 State Departments in 21 Ministries in Kenya. The study used purely primary data. Primary data was collected through questionnaires. Inferential and descriptive statistics were employed. The data analysis was done using quantitative techniques. The findings revealed a statistically significant relationship between leadership style and performance. The study also revealed a positive relationship between organisation culture and performance. The study recommends that leaders should motivate and raise the morale of team members by using several methods that connect the leader, team members and workers to take a greater sense of self identity in the organization and the collective identity of the organization. The study further recommends that future studies could therefore focus on the same study but in other sectors different from service delivery.

Keywords: *Leadership Style, Workplace culture, Organizational Performance*

1.1 Introduction

The importance of workplace culture in establishing competitive advantages for business firms and its influence on organizational performance has been well documented in literature (Yesil & Kayab, 2013). In fact, Workplace culture has been generally recognized as an essential influential factor in analyzing organizations in various contexts (Dauber, Fink, & Yolles, 2012). According to Gavric, Sormaz and Ilic (2016), dimensions of culture is central to all aspects of organizational life as Workplace culture forms the integrative means of regulating the behavior of members of the organization and permeates all its activities, as a specific catalyst for growth and development of the organization. More specifically, Workplace culture leads an organization and its activities, shaping the way employees think, work and how they feel (Gavric, et al., 2016). However, Workplace culture does not always influence performance positively. Neither is Workplace culture static. The fact that Workplace culture is sometimes highly dynamic and that it can potentially have a negative impact on business operations increases the importance of its study (Gavric, et al., 2016). In this way, Workplace culture becomes the single most influential factor for organizational performance.

1.2 Leadership Styles

Leadership is what leaders do (Robbins & Coulter, 2007). Saasongu (2015) defined leadership as the individual behaviour to guide a group to achieve a common target. Fry (2003) explained leadership as the use of leading strategy to offer inspiring motive and to enhance staff's potential for growth and development. Leadership is the process of influencing a group to achieve goals (Robbins & Coulter, 2007). Edoka (2012) defined leadership as the process by which one person influences the thoughts, attitudes and behavior of others. The leadership of any given organization is mandated with directing and influencing the members of the organization towards the attainment of the set organizational goals (Shuck & Herd, 2012). The leadership of any given institution or organization is also mandated with the development of policy and the administrative systems of the organization. There is a need for policy makers to make informed decisions regarding staff development, motivation, and rewards based on the underlying system of values. The leadership system of any given organization is responsible for the performance of staff and the overall organization (McCall, 2010).

There are various leadership styles that contribute to improving productivity, performance, and the capacity to overcome challenges encountered in organizations. The integration of the various styles of leadership allows the leader to connect the performance of the organization with its purpose and expectations. Leadership has both a human component and the traditional management role (Larsson & Vinberg, 2010). The human component of leadership involves the leader's skills of communication and his or her ability to encourage and motivate, while the traditional management component consists of organizational and staff development, leadership practice and theory, time management, and effective planning (Larsson & Vinberg, 2010). Leaders must aim for a highly functioning organization in which tasks are delegated and workers are allowed to decide the most efficient way to perform those tasks (Larsson & Vinberg, 2010).

Regardless of style or characteristics, leaders must demonstrate effective leadership. Effective leadership involves having the expertise to direct, persuade, and inspire staff and others to work hard to achieve a common goal of the organization (Yukl, 2012). Northouse (2014) perceived Managers-second-line leadership-as having the skill to understand and apply the leadership behaviors necessary to boost employee engagement and satisfy stakeholders of the organization. Strong leadership development is essential to organization culture and performance (DeRue & Ashford, 2010).

1.3 Workplace Culture

Workplace culture refers to the shared philosophies, ideologies, beliefs, assumptions, expectations, attitudes, norms and values in organizations (Schein, 2011). Wambugu (2014) describes workplace culture as set of assumptions that members of an organization subscribe to (Wambugu, 2014). The culture of an organization is recognized as a crucial element to improve the leadership and development of leaders in the organization (Muscalu, 2014). When the culture of an organization is confident and secure, employees of the group or company work harder and feel good about themselves and their jobs (Muscalu, 2014). They can motivate people and can become valuable sources of efficiency and effectiveness (Sudarsanam, 2010). Kotter and Heskett (2011) asserted that Workplace culture has ability to increase organization performance. Lauture, Amewokunu, Lewis, and Lawson-Body (2012) asserted that the positive perception of workplace culture increases the employees' commitments. Ng'ang'a and Nyongesa (2012) concluded that an institutional culture has impact on its performance.

Shahzad, Luqman, Khan, and Shabbir (2012) argued that Workplace culture has a deep impact on organizational performance. Moreover, Ghorbanhosseini (2013) found that Workplace culture has direct and significant effect on organizational commitment. Also, Kashefi *et al.* (2013) asserted that organizational commitment has impact on organizational performance. Ahmed and Shafiq (2014) stated that Workplace culture with all of its dimensions influence different perspectives of organizational performance. Research on organizational effectiveness has demonstrated that Workplace culture is correlated with staff performance (Altaf, 2011). Organizations with a culture that demonstrates positive norms, values, beliefs, and professionalism to empower a strong organizational mission tend to promote and develop their leaders (Altaf, 2011). Without strong leaders and the support of a positive workplace culture, progress will be a challenge for the organization and its members (Muscalu, 2014).

1.4 Organizational Performance

Organizational performance is the ability of an enterprise to achieve such objectives as high profit, quality product, large market share, good financial results, and survival (Koontz & Donnell, 1993). According to Saasongu (2015) organizational performance is a term used to refer to how an enterprise is doing in terms of level of profit, market share and product quality in relation to other enterprises in the same industry. Consequently, organizational performance is a reflection of productivity of members of an enterprise measured in terms of revenue, profit, growth, development and expansion of an organization (Saasongu, 2015).

Organizational performance is considered as one of the basic notions in management and most of the management's tasks are formed according to the mentioned notion (Chamanifard, Nikpour, & Chamanifard, 2014). Organizational performance is considered to be the sum of accomplishments achieved by all businesses/departments. These accomplishments are involved with an organizational goal within a given period of time. The goal is either meant for a specific stage or on the overall extent (Lee & Huang, 2012). The idea of organizational performance is affiliated to the survival and success of an organization (Ahmed & Shafiq, 2014). Organizational performance includes effectiveness, efficiency, productivity, quality and innovation (Tangen, 2004).

2.0 Literature Review

2.1 Theoretical Review

This paper was anchored on the theory of organizational excellence and supported by the Full Range Leadership theory and the Theory of Workplace culture.

2.2 Theory of Organizational Excellence

The theory of organizational excellence was developed by Peters and Waterman (1999). The theory maintains that the culture that an organization adopts is directly linked to its success. Therefore, successful companies are characterized by cultural practices, which put emphasis on action, closeness to customers, entrepreneurship, productivity, value-based effort, simplicity, lean staff and economic utilization of resources (Anis, 2011). According to Barney (2012), workplace culture has a pervasive effect on an organization because it defines who its relevant employees, customers, suppliers, and competitors are, and states how to interact with these key actors. The intensity or strength of culture and its adaptiveness are the components that enable organizations to meet the twin demands of internal consistency and external flexibility (Schein, 2011). This implies that organizations are likely to stay in businesses if their cultural values provide individuals with better working environment. It is imperative to understand that while some cultures are strictly enforced in some organizations, other organizations do not acknowledge the presence of workplace culture (Peters & Waterman, 2011).

Theory of organizational excellence has been selected as the anchor theory to guide this study because organizations have embraced some of these characteristics, which are key to improved performance. The theory of organizational excellence enables the identification of the interdependencies and interrelationships between management areas in an organization. The theory also provides the foundation on which to develop an organization. It also provides an integrated and coordinated way to drive tangible results, while also providing a performance benchmarking program. Strong cultural values in an organization that emphasizes high achievement levels for employees can provide individuals throughout the organization, room to

perform. This theory gives an insight into the different cultural values in an organization and provides guidelines how to harmonize them towards better performance.

2.3 Full Range Leadership Theory

Full Range Leadership theory (FRL) was developed by Bass (1985). Bass (1985) emphasized “that a paradigm shift was required to understand how leaders influence followers to transcend self-interest for the greater good of their units and organizations to achieve optimal levels of performance” (Antonakis, Avolio, & Sivasubramaniam, 2003). By incorporating the transcendent quality of transformational leadership, Bass proposed to develop a full and comprehensive leadership theory. Essentially, the FRL theory, as viewed by Avolio (2011) is situated within a spectrum or range of leadership styles along a continuum. This is demonstrated when the transformational leadership style and behaviours enhance or augment the positive aspects of transactional leadership, such as related to contingent reward or management-by-exception (active, Avolio, 2011). Moreover, Antonakis *et al.* (2003) and Avolio (2011) viewed transactional leaders as limited to a range of behaviors and actions.

According to Avolio (2011), transactional leaders possess a higher proficiency with the fulfilling of task-oriented performances but are less prepared to deal with situations consisting of change and development within organizations. The rationale for applying the FRL constructs, which is based on a full spectrum of leadership style factors, is advantageous if the transactional leader can shift the balance by utilizing transformational behavioural characteristics (such as developing potential or advocating creative and problem-solving thinking), in the necessary situations (Avolio, 2011). The intended theoretical framework of a fully developed and effectively working FRL theory as observed by Avolio (2011), is for leaders to augment the transactional style with specific transformational leader behaviours depending upon the challenges and situational concerns. The full range leadership theory is a construct that illustrates three leadership typologies: transactional, transformational, and non-transactional laissez-faire leadership. According to Chipunza, Samuel and Mariri (2011), these three forms of leadership behaviours have a direct effect on individuals as well as on organizational performance. The full range leadership theory consists of five transformational, three transactional, and one non-transactional leadership factor (I-Harn, 2012). The fundamental premise of this theory is envisaged on a contingent view of leadership in which the success of strategy implementation relies on different leadership styles.

2.4 Theory of Organizational Culture

This theory was developed by Hofstede in 1968. Hofstede (2010) established a culture theory, which includes four dimensions and long-term & short-term orientation as the fifth dimension, to analyse the different cultures in different places. The reason behind Organizational culture theory is the leaders’ perception that a Workplace culture is an essential factor to influence the organization’s effectiveness (Hartnell, Ou, & Kinicki, 2011; Schein, 2010). Leaders use Workplace culture theory to address different business issues in the organization (Schneider, Ehrhart & Macey, 2013). Leaders use an effective Workplace culture to influence performance and productivity (Shahzad, Luqman, Khan, & Shabbir, 2012). Workplace culture has the potential to influence the organization environment, work habits, performance, productivity, and profitability (Linnenluecke & Griffiths, 2010). In Organizational culture theory, Workplace culture is a critical factor to influence organizational performance and productivity (Hartnell *et al.*, 2011). Several studies have been developed explicitly to improve upon the Workplace culture theory

(House, Hanges, Javidan, Dorfman, & Gupta, 2004), while others have utilized the Hofstede framework to examine adjacent phenomena (Minkov & Hofstede, 2013), and others have been developed independently of the Hofstede framework. This theory is relevant to this study as it gives dimensions of culture inductively, with survey data, rather than deductively, with anthropological theory, yet they do not offer a complete view of cultural differences; they merely represent differences that have been discovered. This means that if other differences are discovered they can be appended to Hofstede's framework.

2.5 Leadership Style, Workplace Culture and Organizational Performance

Al Khajeh (2018) examined the Impact of leadership styles on organizational performance. The study established that leadership is one of the key determinants associated with the success and failure of any organization. Leadership style is the manner in which people are directed and motivated by a leader to achieve organizational goals. The study examined the impact of leadership styles on the organizational performance. The study used primary data. The primary research was collected using the quantitative approach. The data was collected using questionnaires. The study results revealed a positive relationship between transformational, autocratic, democratic leadership styles and the organizational performance.

Elshanti (2017) studied the mediating effect of organizational culture on the relationship between transformational leadership style and organizational learning. The study result indicated that Workplace culture was a significant predictor of organizational learning and functioned as a full mediator between the transformational leadership style and organizational learning. The study employed hypothesis–deductive testing approach. Data was collected using the questionnaires. Hutahayan, Astuti, Raharjo and Hamid (2013) looked at the mediating effect of Workplace culture and organizational commitment in relationship between transformational leadership to organizational citizenship behavior. The results of this research showed that the direct effect of transformational leadership had no significant effect on Organizational Citizenship Behavior (OCB). But using the mediation effect of Workplace culture and Organizational Commitment showed that transformation leadership had a significant effect on OCB. Ghorbanhosseini (2013) examined the effect of Workplace culture, teamwork and organizational development on organizational commitment: The mediating role of human capital. The aim of this work was providing a model for determining the impact of Workplace culture, teamwork and organizational development, on organizational commitment, with emphasis on the mediating role of the human capital. The 266 employees of SAFA Industrial Group were selected using random sampling and they responded to research tools. Path analysis test was used for analysis of research data. Findings showed that Workplace culture, teamwork, and organizational development have direct and significant impact on human capital.

Tsai (2011) assessed the relationship amid organizational culture and leadership behavior. A cross-sectional research was carried out that concentrated on hospital nurses in Taiwan. Data was collected by means of a planned questionnaire; 300 questionnaires were given and 200 valid questionnaires were returned. To test the dependability of the data, they were examined by Cronbach's and assenting influences. Correlation examination found out that organizational culture and managerial behavior organizational culture were positively correlated with leadership behavior.

Indiya, Obura and Mise (2018) studied the effect of Organization culture on organization performance in Public Universities of Kenya. This study sought to establish the effects of organization culture on organization performance in public universities of Kenya. Guided by the Contingency Theory of organization structure, a correlation research design and a population of 215 management personnel were selected from 11 public universities in Kenya certified by the Kenya Bureau of Standards. The study adopted a census survey with a response of 94.4 %. Primary data was collected using questionnaires. Using Pearson Product Moment Correlation, the study indicated that there was a strong positive and significant correlation between Workplace culture and organizational performance.

Ojo (2010) studied the different concepts of organizational culture to examine the relationship between organizational culture and company performance in a business context. The participants were all employees in Nigerian commercial banks. The employees in the selected banks were classified into three categories: Senior Staff, Directors and Managers. The data was gathered through a survey questionnaire administered to 30 senior staff, 30 directors and 20 managers. A total of 72 questionnaires were analyzed. The findings showed that Workplace culture plays a significant role in the companies' public performance. Wambugu (2014) analysed the effect of Organisational Culture on employee performance using a private company (Wartsila Limited) in Kenya. Sixty-three (63) respondents from different levels of the organization participated in the study. Four elements of organizational culture (organizational values, organizational climate, leadership style, and work processes) were assessed to find out their influence on employee performance. The study showed that organizational values had a significant effect on the job performance of employees than organizational climate. In all, a positive relationship existed between organisational performance and employee performance. The study, however, focused on one large company.

Klein, Wallis and Cooke (2013) assessed the impact of leadership styles on organizational culture and firm effectiveness. This study tested the model of leadership linking leadership styles directly to culture type and indirectly to firm effectiveness. The researcher selected a four-factor theory of leadership and examined how it directly impacted Workplace culture, and indirectly impacted organizational effectiveness (via an organization's culture). Using surveys designed to measure attitudinal and behavioral indicators of organizational culture, leadership, and effectiveness, data was collected from 2,662 individuals in 311 organizations. The results generally supported the hypotheses that organizational effectiveness is related to the type of culture and that cultural norms are related to type of leadership styles. The results had implications for management and organizational development practices and processes. The results indicated that the leadership skills of managers and supervisors were critical factors in the creation and reinforcement of cultural norms.

Omira (2015) studied the effect of leadership styles and organizational culture on organizational performance of the public sector in Saudi Arabia. The study examined the effect of organizational culture and leadership styles on the performance of Saudi Arabia's public organizations, through the mediating factors of organizational commitment and job satisfaction. In this quantitative research, cross-sectional data of 400 employees working in 16 ministries of the Saudi Arabia government were obtained. The Partial Least Squares Structural Equation Modeling (PLS-SEM) was applied to test the hypotheses. The validity and reliability of the measurement and the structural models were confirmed. Findings showed a full mediation effect of organizational

commitment on the relationship between organizational culture and organizational performance, but organizational commitment was found to partially mediate the relationship between leadership styles and organizational performance.

2.6 Conceptual Framework for the Study

This paper investigated the mediating effect of workplace culture on the relationship between leadership styles and organizational performance as presented in a diagrammatical form in Figure 1.



Figure 1: Conceptual Framework

2.7 Hypotheses of the Study

This paper was guided by the following hypothesis

H0₁: There is no significant mediating effect of workplace culture on the relationship between leadership style and organizational performance.

3.0 Research Methodology

3.1 Research Design

The study adopted a cross-sectional survey research design. The study aimed at empirically examining the relationship between measurable variables using a validated measurement instrument. The study paper was guided by positivistic philosophy. The review mainly used quantitative analysis which were mentioned, and discussions specific to the study variables were identified, analyzed, and critiqued

3.2 Population

The study targeted the 40 State Departments in 21 Ministries in Kenya. These State Departments constituted the units of analysis. The units of observation were the top, middle and low-level management. The top-level management were included since they are the visionary, strategy and policy level individuals. The middle level management included the Director Administration, Technical Directors and Director Support Services. The low-level management were the Assistant Directors. Hence the population of the study was 40 State Departments. The target population of

40 State Departments was too small to be sampled. Therefore, all State Departments, of this population participated in the study. The 40 State Departments have 282 employees.

3.3 Sampling Design

Cooper and Schindler (2014) indicate the two conditions appropriate for a census study being that it is feasible when the population is small and necessary when the elements are quite different from each other. The size of the population of 282 suggests that a census is feasible and it eliminates sampling error and provides data on all the individuals in the population (Cooper & Schindler, 2014). Finally, in view of the poor response rate from this category of respondents, a census was preferred so that the responses received back would still be adequate for data analysis.

3.4 Data Collection

The study used purely primary data. Primary data was collected through questionnaires. A structured questionnaire was administered; the questions were in closed and open-ended format based on the research objectives. The questionnaire was distributed by the researcher through drop and pick method to the selected respondents.

3.5 Data Analysis

Inferential and descriptive statistics were employed. The data analysis was done using quantitative techniques. The data collected was summarized, categorized and presented using frequency distribution tables. Pearson’s product-moment correlation coefficient (r) was used for testing the hypothesis to show the strength of the linear relationships between the variables in the regression.

4.0 Results and Findings

4.1 Response Rate

The researcher distributed 272 questionnaires, out of which 250 responded positively by filling and returning the questionnaires. This represented an overall positive response rate of 91.91%. The remaining 8.09% were unresponsive even after several follow-ups and reminders.

Table 1: Response Rate

Category	Questionnaires distributed	Questionnaires filled returned	Percentage % response rate
Respondents	272	250	91.91

Reliability

Reliability of the questionnaire was tested using Cronbach Alpha. The research instrument was reliable as the alpha for the variables was above 0.7. Table 2 shows the reliability results.

Table 2: Reliability

Variable	Cronbach’s Alpha	Decision
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Leadership Style	.956	Reliable
Workplace Culture	.952	Reliable
Performance	.964	Reliable

The study results indicated that the Alpha coefficients for all the variables were above the 0.7 threshold revealing a high degree of reliability of the instruments.

4.2 Descriptive Statistics

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The respondents were asked to rate factors of work place Culture on a Likert scale of 1 (strongly disagree) to 5 (strongly agree) as applied in the State Departments. Table 3 gives the results of the findings.

Table 3: Workplace Culture Dimensions

Dimension of Work place Culture	N	Mean	Std. Deviation	Coefficient of Variation (%)
Norms				
My State Departments workplace culture promotes risk taking for the well-being of the employees	250	3.08	1.191	39
All employees in my State Departments are valued	250	3.52	1.159	33
The State Departments has vision, mission and goals that guide stakeholders	250	4.26	0.895	21
Employees in my State Departments have a sense of identity which increases their commitment to work	250	3.72	1.038	28
Overall mean	250	3.68	1.071	30
Rules				
The State Departments observes stipulated work ethics	250	3.95	0.951	24
Employees in my State Departments are guided by similar customs	250	3.64	1.059	29
Rules set out within the State Departments are fair and practical	250	3.87	0.933	24
The staff are encouraged to be innovative in their roles	250	3.67	1.024	28
My State Departments empowers employees to perform to their best of ability	250	3.72	1.109	30
Supervisor trusts their subordinates	250	3.51	1.091	31
In my State Departments, people openly discuss mistakes in order to learn from them.	250	3.28	1.312	40
In my State Departments, people identify skills	250	3.62	1.123	31

Dimension of Work place Culture	N	Mean	Std. Deviation	Coefficient of Variation (%)
they need for future work tasks.				
Overall mean	250	3.66	1.075	30
Values and Ethics				
In my organization, people help each other learn.	247	3.80	1.044	27
Employees are treated respectfully by everyone	250	3.50	1.142	33
I receive a proper mentoring in my State Departments	250	3.61	1.048	29
The leaders look for result oriented practices	250	3.75	0.972	26
There is proper coordination in our work culture	250	3.59	1.061	30
There is proper communication network within my State Departments	250	3.56	1.150	32
Overall mean	250	3.64	1.070	29
Grand mean	250	3.65	1.072	29

The findings in Table 3 indicated on the aspects of workplace culture, norms had the highest mean of 3.68, standard deviation of 1.071 and coefficient of variation of 30%. These systems of shared meanings and beliefs promote social system stability in an organization that reflect the extent to which the work environment is perceived as positive and reinforcing conflict solving hence promoting better relations at the workplace and impacting positively on an organization’s performance. Further results on the aspects of norms indicated that the statement with the highest mean was The State Department has a vision, mission and goals that guide stakeholders with a mean of 4.26, standard deviation of 0.895 and coefficient of variation of 21%, a high mean indicating that in State Departments in Kenya leaders outlined a clear set of goals and objectives to provide every employee with a clear direction in their work.

Additionally, the results indicated that employees were valued, which in turn boosts their confidence and self-esteem hence inspiring them to put more effort in their work, leading to employee commitment which improves organization performance. From the findings, it is evident that leaders play a key role in motivating and helping their employees to be competitive and committed to the achievement of organizational goals and objectives by use of effective leadership styles. When effectiveness of leadership in an organization is enhanced, employee satisfaction increases, which in turn influences profitability, and hence better performance of the organization. The average mean of statements depicting rules was 3.66, standard deviation of 1.075 and coefficient of variation of 30%, a moderate high mean indicating need for improvement in the development and implementation of rules in the State Departments.

4.3 Inferential Statistics

To test this relationship, the following hypothesis was tested;

H0: There is no significant mediating effect of workplace culture on the relationship between Leadership style and performance of State Departments of Kenya.

In this study, a four-step causal approach as advocated by Baron and Kenny (1986) was used. This approach is the most widely used approach of testing mediation as it is suitable for assessing both linear and nonlinear effects. Mediation is confirmed when the following four conditions are fulfilled. The first condition; the independent variable must be significantly related to the dependent variable in the absence of the mediating variable. The second condition; the independent variable must be significantly related to the mediating variable. The third condition; the mediating variable must be significantly related to the dependent variable and the final condition; when the effect of the mediating variable on the dependent variable is controlled, the effect of the independent variable on the dependent variable should not be significant. Thus, step one involved regressing leadership style with performance. The process moves to step two if step one yields statistically significant results. If step one does not yield significant results, the process terminates. In such a case it would be concluded that workplace culture does not mediate the relationship between Leadership style and performance of the State Departments.

In step two leadership style was regressed against workplace culture. If the results are significant, the process moves to step 3 because the necessary condition for a mediating effect exists. In step three the influence of workplace culture on performance is tested using a simple linear regression model. A statistically significant effect of workplace culture on performance is a necessary condition in testing for the mediating effect. Finally, step four tested the influence of Leadership style on organizational performance while controlling for the effect of workplace culture. These tests were conducted using simple linear regression analysis. The influence of Leadership style on organizational performance should not be statistically significant when workplace culture is controlled. This is a necessary condition in testing for a mediating effect. Results from the four steps are presented in Table 4, 5, 6 and 7 respectively.

Step One: Leadership style was regressed against performance.

Table 4: Regression Tests of the Effect of Leadership style on Organizational Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.675 ^a	.456	.454	.46775

a. Predictors: (Constant), Leadership style

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	45.537	1	45.537	208.132	.000 ^b
	Residual	54.259	248	.219		
	Total	99.796	249			

a. Dependent Variable: Performance

a. Predictors: (Constant), Leadership style

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	T	
1	(Constant)	.864	.168		5.15	.000
	Leadership style	.681	.047	.675	14.427	.000

a. Dependent Variable: Performance

The findings in Table 4 show a statistically strong and positive relationship between Leadership style and performance of the State Departments ($R=.675$). Coefficient of determination ($R^2=.456$) indicate that leadership style explains 45.6% change or variation in performance of the State Departments. The F-value of 208.132(1,248) with p-value of 0.00 which is less than the level of significant 0.05, hence the model is statistically significant. The results thus confirmed the first step of testing for the mediating effect of workplace culture on the relationship between Leadership style and performance of the State Departments. The mediation influence was tested using causal steps as recommended by Baron and Kenny (1986). The first step involved regressing composite scores of Leadership style on organizational performance. The results were presented in Table 4.5. Step two involved regressing leadership style on workplace culture. The results of the tests are presented in table 4.6.

Step two

The second step was to show that the independent variable was related to the potential mediator. Hence, the potential mediating variable, workplace culture, was regressed on the independent variable, which is leadership style, to assess the second condition for mediation.

Table 5: Regression Tests of the Effect Leadership Style on Workplace Culture

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.674 ^a	.454	.452	.48628

a. Predictors: (Constant), leadership style

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	48.716	1	48.716	206.011	.000 ^b
	Residual	58.645	248	.236		
	Total	107.361	249			

a. Dependent Variable: workplace culture

b. Predictors: (Constant), leadership style

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.577	.174		3.314	.001
	Leadership style	.705	.049	.674	14.353	.000

a. Dependent Variable: workplace culture

The results in Table 5 indicate that workplace culture had a strong and significant relationship with leadership style with a coefficient determination of $R^2 = .454$ and $R = .674$ at 0.05 significance level. The coefficient of determination indicates that 45.6 % of the variation on performance of State Departments in Kenya is influenced by workplace culture. This shows that there exists a positive relationship between workplace culture and performance of State Departments in Kenya.

The results presented in Table 5 indicate that leadership style has a positive and statistically strong relationship with workplace culture ($R = .674$). Further the coefficient of variation ($R^2 = .454$) depicts that workplace culture explains 45.6% of leadership style. Further the F-value was 206.011 with P-value of .00 which is < 0.05 , hence the model is statistically significant. This implies a good fit for the model since it shows that there is a significant relationship between workplace culture and Performance of State Departments. The results therefore, suggest that the second step of testing confirms the process of testing the mediating effect and so the move to step 3.

Step 3

The third step was to show that the potential mediator was related to the dependent variable. To assess this, the dependent variable, Performance of State Departments was regressed on the mediating variable, workplace culture. The results for step 3 are presented in Table 6.

Table 6: Regressions Tests of the Effect of Workplace Culture on Organizational Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.593 ^a	.352	.349	.51073

a. Predictors: (Constant), workplace culture

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	35.106	1	35.106	134.587	.000 ^b
	Residual	64.690	248	.261		
	Total	99.796	249			

a. Dependent Variable: Performance

b. Predictors: (Constant), Workplace Culture

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.506	.153		9.831	.000
	Workplace culture	.572	.049	.593	11.601	.000

a. Dependent Variable: Performance

The results in Table 6 indicate that workplace culture had a strong and significant relationship with performance ($R = .593$) with workplace culture explaining 35.2% of performance ($R^2 = .352$) with remaining percent being explained by other factors not considered in the model. The analysis from the model had F-value of 134.587 with P-value of 0.00 which is less than the level of significance 0.05, hence the model is statistically significant. Therefore, the condition in the third step in testing for a mediating effect was satisfied and therefore progressed to step 4 in testing for the mediating effect.

Step 4

In the fourth and final step, the dependent variable was regressed on the independent variable and the potential mediator in blocks. This was to show that the strength of the relationship between the independent and the dependent variable is significantly reduced when the mediator is added to the model. If the variable is a complete mediator, the relationship between the independent variable and dependent variable would not be significant after the effect of the mediating variable is controlled for.

Step 4 tested the influence of Leadership style on organizational performance while controlling for the effect of workplace culture. Step four involved introducing workplace culture as an explanatory variable and regressing leadership style and workplace culture on organisational performance to determine whether it has a partial, complete or no influence on the relationship

between Leadership style and organizational performance of State Department in Kenya. These tests were done using simple linear regression analysis. The influence of Leadership style on organizational performance should not be statistically significant at $\alpha=.05$ when workplace is controlled. The relevant results are summarized in Table 7.

Table 7: Regression Tests of the Effect of Workplace Culture and Leadership style on Organizational Performance

Model Summary^c										
Model	R	R Square	Adjusted R Square	Std. Error of Estimate	R Square Change	Change Statistics				Durbin-Watson
						F	df1	df2	Sig. F Change	
1	.675 ^a	.456	.454	.46775	.456	208.132	1	248	.000	
2	.701 ^b	.491	.487	.45340	.035	16.946	1	247	.000	1.931

a. Predictors: (Constant), Leadership style

b. Predictors: (Constant), Leadership style, Workplace Culture

c. Dependent Variable: Performance

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	45.537	1	45.537	208.132	.000 ^b
	Residual	54.259	248	.219		
	Total	99.796	249			
2	Regression	49.020	2	24.510	119.230	.000 ^c
	Residual	50.776	247	.206		
	Total	99.796	249			

a. Dependent Variable: Performance

b. Predictors: (Constant), Leadership style

c. Predictors: (Constant), Leadership style, Workplace

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.864	.168		5.158	.000
	Leadership style	.681	.047	.675	4.427	.000
2	(Constant)	.724	.166		4.359	.000
	Leadership style	.510	.062	.505	8.227	.000
	Workplace Culture	.244	.059	.253	4.117	.000

a. Dependent Variable: Performance

The results in Table 7 show that when workplace culture is controlled, leadership style is statistically significant (p-value=0.000 which is less than 0.05 threshold at 95% confidence level).

At model 2, workplace culture adds significantly to performance as the variation increased from coefficient of 0.456 to 0.491 and p-value=.000. The results further reveal that the variance explained by workplace culture is significant (p-value=.000<0.05).

The results show that when work place culture was controlled, model 2 was statistically significant and therefore there was no full mediation. This is because the condition for full mediation is that the influence of Leadership style on organizational performance should not be statistically significant when workplace culture is controlled. The study therefore supports partial mediation and the hypothesis that there is no significant mediating effect of workplace culture on the relationship between Leadership style and organizational performance, was partially supported and therefore concluded that work place culture partially mediates the relationship between Leadership style and performance of State Departments of Kenya.

This objective was guided by the following model; $P = \alpha + (\beta_1 X) + \beta_1 WC + \epsilon$

Where: P is Performance

X is Leadership Style

WC is Work place culture (Meditator variable controlled)

ϵ = Error term

β = the beta coefficients of independent variables

After the regression analysis the model became $P = .724 + 0.253WC$

Table 8: Summary of Mediation of Workplace Culture

Independent Variables	Beta Coefficients					
	Model 1 Dependent Workplace culture	=	Model 2 Dependent Performance	=	Model 3 Dependent Performance	=
Leadership styles	0.674		0.675		0.505	
Workplace culture					0.253	
Overall statistics						
Adjusted R ²	0.452		0.454		0.487	
F	206.011		208.132		119.230	
Df	(1)		(1)		(1)	
R ² Change	0.002		0.002		16.946	
p≤0.001, *p≤0.01						

Model 1 in Table 8 indicate, there is a positive and statistically significant effect of leadership styles on workplace culture {beta = 0.674, F =206.011; Adjusted R² =0.452, df = (1), p≤0.001}. Likewise, the results of the second test which involved regressing performance on leadership styles shown in model 2 indicate that leadership styles had a positive and significant effect on performance {beta = 0.675, F =208.132; Adjusted R² =0.454, df = (1), p≤0.001}. Lastly, the regression results of performance on leadership styles and workplace culture provided in model 3 indicate that leadership styles had a positive but not statistically significant effect on performance (beta = 0.505). They also show that workplace culture had a positive and statistically significant effect on performance (beta = 0.253, p≤0.001). the overall model for this third test (model 3) was however statistically significant {F =119.230; Adjusted R² =0.487, df = (1), p≤0.001}.

From these results it may be seen that the relationship (beta coefficient = 0.505) for leadership styles in model 3 is weaker than model 2 (beta = 0.675). The results therefore indicate that the effect of leadership styles is reduced but not eliminated completely when workplace culture is introduced as a mediator in the regression. According to Baron and Kenny (1986), for a perfect mediation to exist, the beta coefficient for the predictor variable should be reduced to zero. Since in this case, by introducing workplace culture, the beta coefficient for leadership styles is reduced but not completely, it is logical to assume that workplace culture partially mediates the effect of leadership styles on performance.

These results further indicate that adjusted R^2 and R^2 change for leadership styles as a stand-alone predictor of performance in model 2 are 0.454 and 0.002 respectively. The results also show that these parameters are statistically significant ($p \leq 0.001$). Furthermore, they illustrate that when workplace culture is introduced in the regression in model 3, adjusted R^2 increases to 0.487, change in R^2 becomes 16.946 which is statistically significant ($p \leq 0.001$). The F-statistic for model 3 is 119.230 while that for model 2 is 208.132. These statistics indicate that by introducing workplace culture in the equation, R^2 changes in a statistically significant manner which confirms that the mediation or intervening effect of workplace culture in leadership styles –performance relationship is statistically significant.

5.1 Conclusion

The findings revealed a statistically significant relationship between leadership style and performance. The study revealed that there was a statistically significant mediating effect of workplace culture on leadership styles –performance link. The study supported partial mediation. The hypothesis that there is no significant mediating effect of workplace culture on the relationship between Leadership style and organizational performance was rejected hence confirming that there is a significant mediating effect of workplace culture on the relationship between Leadership style and organizational performance. The study indicated that leaders play a key role in outlining a clear set of goals and objectives to provide every employee with a clear direction in their work. With a clear direction, employees can put effort towards achieving the organization goals hence organizational success. When effectiveness of leadership in an organization is enhanced, employee satisfaction increases, which in turn influences profitability, and hence better performance of the organization.

The study results also revealed that leaders align employees around the vision and empower them to take greater responsibility for achieving the vision, hence leaders foster a culture of creative change and growth rather than a culture which maintains the status quo. Finally, the study revealed that organizational values have a more significant effect on employee job performance, than the organisation climate as is mostly assumed. The study revealed a positive relationship between organisation culture and employee performance and therefore recommends a supportive culture which is considered as a motivational instrument which promotes the employees to perform smoothly and ensures better productivity. The study also recommends that leaders should motivate and raise the morale of team members by using several methods that connect the leader, team members and workers to take a greater sense of self identity in the organization and the collective identity of the organization. The study further recommends that future studies could, therefore, focus on the same study but in other sectors different from service delivery. Finally, this study

conceptualized the influence of leadership style and workplace culture on organizational performance. Future studies should consider introducing other variables apart from the ones used in this study. This can likewise be an area of interest for future research.

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