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## **EFFECT OF PARTICIPATIVE LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE OF COFFEE TRADING COMPANIES IN KENYA**

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## EFFECT OF PARTICIPATIVE LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE OF COFFEE TRADING COMPANIES IN KENYA

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### Abstract

**Purpose:** The journal aims at assessing the extent to which participative leadership style affects employee performance of coffee trading companies in Kenya.

**Methodology:** The study was guided by the positivism philosophy and used a descriptive correlational research design. The population for the study was 180 senior managers of coffee trading companies in Kenya. Using stratified random sampling technique, a sample size of 139 was determined from the total population and structured questionnaires were administered to collect primary data. Out of 139 questionnaires administered, 117 questionnaires were successfully completed and returned representing a response rate of about eighty four percent (84.2%). Descriptive and inferential statistics were used to analyze the data. The descriptive statistics included means and standard deviations. The inferential statistics included Pearson's correlation coefficients which were used to establish the relationships between variables, one way ANOVA which was used to test the differences between group means and multiple linear regression analysis which was used to test the five hypotheses of the study. The statistical software tool used for data analysis was Statistical Package for Social Sciences (SPSS) Version 20. The results were summarized and presented in tables and in figures.

**Results:** Correlation results showed a positive and significant relationship between participative leadership style and employee performance,  $r(117) = 0.956, p < .05$ . Multiple linear regression analysis revealed that participative leadership style significantly predicted employee performance,  $R^2 = 0.865, F(1, 115) = 735.111, p < 0.05, \beta = 0.943, p < .05$  and therefore the null hypothesis that participative leadership style has no significant effect on employee performance was rejected.

**Unique contribution to theory, practice and policy:** From the study, a contribution to literature on the effect of participative leadership style on employee performance in coffee trading companies in Kenya is made. Suggestion for further studies is made whereby future scholars are recommended that a similar study to be carried out for all supervisory level managers and even lower level managers to assess the effect of participative leadership styles across the spectrum of the organizations

**Keywords:** *Path-Goal Theory, Participative Leadership Style, Employee Job Performance*

## 1.0 INTRODUCTION

The success of any organization is highly dependent on the employees working effectively together, (Rennie, Meaney, Hazlewood, Kumra & Dias, 2015). It is therefore hardly surprising that leaders are always seeking ways to enhance employee performance. An argument posed by Kerpen (2016) is that people are not necessarily managed as they would desire to be managed and this results in varying levels of performance and staff retention. With the evolvement of the leadership discipline, many theories have emerged. One of these theories, the path goal theory, advocates that the style of a leader has to fit with an employee and his or her work environment so that the leader can effectively guide the employees in the path to achieving the goals of the organization (House & Mitchell, 1974).

Iqbal, Anwar and Haider (2015) refer to leadership as a practice where an executive directs, guides and influences the actions and work of others to enable them to attain desired outcomes in the given circumstances. The path goal theory has its base on the expectancy theory (Vroom, 1964). This expectancy theory poses that a person behaves in a certain way because of an expectation that the behavior will result in a particular outcome. The path goal theory considers an individual's targets, the perception of the objectives, the work and the environment by the leader, and effective motivation thereafter by the leader for the attainment of these goals (Boone, 2016).

All leaders have unique styles. However, leaders do not necessarily use the same style in all situations. Ojokuku, Odetayo and Sajuyigbe (2014) consider leadership behavior or style as the manner of or the approach to providing direction, implementing plans, and motivating people. The path goal theory which has been classed as a contingency theory explains leadership styles as a function of a leader, the characteristics of the followers, and the situation or circumstances that he or she is operating under (Lussier & Achua, 2013). The four leadership styles under the path goal theory are the directive leadership style, the participative leadership style, the supportive leadership style and the achievement oriented leadership style (Northouse, 2016). The path goal theory argues that managers motivate their employees to perform well using different behaviors that are suited to the work settings and subordinate needs and their behavior will affect the amount of effort exerted by the employee and his or her overall performance.

In Asia, studies have demonstrated significant relationships between leader behaviors and components of organizational performance with mixed findings and conclusions reached for specific leadership behaviors. For instance, in Malaysia, Mahdi, Mohd and Almsafir (2014) examined the effect of directive and supportive leadership styles on organizational commitment in four plantation companies. The results showed positive correlations between both styles and the three measures of organizational commitment namely normative, affective and continuance commitment. Another study in Malaysia by Hui, Xin, Di, Yung, and Ying (2014), which was also underpinned on the path goal model and which sought to examine the effects of leadership styles on the performance of employees in the financial sector, found a linear relationship between performance and all the four leadership styles. Of note, in this study, achievement-oriented leadership style emerged as having the greatest influence on employees.

In Africa, a study of selected business organizations in Abuja, Nigeria was conducted by Mohammed, Yusuf, Sanni, Ifeyinwa, Bature and Kazeem (2014) to examine the effects of leadership styles on employee performance. The findings showed positive and significant associations between leadership styles and employee performance and especially recommended that leaders recognized the needs of workers and employed appropriate motivational tools such as promotion of staff based on merit and relevant skills, provision of suitable working environments and encouraged free flow of information between leaders and subordinates. In a different study in South Africa, Bell, Chan and Nel (2014) found there was a negative association between directive leadership style and employee performance and they established that directive leadership styles resulted in pressure, fear and dissatisfaction which manifested through subordinates indulging in eye service, tardiness in reporting to work, declining productivity, sabotage of work, and subordinates seeking transfers or voluntarily resigning from organizations.

In Kenya, a study by Kiboss and Jemiryott (2014) examined the relationships of leadership styles used by principals and the satisfaction of secondary school teachers in Nandi South District, Kenya. The study which was underpinned on the path goal theory found a negative correlation between autocratic or directive leadership style and job satisfaction of the teachers. On the other hand, the study found positive associations between the more democratic leadership styles and performance of the teachers. Democratic leadership style was established as the most appealing leadership style attracting followers, lending itself to higher levels of job satisfaction and enhancing teachers' commitment to duty and their performance. Gender was not found to have any moderating effect.

## **1.2 Statement of the Problem**

Since Kenya gained independence in 1963, up until 1986, coffee earnings were Kenya's number one source of foreign exchange and accounted for about 40.6 per cent of the national foreign exchange earnings (Skouw-Rasmussen, Kapande, Eisler, Andersen & Gedremichael, 2014). Despite the continued global appreciation for the quality of Kenya coffee, the once thriving coffee industry has been struggling and its performance over the last two decades has been dismal and declining (AFFA, 2016). The Government instituted several policy and regulatory changes but without success. The President even appointed a task force to look into the sector and make recommendations for enhanced performance (Kieyah & Lesiyampe, 2016). Meanwhile, coffee trading companies in Kenya have been grappling with complex leadership challenges as leaders try to motivate their employees in the face of the multiple regulatory and policy changes (ICO, 2015), a declining turnover, constant pressure to cut costs to remain sustainable, resultant internal disgruntlement, accusations from other stakeholders for malpractices and for not doing enough to revive the once thriving sector (Mbithi, 2018). Despite the importance of the coffee trading companies who deal in 85% of the coffee produced in the country, the gaps in literature were evident in the area of their performance and there is an urgent need to undertake research in this area.

The deteriorating performance has resulted in a growing interest in research though nearly all the research appears to have focused on the cooperative sector. Ngeywo, Werunga, Biwott and Waliaula (2016) found that service delivery of employees in the coffee cooperatives could be

improved by having qualified leaders. Baka (2013) recommended that more competent leaders should be employed by Kenya Planters Cooperative union to help meet the challenges of competitive business. Bagl, Belletti, Marescotti and Onori (2013) pointed out that the coffee industry has multiple operators but the situation remains opaque from the perspective of some of the operators in the industry. From the literature reviewed, there was a dearth of literature in the area of leadership of coffee trading companies.

### **1.3 Purpose**

The purpose of the journal was to examine the effects of participative leadership styles on employee performance of coffee trading companies in Kenya.

## **2.0 LITERATURE REVIEW**

### **2.1 Theoretical Review**

The path goal theory has evolved following studies undertaken over a period of time. It was first introduced by Evans in the year 1970, then developed by House in 1971 and refined by House again in the year 1996 (Evans, 1970; House & Mitchell, 1974; House, 1996). Robbins and Judge (2013) describe the path goal theory in the form developed by Robert House as one of the most respected approaches to leadership, stating that the term 'path goal' is derived from the belief that effective leaders clarify the path to help their followers to achieve their work goals. The path goal theory describes how a leader can provide support to subordinates on the path to goals by using specific behaviors contingent on the needs of the subordinates and the work situation. The path goal theory assumes flexibility on the part of leaders and suggests that leaders should choose behaviors that best suit subordinate needs and work situations. Essentially, a leader can help subordinates by selecting a style of leadership that provides what is missing in a particular work setting (Northouse, 2013).

Studies have shown that no single leadership style is suited to all situations, and successful leaders adapt their leadership styles to help their employees perform well in a particular situation (Henseler, Ringle & Sinkovics, 2015). According to Yukl and Mahsud (2014), contingency theories are relevant to flexible and adaptive leadership because they provide insights into diagnosing a situation and identifying forms of behavior likely to prove effective for a leader. Thus, a leader does not exhibit the same style consistently but varies it according to the individual subordinate and the environmental factors.

Awan, Zaidi, Naz, and Noureen (2013) discuss the assumptions of path goal theory in relation to the nature of work. The structure of a task and its role clarity play a moderating role in the accomplishment and satisfaction derived by an employee. The structure of a task affects satisfaction and, of note, is that before any intervention, employees derive lower satisfaction from highly structured tasks than from unstructured tasks. House and Mitchell (1974) underscore that leaders desiring to enhance motivation, satisfaction and performance of employees need only to complement elements that are missing in any situation. The missing elements could be elements determined by the environment, the task itself, or the competency and motivation of the subordinates. Subordinate factors include their experience, locus of control and perceived abilities. Where a leader provides structure in a bid to clarify that which is not clear either as relates to the means or to the end result, a subordinate's productivity is enhanced.

The environmental variables of path goal theory include task structure, formal authority system, work group relations, and role ambiguity. These factors are not within the control of the subordinate but are important for satisfaction and the ability to perform effectively.

## 2.2 Conceptual Framework

Conceptual frameworks, as defined by Marshall and Rossman (2016), are mental maps inferred or derived from specific illustrations or circumstances that help to show the relationships between interplay of variables graphically and diagrammatically.

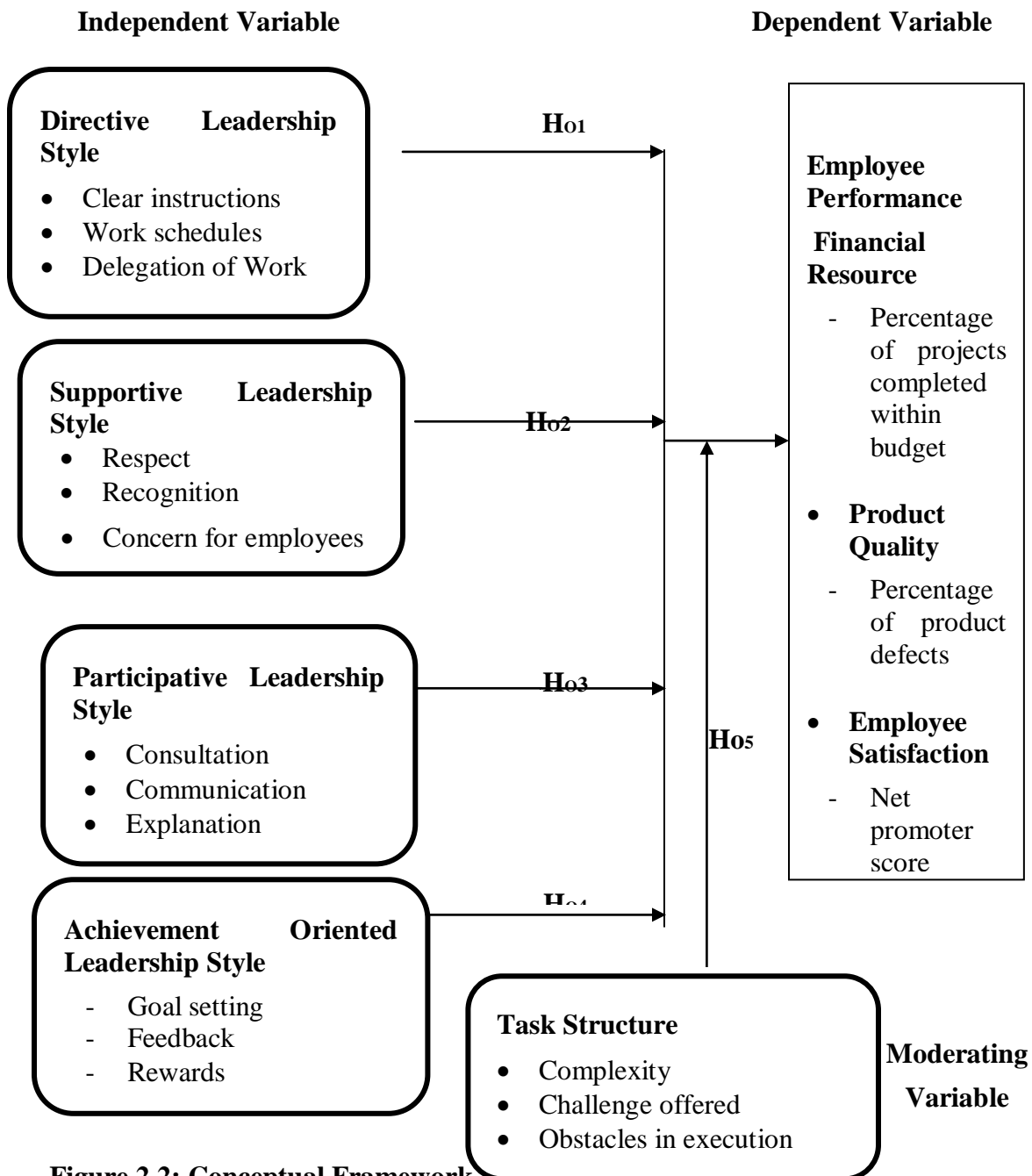


Figure 2.2: Conceptual Framework

## **2.3 Participative Leadership style and Employee Job Performance**

Participative leadership style is a key factor that influences employee performance. This section includes an empirical review of studies that demonstrate the effect of leaders deploying participative leadership style on employee performance. The literature has been analyzed and is presented for the constructs for participative leadership style for this study which were consultation, communication and explanation.

### **2.3.1 Consultation**

The results of a study (Pedraja-Rejas, Rodríguez-ponce, & Rodríguez-Ponze, 2013) of 126 respondents from small and medium sized companies in Chile found that participative leadership style had a positive influence on employee effectiveness and this enhanced the percentage of tasks completed within budget ( $t= 3.24$ ). They proposed that participants are motivated by participation, by the acceptance of their opinions, suggestions and ideas in the decision-making process and therefore leaders should avoid making lone decisions and must collaborate with team members, provide a good work climate, be concerned with the team's well-being and treat them fairly. The results of a study by Lumbasi, et al. 2016, after performing step-wise regression on leadership styles and performance, revealed that the combination of participative leadership style and achievement oriented leadership style yielded optimal employee performance.

On the other hand, the downside of a leader using this style is that he or she can be perceived as unsure and team members may feel that everything is a matter for the group to discuss and decide as the leader is incapable of making decisions (Murugesan, 2012). Another downside by Bhatti et al., (2012) is that use of this style by leaders could result in slower pace of employee performance. Bhatti et al. (2012) therefore propose that a participative approach is most suitable where team work is essential and the quality is more important than the speed to market productivity. This contradicts the earlier proposition by Iqbal et al. (2015) which was that by engaging followers to get their input and integrating such input before arriving at decisions resulted in tasks being accomplished successfully by preset deadlines.

Bell et al. (2014) studied the effects of leaders using participative and directive styles when developing an organization culture at Fort Hare University in South Africa. The findings of the study showed that highly significant relationships between participative leadership style and facets of organization culture such as involvement, consistency, adaptability, mission and total organization culture with F-statistics values of 374.615, 300.611, 187.864, 567.442 and 1575.046 respectively. They also showed Beta weights of ( $\beta = 0.846$ ;  $p < 0.000$ ,  $\beta = 0.836$ ;  $p < 0.000$ ,  $\beta = 0.787$ ;  $p < 0.000$ ,  $\beta = 0.897$ ;  $p < 0.000$ , and  $\beta = 0.958$ ;  $p < 0.000$ ) for the relationships between participative leadership and all the variables respectively. Their study demonstrated the value of participative style of leadership over the directive style due to its ability to empower followers and motivate them through sharing knowledge and engaging in open communication patterns. The recommendations following the findings of the study were that leaders using participative leadership style could develop sustainable and competitive organizations by instilling effective organizational cultures of involvement, consistency, adaptability and mission. Findings of

another study by Huang, Iun, Liu and Gong (2010) revealed a very strong and direct link between participative leadership and the task performance of managerial subordinates. The authors attributed the enhanced performance to leaders using participative leadership style because results showed that not only did this result in empowering employees but also in the development of trust in leader-follower relationships.

### **2.3.2 Communication**

The power of participative leadership to affect culture and productivity is well documented in academic literature. Timmerman (2012) cites an illustration of HCL Technologies, an ICT company with more than 83,000 employees worldwide, and discussed how applying participative style of leadership in HCL resulted in increasing the output rate per employee, generated higher revenue per employee, and dropped the employee attrition rate significantly for nine straight quarters.

Rock (2009) noticed that participatory leaders gave employees the opportunity to express their ideas, and use their voices to make significant contributions to the decisions of the organizations. Luthans (2002) indicated that participative leadership leads to enhancing the employees' job satisfaction. In addition (Yukl, 2012) asserted that employees' involvement and participation in the process of decision making will increase their job satisfaction and performance. Moreover, Boles et al. (2001) and Reddy and Sudneer (2011) investigated the relationship between job involvement and job satisfaction and findings indicated a positive and significant positive relationship between job involvement and job satisfaction.

A study by Ozdemir (2010), which sampled 172 volunteer teachers working in eight primary schools in the province of Ankara during the 2008-2009 school years showed that organizational citizenship is improved when employees perceive that their superiors are supporting them and there was a spirit of collectivism among the teachers and their supervisors. According to Al-Mahasneh (2015), organizational citizenship (OCB) is a term that includes anything positive and constructive that employees do and that supports the co-worker benefits of the organization. Any organization will get benefits from encouraging employees to engage in OCB to increase efficiency and customer satisfaction, and reduce the costs of turnover and absenteeism. Empirical research has tested the assumptions that these forms of leadership behaviors result in greater effectiveness of work groups or organizations. The findings of a study by Bienstock, DeMoranville and Smith (2003) found that supportive leadership style was associated with more effective service delivery practices being entrenched in organizational best practices and standards and resulted in enhanced customer perceptions of the quality of service received from such organizations. The study by Al-Mahansneh (2015) of 150 respondents of the Amman Greater Municipality found that OCB explained 58.1% of the variance in job performance, while 39.2% of the variance was explained by the quality of work produced by the employees.

According to Timmerman (2012), participative leaders are constantly deploying principles of engagement, involving employees in strategic discussions, actively listening and showing empathy thereby evoking or sparking new ideas, and challenging new assumptions. These mannerisms make employees feel committed to organizational goals as they see support for their own personal development contributing to the greater good. On the other hand, the author also cautions that where circumstances change and extrinsic benefits given to employees of the



organization are reduced, for those employees that have been treated and nurtured in the best possible way the intrinsic appeal needs to be even stronger and clearer in order that such intangibles can compensate enough for cuts in tangible rewards and recognition. In the event that there is failure to have solid intrinsic alternatives and a cultural response, the organization would risk entering into a negative spiral of weakening commitment, drop in productivity rates, loss of top talent, further loss of loyalty in the employee ranks, further drops in performance, and ultimately a threat to the future of the organizations.

### **2.3.3 Explanation**

Sagnak (2016) posed that it was the behaviors of participative leaders of sharing of power with subordinates, asking for employees' opinions and including these opinions in the decision making process, that resulted in employees experiencing enhanced feelings of justice and trust and hence optimizing employee satisfaction. A study by Khuong and Hoang (2015) of 320 auditors in Vietnam found participative leadership style, which they also referred to as relation-oriented leadership, positively associated with motivation. Participative leadership is defined as a master-relationship whereby a leader will develop his leadership abilities by consulting and encouraging employees' participation in decision-making, resulting in employees being motivated to being open to sharing their views and feely discussing perspectives on ideas.

Bligh (2017) stressed the importance of trust in the relationship between leaders and subordinates in organizations for the creation of an enabling environment for collaboration, creativity and complex problem-solving to thrive. The author further emphasized that these factors are increasingly essential in global organizations to enhance employee performance. The findings of a study of 140 leaders of both genders from different business organizations and the correlation between leadership styles and creativity showed that the democratic leadership style significantly correlated with the dimensions of surrounding, broadening of knowledge and the search for challenges (Bosiok et al., 2013). The search for challenges relates to a people's need to express the creative side of their personality in addressing unconventional situations and problems while learning new methods for solving problems, without fear of failure. In today's complex environment, the role of creativity cannot be overstated.

There have been studies that have attributed the creativity of employees and the deployment of innovative practices by employees to the use of a participative style by a leader. Leaders who are oriented toward a democratic style of leadership value employees, and build relationships and teamwork while developing the potential of employees by encouraging and rewarding them by valuing unconventional creative solutions and problem solving. As discussed earlier, the same study had found a negative correlation between directive leadership and creativity validating the statement by Kesting, Ulhøi, Song and Niu (2015), who state that basically, directive and participative leadership can be seen as opposite ends of a continuum.

The findings of a study by Lumbasi et al. (2016) showed that 82.6% of the respondents felt that participative leadership style resulted in high quality decisions made by employees and attributed this to the involvement of employees in the decision making process. While indeed this may be the case, Segun-Adeniran (2015) highlights nevertheless that decision making is slower under this style owing to getting contributions from different team members. The results of the same study (Lumbasi, et al., 2016) also found that 86.9% of the respondents agreed or strongly agreed

that the use of participative leadership style improved the quality of goods or services offered by employees and 88.4% agreed or strongly agreed that the application of participative leadership style increased innovation among employees. Sagnak (2016), who undertook a study where the participants included 850 teachers randomly selected from 68 elementary schools in districts in Turkey, also found that participative leaders spur innovation and change-oriented organizational citizenship manifested through leaders encouraging teachers to find new opportunities, generate new information, and perform. This study additionally found a significant relationship between change-oriented organizational citizenship and intrinsic motivation.

### 3.0 RESEARCH METHODOLOGY

The positivism philosophy was selected as the guiding philosophy for this study. Positivism philosophy was preferred first because of its scientific and quantitative nature (Bryman & Bell, 2012). For this study, the independent variables had clear sub variables while the dependent variable, employee performance, was observed and its constructs were measured using responses on a Likert scale and therefore involved quantitative measurable data. The positivism philosophy is well developed and relies on measureable observations being analyzed statistically thereby eliminating possibilities of personal biases influencing the results.

The study thus adopted the use of a descriptive correlational research design. This approach was preferred because it enables a researcher to predict the contribution of variables in predicting the outcome being measured (Abbott, Lee & McKinney, 2013).

The population of the study consisted of 180 senior managers. A sample size of 139 senior managers was drawn using stratified random sampling. Data was collected using self-administered questionnaires. The data was then analyzed using descriptive statistics of frequency and percentage distribution, mean and standard deviation. Additionally, inferential data analysis methods were used. These include: factor analysis, Pearson's correlation, ANOVA, and multiple linear regression that were used to test the hypotheses.

The multiple linear regressions equation takes the form of:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon$$

Where:

$Y$  = Employee Performance

$X_1$  = Directive Leadership style

$X_2$  = Participative Leadership style

$X_3$  = Supportive Leadership style

$X_4$  = Achievement-Oriented Leadership style

$X_5$  = Task Structure

$\epsilon$  = Error term

$\beta_0$  = the constant term while the coefficient  $\beta_i=1\dots5$  measured the sensitivity of the dependent variable ( $Y$ ) to unit changes in the predictor variables  $X_1$ ,  $X_2$ ,  $X_3$ ,  $X_4$ , and  $X_5$ . The error term,  $\epsilon$  is used to capture any variations in the model.

The summary of the results were presented in tables.

## 4.0 ANALYSIS AND FINDINGS

### 4.1 Effect of Participative Leadership Style on Employee Job Performance

The study sought to examine the extent to which participative leadership style affected employee performance of coffee trading companies in Kenya. Participative leadership style was measured using three constructs namely consultation by leaders with employees to discuss problems and generate workable solutions, regular communication by leaders on all developments and leaders listening to explanations given by employees. The measures for employee performance were the effective use of financial resources, the quality of products, the satisfaction employees derived and finally innovation by employees.

The data was analyzed and the results of the factor analysis, descriptive statistics (frequencies, means and standard deviations) and inferential statistics (correlation coefficients, chi-squared, one way ANOVA, multiple regression analysis and hypothesis testing), are presented in this section.

#### 4.1.1 Factor Analysis Results on Participative Leadership Style

Factor analysis helps to reduce a large number of variables into lesser numbers which are referred to as factors. This is achieved by identifying whether lesser variables produce a linear relationship. Reduction of the factors facilitates management, understanding and interpreting of the data. The construct of participative leadership style was measured by the use of fifteen items to generate appropriate measures and factor analysis was conducted upon the items so as to establish any correlated sub-variables with the overall aim of reducing any redundant data.

The results of the KMO measure of sampling adequacy value associated with participative leadership style was 0.687 while the value for Bartlett's test was  $X^2 (105, N= 117) = 2646.28, p < .05$ . Table 1 shows the results of the KMO and Bartlett's test for participative leadership style.

**Table 1: KMO and Bartlett's Test for Participative Leadership Style**

<b>KMO and Bartlett's Test</b>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.687
Bartlett's Test of Sphericity	Approx. Chi-Square	2646.283
	df	105
	Sig.	0.000

The KMO test is used to measure sampling adequacy and when the result derived for the KMO test is greater than 0.6, the sample is considered adequate. The result of the KMO test for the construct of participative leadership style was 0.687 which is greater than 0.6 and these findings therefore indicate that the sample was adequate.

**Table 2: Component Matrix for Participative Leadership Style**

	<b>Component 1</b>
<b>Participative Leadership Style and Employee Performance</b>	
In my company, my supervisor consults employees to discuss problems and generate workable solutions.	.781
In my company, my supervisor communicates regularly with employees on any developments	.863
In my company, my supervisor listens to explanations from employees	.765
<b>Effects of Participative Leadership Style on the effective use of Financial Resources</b>	
To what extent does the consultation between your supervisor and employees to discuss problems and generate workable solutions affect the effective use of financial resources by employees in your organization?	.853
To what extent does regular communication between your supervisor and employees on all developments affect the effective use of financial resources by employees in your organization?	.826
To what extent does the role played by your supervisor in listening to explanations from employees affect the effective use of financial resources by employees in your organization?	.848
<b>Effects of Participative Leadership Style on Product Quality Produced by Employees</b>	
To what extent do consultations between your supervisor and employees in discussing problems and generating workable solutions affect the quality of products produced by employees in your organization?	.911
To what extent does regular communication between your supervisors and the employees on all developments affect the quality of products produced by employees in your organization?	.893
To what extent does the role played by your supervisor in listening to explanations from employees affect the quality of products produced by employees in your organization?	.885
<b>Effects of Participative Leadership Style on Employee Satisfaction</b>	
Considering the consultation by your supervisor of employees to discuss problems so as to generate workable solutions, how likely are you to refer friends and family to work in your organization?	.658
Considering the regular communication between your supervisor and employees on all developments, how likely are you to refer friends and family to work in your organization?	.684
Considering how your supervisor listens to explanations from employees, how likely are you to refer friends and family to work in your organization?	.633
<b>Effects of Participative Leadership Style on Innovation</b>	
To what extent does consultation of employees by your supervisor to discuss problems in order to generate workable solutions affect the generation of new ideas in your organization?	.734
To what extent does regular communication between your supervisor and employees on all developments affect the generation of new ideas by employees in your organization?	.739
To what extent does listening to explanations of the employees by your supervisor affect the generation of new ideas by employees in your organization?	.800

Table 2 shows the confirmatory factor analysis for participative leadership style. The results revealed that factor components were above the recommended threshold of 0.6 hence no item was dropped and all the items were included for further analysis. The results of confirmatory factor analysis showed that participative leadership style was adequately sampled for the study as revealed by the KMO measure of sampling adequacy of 0.687.

#### **4.2 Results for Descriptive Statistics on Participative Leadership Style**

Frequency (f), percentage (%) distributions, mean (M) and standard deviations (S.D) were the descriptive statistical analysis carried out.

#### 4.2.1 Effect of Participative Leadership Style on Financial Resources

The managers were required to answer questions on the use of participative leadership oriented style in their organizations. An analysis was done to determine the frequency and percentage distribution of the responses. Table 3 shows the results of the frequency distribution for participative leadership style.

**Table 3: Frequency Distribution for Participative Leadership Style**

Constructs		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
In my company, my supervisor consults employees to discuss problems and generate workable solutions	f	4	9	5	82	17
	%	3.4%	7.6%	4.3%	70.2%	14.5%
In my company, my supervisor communicates regularly with employees on any developments	f	5	0	5	96	11
	%	4.3%	0.0%	4.3%	82.1%	9.4%
In my company, my supervisor listens to explanations from employees	f	10	6	14	70	17
	%	8.5%	5.1%	11.9%	59.8%	14.5%

Table 3 shows that approximately seventy percent (70.2%) of respondents agreed that their supervisors consulted employees to discuss problems and generate workable solutions, while about eighty-two percent (82.1%) of respondents agreed that their supervisors communicated regularly with employees on developments. Approximately sixty percent (59.8%) of respondents agreed that their supervisors listened to explanations from employees.

#### 4.2.2 Effect of Participative Leadership Style on Financial Resources

Table 4 shows that about fifty-four percent (53.8%) of respondents believed that the consultation between supervisors and employees to discuss problems and generate workable solutions affected to a large extent the effective use of financial resources by employees, while about sixty-six percent (65.8%) of the respondents believed that regular communication between supervisors and employees on all developments moderately affected the effective use of financial resources. The study also showed that about sixty-seven percent (66.7%) of respondents believed that the role played by supervisors in listening to explanations from employees moderately affected the effective use of financial resources by employees in their organization.

**Table 4: Frequency and Percentage Distribution of Participative Leadership Style and Financial Resources**

Constructs		Very Small Extent	Small Extent	Moderate Extent	Large Extent	Very Large Extent
		1	2	3	4	5
To what extent does the consultation between your supervisor and employees to discuss problems and generate workable solutions affect the effective use of financial resources by employees in your organization?	f	3	9	40	63	2
	%	2.5%	7.6%	34.1%	53.8%	1.7%
To what extent does regular communication between your supervisor and employees on all developments affect the effective use of financial resources by employees in your organization?	f	1	13	77	23	3
	%	0.9%	11.1%	65.8%	19.7%	2.6%
To what extent does the role played by your supervisor in listening to explanations from employees affect the effective use of financial resources by employees in your organization?	f	1	12	78	24	2
	%	0.9%	10.3%	66.7%	20.5%	1.7%

#### 4.2.3 Effect of Participative Leadership Style on Product Quality

Table 5 shows that about seventy-two percent (71.8%) of the respondents were likely to refer their friends and family to work in their organization upon considering the consultation between supervisors and employees to discuss problems and generate workable solutions.

**Table 5: Frequency and Percentage Distribution of Participative Leadership Style and Product Quality**

Constructs	Very Small Extent	Small Extent	Moderate Extent	Large Extent	Very Large Extent
	1	2	3	4	5
To what extent do consultations between your supervisor and employees in discussing problems and generating workable solutions affect the quality of products produced by employees in your organization?	f 84	7	13	10	3
	% 71.8%	6.0%	11.1%	8.5%	2.6%
To what extent does regular communication between your supervisors and the employees on all developments affect the quality of products produced by employees in your organization?	f 74	16	12	12	3
	% 63.2%	13.6%	10.3%	10.3%	2.6%
To what extent does the role played by your supervisor in listening to explanations from employees affect the quality of products produced by employees in your organization?	f 76	15	16	6	4
	% 65.0%	12.8%	13.7%	5.1%	3.4%

#### 4.2.4 Effect of Participative Leadership Style on Employee Satisfaction

Table 6 shows that about seventy-three percent (72.6%) of respondents were likely to refer friends and family to work in their organization considering the regular communication between their supervisors and employees on all developments. Considering how supervisors listened to explanations from employees, the study found that about sixty-eight percent (68.3%) of respondents were likely to refer friends and family to work in their organization.

**Table 6: Frequency and Percentage Distribution of Participative Leadership Style and Employee Satisfaction**

Constructs		Very Unlikely	Unlikely	Somewh at Likely	Likely	Very Likely
		1	2	3	4	5
Considering the consultation by your supervisor of employees to discuss problems so as to generate workable solutions, how likely are you to refer friends and family to work in your organization?	f	0	1	3	84	29
	%	0.0%	0.9%	2.6%	71.8%	24.8%
Considering the regular communication between your supervisor and employees on all developments, how likely are you to refer friends and family to work in your organization?	f	0	1	3	85	28
	%	0.0%	0.9%	2.6%	72.6%	23.9%
Considering how your supervisor listens to explanations from employees, how likely are you to refer friends and family to work in your organization?	f	0	0	5	84	28
	%	0.0%	0.0%	7.6%	68.3%	24.0%

#### 4.2.5 Effect of Participative Leadership Style on Innovation

Table 7 shows that about sixty-four percent (64.1%) of the respondents believed that provision of clear instructions to employees by their supervisors affected to a small extent the generation of new ideas, whereas about sixty-three percent (63.2%) of the respondents believed that provision of work schedules to employees by their supervisors affected to a small extent the generation of new ideas. The findings also indicate that about sixty percent (59.8%) of the respondents believed that delegation of work to respective employees by their supervisors moderately affected the generation of new ideas in the organization.



**Table 7: Frequency and Percentage Distribution of Participative Leadership Style and Innovation**

Constructs		Very Small Extent	Small Extent	Moderate Extent	Large Extent	Very Large Extent
		1	2	3	4	5
To what extent does provision of clear instructions to employees by your supervisor affect the generation of new ideas in your organization?	f	1	75	25	11	5
	%	0.9%	64.1%	21.4%	9.4%	4.3%
To what extent does provision of work schedules to employees by your supervisor affect the generation of new ideas by employees in your organization?	f	3	74	32	6	2
	%	2.6%	63.2%	27.4%	5.1%	1.7%
To what extent does delegation of work to respective employees by your supervisor affect the generation of new ideas by employees in your organization?	f	3	35	70	9	0
	%	2.6%	29.9%	59.8%	7.7%	0.0%

#### 4.3 Mean (M) and Standard Deviation (S.D) for Participative Leadership Style

The third objective of the study was to examine the extent to which participative leadership style affected performance of senior managers of coffee trading companies in Kenya. The respondents were asked to indicate their agreement to various statements on a scale of 1-5. 1 denoted that they strongly disagreed with the statement, 2 denoted that they disagreed with the statements, 3 denoted that they were neutral, 4 denoted their agreement with the statements and finally 5 denoted that they strongly agreed with the statements. Table 8 shows the means and standard deviations for the responses to the questions which examined the effect of participative leadership style on employee performance of coffee trading companies.

**Table 8: Mean and Standard Deviation of Participative Leadership Style**

<b>Participative Leadership Style</b>	<b>N</b>	<b>(M)</b>	<b>(SD)</b>
<b>Effect of Participative Leadership Style on the effective use of Financial Resources</b>			
To what extent does the consultation between your supervisor and employees to discuss problems and generate workable solutions affect the effective use of financial resources by employees in your organization?	117	3.12	.618
To what extent does regular communication between your supervisor and employees on all developments affect the effective use of financial resources by employees in your organization?	117	3.12	.659
To what extent does the role played by your supervisor in listening to explanations from employees affect the effective use of financial resources by employees in your organization?	117	3.12	.632
<b>Effect of Participative Leadership Style on Product Quality Produced by Employees</b>			
To what extent do consultations between your supervisor and employees in discussing problems and generating workable solutions affect the quality of products produced by employees in your organization?	117	1.64	1.133
To what extent does regular communication between your supervisors and the employees on all developments affect the quality of products produced by employees in your organization?	117	1.67	1.167
To what extent does the role played by your supervisor in listening to explanations from employees affect the quality of products produced by employees in your organization?	117	1.69	1.102
<b>Effect of Participative Leadership Style on Employee Satisfaction</b>			
Considering the consultation by your supervisor of employees to discuss problems so as to generate workable solutions, how likely are you to refer friends and family to work in your organization?	117	4.21	.518
Considering the regular communication between your supervisor and employees on all developments, how likely are you to refer friends and family to work in your organization?	117	4.20	.513
Considering how your supervisor listens to explanations from employees, how likely are you to refer friends and family to work in your organization?	117	4.20	.495
<b>Effect of Participative Leadership Style on Innovation</b>			
To what extent does consultation of employees by your supervisor to discuss problems in order to generate workable solutions affect the generation of new ideas in your organization?	117	2.52	.847
To what extent does regular communication between your supervisor and employees on all developments affect the generation of new ideas by employees in your organization?	117	2.40	.708
To what extent does listening to explanations of the employees by your supervisor affect the generation of new ideas by employees in your organization?	117	2.38	.668

The results in Table 8 indicate that, on average, the respondents agreed that consultation between supervisors and employees to discuss problems and generate workable solutions affects the effective use of financial resources by employees in the organization ( $M = 3.12$ ,  $S.D = 0.618$ ); managers disagreed that regular communication between supervisors and the employees on developments affects the quality of products produced ( $M = 1.67$ ,  $S.D = 1.167$ ); managers agreed that, considering how supervisors listen to explanations from employees, they were very likely to refer friends and family to work in the organization ( $M = 4.20$ ,  $S.D = 0.513$ ); managers were neutral as to whether or not consultation of employees by supervisors to discuss problems and

generate workable solutions affects the generation of new ideas in the organization ( $M = 2.52$ ,  $SD = 0.847$ ).

#### 4.4 Correlations between Participative Leadership Style and Employee Performance

Correlation examines the relationship between two variables and gives a measure of the strength and direction that they oscillate with one another. The measure, known as the coefficient is usually denoted by 'r' and is a value between -1 and +1. A positive value indicates that the two variables increase in parallel, a negative value indicates that they move in opposite directions and a zero value indicates that no relationship exists between the variables. Correlation analysis was conducted to examine the strength and direction of the relationship between directive leadership style and employee performance of senior managers of coffee trading companies in Kenya.

Table 9 and 10 show the results of the correlations between the measures of participative leadership style and employee performance. The study results in Table 9 indicate that all parameters of participative leadership style significantly correlated with employee performance. The parameter, "In my company, my supervisor listens to explanations from employees," had the strong positive correlation with employee performance,  $r(117) = .930$ ,  $p < .05$ .

**Table 9: Correlations between Measures of Participative Leadership Style and Employee Performance**

		Employee Performance
In my company, my supervisor consults employees to discuss problems and generate workable solutions	Pearson Correlation	.784**
	Sig. (2-tailed)	.000
	N	117
In my company, my supervisor communicates regularly with employees on any developments	Pearson Correlation	.821**
	Sig. (2-tailed)	.000
	N	117
In my company, my supervisor listens to explanations from employees	Pearson Correlation	.930**
	Sig. (2-tailed)	.000
	N	117

\*\* . Correlation is significant at the 0.05 level (2-tailed).

Further, Table 10 shows the result of the Pearson's correlation coefficient which reveals a strong positive and significant correlation between participative leadership style and employee performance  $r(117) = .956$ ,  $p < 0.05$ .

**Table 10: Correlations between Participative Leadership Style and Employee Performance**

Correlations		Participative Leadership Style	Employee Performance
Participative Leadership Style	Pearson Correlation	1	.956 <sup>**</sup>
	Sig. (2-tailed)		.000
	N	117	117
Employee Performance	Pearson Correlation	.956 <sup>**</sup>	1
	Sig. (2-tailed)	.000	
	N	117	117

Correlation is significant at the 0.05 level (2-tailed).

#### 4.4.1 Chi-squared Test on Participative Leadership Style and Employee Performance

The Pearson's chi-squared test, also referred to as the goodness of fit test is a statistical test whose result is denoted by  $\chi^2$  and the purpose of the test is to examine the association between variables. The study sought to examine whether there was a statistically significant association between participative leadership style and employee performance. Table 11 shows the results of the chi-square test on participative leadership style and employee performance.

**Table 11: Chi-squared Test on Participative Leadership**

	Participative Leadership Style
Pearson Chi-Square	590.058 <sup>a</sup>
Df	133
Asymp. Sig. (2-sided)	.000

Correlation is significant at the 0.05 level (2-tailed).

The findings in Table 11 show the results of the Pearson's chi-squared test indicated that there was sufficient evidence to conclude that there is a statistical significant association between participative leadership style and employee performance  $\chi^2(133, N = 117) = 590.06, p < .05$ .

#### 4.4.2 One way ANOVA for Participative Leadership Style and Employee Performance

The one-way analysis of variance, more popularly referred to as the one-way ANOVA is a statistical technique that compares means of two or more sample variances. The results represented by the F statistics reflect the ratio of the between-group variability to that of the within-group variability. The study sought to carry out a one-way ANOVA test to establish whether there were significant differences between the means for employee performance for participative leadership style and the demographic variables of position, age group, gender, type of organization and years worked. Table 12 shows the results of the one way ANOVA on employee performance for participative leadership style.

The results in Table 12 revealed that for, participative leadership style, there were significant differences in the means for employee performance across the senior managers' position,  $F(7, 109) = 2.463, p < .05$  and gender,  $F(7, 109) = 2.430, p < .05$ . On the other hand, there were no

significant differences between the means for employee performance across senior managers' age group  $F(7, 108) = 1.528$ ,  $p > 0.05$ , type of organization,  $F(7, 109) = 1.178$ ,  $p > 0.05$  and work experience,  $F(7, 109) = 1.404$ ,  $p > 0.05$ .

**Table 12: One way ANOVA on Employee Performance for Participative Leadership Style**

<b>Employee Performance and Position</b>		Sum of	df	Mean	F	Sig.
		Squares		Square		
Position	Between Groups	49.179	7	7.026	2.463	.022
	Within Groups	310.941	109	2.853		
	Total	360.120	116			
<b>Employee Performance and Age Group</b>						
Age group	Between Groups	4.533	7	.648	1.528	.165
	Within Groups	45.769	108	.424		
	Total	50.302	115			
<b>Employee Performance and Gender</b>						
Gender	Between Groups	3.946	7	.564	2.430	.024
	Within Groups	25.285	109	.232		
	Total	29.231	116			
<b>Employee Performance and Type of Organization</b>						
Type of Organization	Between Groups	5.153	7	.736	1.178	.321
	Within Groups	68.094	109	.625		
	Total	73.248	116			
<b>Employee Performance and Number of Years Worked</b>						
Years Worked	Between Groups	6.391	7	.913	1.404	.211
	Within Groups	70.857	109	.650		
	Total	77.248	116			

Correlation is significant at the 0.05 level (2-tailed).

#### 4.5 Regression analysis and Hypothesis Testing

Linear regression assesses the extent a predictor variable explains a dependent variable. The magnitude and direction of the measure provides information on the extent to which changes in a variable affect the response variable. Based on a bivariate linear regression model, the study sought to establish the effect of participative leadership style on employee performance among senior managers of coffee trading companies in Kenya. The study tested the hypothesis:

**H<sub>01</sub>:** Participative leadership style does not have a significant effect on employee performance of coffee trading companies in Kenya.

##### 4.5.1 Regression Model Summary

The results in Table 16 indicate that participative leadership style explained 86.5% variation in employee performance among the senior managers of coffee trading companies,  $R^2 = .865$ .

**Table 16: Regression Model Summary for Participative Leadership Style**

<b>Model Summary</b>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.930 <sup>a</sup>	.865	.864	.270	

a. Predictors: (Constant), Participative leadership

This implies that 86.5% of the changes in employee performance among senior managers could be explained by the participative leadership style.

#### 4.5.2 Regression ANOVA

The regression ANOVA serves to inform a researcher on the variability levels in the regression model and tests the significance of the model. Table 17 presents the results of the regression ANOVA for participative leadership style and employee performance and these findings indicate that the model was statistically significant in linking participative leadership style and employee performance among senior managers of coffee trading companies in Kenya,  $F(1, 115) = 735.111$ ,  $p < .05$ . Thus, the findings indicate that the effect of participative leadership style on employee performance was statistically significant. The model was significant in giving explanation on the relationship. Basing on the significance of the F-statistic, the null hypothesis not accepted.

**Table 17: Regression ANOVA for Participative Leadership Style**

<b>ANOVA<sup>a</sup></b>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	53.583	1	53.583	735.111	.000 <sup>b</sup>
	Residual	8.383	115	.073		
	Total	61.966	116			

a. Dependent Variable: Employee performance  
b. Predictors: (Constant), Participative leadership

Correlation is significant at the 0.05 level (2 tailed).

#### 4.5.3 Regression Coefficient

Multiple linear regression was conducted with the purpose of determining the magnitude and direction of the relationship between participative leadership style and employee performance among senior managers of coffee trading companies in Kenya.

**Table 18: Regression Coefficients for Participative Leadership Style**

Coefficients <sup>a</sup>		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.285	.139		2.056	.042
	Participative leadership	.943	.035	.930	27.113	.000

a. Dependent Variable: Employee performance

The results in Table 18 indicates that participative leadership style positively and significantly predicted employee performance,  $\beta = 0.943$ ,  $t(116) = 27.113$ ,  $p < .05$ . This implies that a unit increase in participative leadership style would lead to a significant increase in employee performance among the senior managers of coffee trading companies in Kenya by 0.943 units. The study hence concluded that participative leadership style positively and significantly predicted employee performance of senior managers of coffee trading companies in Kenya.

#### 4.5.4 Conclusion of Regression Analysis and Hypothesis Testing

The results of the regression analysis established that participative leadership style positively and significantly predicted employee performance among senior managers of coffee trading companies in Kenya,  $R^2 = .865$ ,  $F(1, 116) = 735.111$ ,  $p < .05$ ;  $\beta = 0.943$ ,  $p < .05$ . This implies that 86.5% of the variance in employee performance among the managers could be explained by participative leadership style. Further, the regression model was found to be statistically significant in predicting the relationship between participative leadership style and employee performance as shown by the F-statistic. The regression coefficient for participative leadership style implies that every unit change in directive leadership style elicited 0.943 units of change in employee performance. A significance value of  $p \leq .05$  was taken up by the research. The regression coefficient's p-value ( $\beta$ ) was  $p < .05$ . The study therefore concluded that participative leadership style positively and significantly affected employee performance of senior managers of coffee trading companies in Kenya and therefore the null hypothesis that participative leadership style has no significant effect on employee performance was rejected.

The model equation for participative leadership style was:

$$Y = \beta_0 + \beta_i X_i$$

$$Y = 0.285 + 0.943 \text{ participative leadership style}$$

## 5.0 DISCUSSION, CONCLUSION AND RECOMMENDATION

### Discussion of the Findings

The third objective of this study was to examine the extent to which participative leadership style affected employee performance. The correlation results indicated that participative leadership style was significantly related to employee performance,  $r(117) = 0.956$ ,  $p < .05$ . The results of this study concur with the findings of Ijah (2012), who studied the effects of leadership styles of

secondary school principals on the staff and found that participative leadership style had a positive and significant relationship with job performance, ( $r = 0.8114$ ). The findings also agree with those of Pedraja-Rejas et al. (2013) who revealed that participative leadership style had a positive influence on employee effectiveness measured by the percentage of tasks completed within budget. In the study, employees responded positively and were motivated by leaders being open to and accepting their opinions, suggestions and ideas in the decision-making process. The recommendations of the study were that leaders should avoid making decisions on their own and instead should collaborate with their team members, allow for a good collaborative working environment and treat the teams fairly. The findings of the study disagreed with Bhatti et al. (2012) whose findings indicated that participative leadership style resulted in a slower pace of employee performance and proposed that a participative approach was only suitable where team work was essential and when the quality of the output mattered far more than the speed of productivity. This contradicted the findings of Iqbal et al. (2015) whose results showed that deadlines were achieved when leaders made deliberate effort to engage followers, obtain contributions from them and integrated their contributions to arrive at decisions.

The results of the Chi-Square test revealed a significant association between participative leadership style and employee performance of senior managers of coffee trading companies in Kenya,  $\chi^2(133, N=117) = 590.06, p < .05$ . The findings of the study concur with the findings of Salman et al. (2016) who examined the mediating role of work engagement on employee performance and established a positive association between participative leadership style and work engagement and employee performance. The findings of this study also concur with that of Bell et al. (2014) who found highly significant relationships between participative leadership style and facets of organization culture which were involvement, consistency, adaptability, mission and total organization culture with F-statistics values of 374.615, 300.611, 187.864, 567.442 and 1575.046 respectively. They also show Beta weights of  $\beta = 0.846; p < 0.000, \beta = 0.836; p < 0.000, \beta = 0.787; p < 0.000, \beta = 0.897; p < 0.000, \beta = 0.958; p < 0.000$  for the relationships between participative leadership and all the variables respectively. The study demonstrated the value of participative style of leadership and its ability to empower followers and motivate them through sharing of knowledge and engaging in open communication patterns. A recommendation from the study was that leaders should use participative leadership styles to develop effective organizational cultures which would give them competitive and sustainable advantages.

The one-way ANOVA results revealed that for participative leadership style, there were significant differences in the means for employee performance across the senior managers' position,  $F(7, 109) = 2.463, p < .05$  and gender,  $F(7, 109) = 2.430, p < .05$ . The results however indicated that there were no significant differences in the means for employee performance across senior managers' age group  $F(7, 108) = 1.528, p < .05$ , type of organization,  $F(7, 109) = 1.178, p < .05$  and work experience,  $F(7, 109) = 1.404, p < .05$ . The findings of this study are further affirmed by the study of Ozdemir (2010) where findings showed that organizational citizenship or a collective attitude was improved when supervisors used a participative leadership style. Bienstock et al. (2003) found that organizational citizenship resulted in effective service delivery as well as positive perceptions by customers of the quality of service they were receiving. Of note is that Timmerman (2012) found that participative leadership was related



significantly with greater productivity by employees in service oriented fields but pointed out that organizations sometimes encountered circumstances which could result in rendering a participative leadership unusable. For instance, if the business environment necessitated decisions that were not popular with employees because they did not serve employee self-interest, in such circumstances trying to use a participative style was unlikely to yield results that would take the organization forward in the best and most sustainable manner.

The findings from multiple linear regression analysis confirmed that participative leadership style positively and significantly predicted employee satisfaction,  $R^2 = .865$ ,  $F(1, 116) = 735.111$ ,  $p < .05$ ;  $\beta = 0.943$ ,  $p < .05$ . The study findings are mirrored in the study by Sirisookslipa et al. (2015) who found that participative leadership style had a positive and significant effect on employee performance with  $\beta = 0.209$ ,  $p < .05$ . The authors advocated for a participative approach by leaders emphasizing the importance of the willingness on the part of leaders to share power with subordinates, ask for their opinions and include these opinions in the decision-making process. The rationale given was that behaviors contributed to enhanced feelings of justice and trust on the part of subordinates and resulted in greater job satisfaction and better performance. A study done on 320 auditors in Vietnam by Khuong and Hoang (2015) found participative leadership style was positively associated with motivation. Bligh (2017) cautioned on the importance of trust in the relationship between leaders and subordinates in organizations as this was vital for the creation of an enabling environment for collaboration, creativity and complex problem-solving to thrive.

The multiple linear regression analysis revealed that the coefficient of participative leadership style was significant;  $\beta = 0.943$ ,  $p < .05$  indicating that participative leadership style explained employee performance. This finding concurs with the findings of Lumbasi et al. (2016) who found that participative leadership style which involved management collaborating with employees in the decision making process resulted in high quality decisions ( $r=.232$ ,  $p < .05$ ). In this study, 86% of respondents believed that participative leadership style improved the quality of goods and services offered by employees, which was achieved through an increase in innovative practices by employees. Sagnak (2016) also argued that participative leadership behavior had the effect of spurring innovation and change-oriented organizational cultures with leaders encouraging teachers to identify new ideas, generate new information, and perform at higher levels. The study supports the findings of Palmer and Gignac (2012) who found that when employees are engaged in their work, they are more likely to feel passionate about what they do and therefore are passionate and fired up to work and in so doing, experience a profound connection to their companies and become the drivers of innovative products and process that keep the organization ahead of its competitors.

## Conclusion

The multiple linear regression results determined that participative leadership style was significant in predicting employee performance among senior managers of the coffee trading companies in Kenya,  $R^2 = .865$ ,  $F(1, 116) = 735.111$ ,  $p < .05$ ;  $\beta = 0.943$ ,  $p < .05$ . The null hypothesis that participative leadership style had no significant effect on employee performance was therefore rejected. This led to the conclusion that when leaders engage employees and allow

them to participate in important organizational functions such as decision making, employee performance is enhanced.

### **Recommendation for Improvement**

The results from the regression analysis revealed that participative leadership style was significant in predicting financial resources, product quality, employee satisfaction and innovation. The study revealed that participative leadership style significantly predicted employee performance. Leaders in coffee trading companies should utilize participative leadership style to manage their employees and that constant communication and consultation between supervisors and employees is very healthy and beneficial to the organization and to the performance of employees.

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