

# **The Influence of Leadership behaviors on Employee Performance in the Context of Software Companies in Vietnam**

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## **Abstract**

The purpose of this study is to analyze the influence of transformational, transactional and passive/avoidant leadership behaviors on individual job performance in the context of software companies in Vietnam. The study used a sample of 304 individuals interviewed directly by questionnaire and applied the method of testing difference, EFA, multiple regression for data processing. The results show that passive/avoidant leadership behavior is the most important factor influences on individual job performance; however, this is the negative influence. Among those behaviors which are found to influence significantly and positively on individual job performance, individualized consideration is the most important; it's then followed by idealized influence, intellectual stimulation, management by exception – active and contingent reward. Surprisingly, inspirational motivation is found not to be significantly influenced on individual job performance. This study also reveals that there's not a statistical difference in job performance for male and female. However, there's a significant difference between different groups of age, number of years working with the current company, monthly income and position.

**JEL classification numbers:** J2

**Keywords:** Leadership, job performance, software.

## **1 Introduction**

According to a statistics made by Vietnam Ministry of Information and Communication in 2011, the revenue of software industry and the number of software companies running in Vietnam in 2010 were 20 times higher than those in 2001. However, in general, the

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Vietnam software industry hadn't reached its potential and its development was gloomy. Hence, the Vietnam software industry had experienced a turbulent time when the global financial crisis occurred in 2008.

Drucker (2012) stated that when the organizations have experienced a period of stability and incremental continuing growth, they are inclined to manage their resources in such inefficient or ineffective ways; turbulent time is a good opportunity for the organizations to re-engineer their operations, focus more on improving their performance. Boxall and Purcell (2003) indicated that individual job performance will effect on organizational performance. Thus, improving individual job performance is essential to improve the core competency of the organization. However, a question has emerged about how we can improve individual job performance?

A review of the literature suggests that the answer could be found in science of leadership. Drucker (1993) said that leadership style is one of the most important factors contribute to the success of a company. Bass (1990) reported that a suitable leadership style could be explained from 45% to 60% of organizational performance. In a knowledge-based organization like a software company, the role of leadership is even more important than usual. From change management perspective, in order to survive in such a fast paced environment like IT, a company must have adaptable ability to cope well with changes in technology. Bass (1985) stated that a leader must be a change agent who can take initiative and bring changes for organization. From knowledge management perspective, Drucker (2002) said that knowledge workers in knowledge based organizations like software companies could be lead only through a suitable leadership style focuses on listening, encouragement, mentoring instead of ordering or controlling. Another particular characteristic of a software company is that its staff is often categorized into different teams to follow separated projects; Turner and Muller (2005) reported that leadership style is a critical success factor to project team performance.

It's unarguable that leadership plays an important role in a software company; however, there's almost no research studies the influence of leadership behaviors on individual job performance in the context of software companies in Vietnam. It's the research gap that this study seeks to fill.

The remainder of this paper is organized as follows: The next section gives a brief literature review. Section 3 describes the research methodology, and Section 4 presents the research results. Finally, Section 5 concludes the paper and draws managerial implications.

## **2 Literature Review**

This study adopts the definition of leadership in terms of influence as proposed by Tosi et al (1994). Tosi et al (1994) define that "leadership is interpersonal influence which occurs when one person is able to gain compliance from another in the direction of organizationally desired goals".

According to Bryman (1992), there're four main approaches can be distinguished in the development of leadership theories. Trait approach is the first attempt to study leadership. It's then followed by behavior and contingency approach. Since early 1980s, transformational- transactional leadership has emerged and draws attention a lot of academic researchers.

Transformational - transactional leadership was developed by Bass (1985) and then had been improved and expanded continuously over time by a series of academic research studies. Stordeur et al (2001) stated that this theory is deserved as the “mainstream in leadership research”. Kirkbride (2006) confirmed that this approach is “the most researched and validated leadership model in use worldwide today”. Avolio (1999) contended that this is the most reliable full range leadership theory. Because of those strengths, this study will adopt transformational – transactional leadership theory to analyze how leadership behaviors influence on individual job performance in Vietnamese software companies.

**Transformational leadership:** Bass (1985) views transformational leadership in terms of leader’s influence on followers. More specifically, the transformational leader will behave towards the followers in such moral ways, which in turn yield greater commitment, trust and respect from the followers and motivate them to work harder than they are originally intended. Bass and Avolio (2004) proposed 4 components of transformational leadership: idealized influence, individualized consideration, intellectual stimulation, and inspirational motivation.

**Transactional leadership:** A lot of leadership theories were built based on a concept stating that the leaders transact with their followers. It’s also the core theme of transactional leadership. Transactional leader – followers relationships are based on a series of rational exchanges that enable both leaders and followers to reach their own goals (Bass, 1985). In these exchange based relationships, the leader discusses with each follower what he or she needs to perform to fulfil the organization’s mission and the rewards the follower will receive once completing the assignments successfully. According to Bass and Avolio (2004), there are two types of behaviors inherent in transactional leadership: contingent reward and management by exception – active

**Passive/avoidant leadership:** A passive/avoidant leader is the one lacks a strong sense of responsibility to followers in achieving organization’s goals. There’re two types of behaviors inherent in this leadership: management by exception – passive, and laissez-faire.

**The relationship between transformational leadership behaviors and job performance:** The relationship between transformational leadership behaviors and job performance can be viewed and analyzed from multiple perspectives. From organizational outcome perspective, transformational leadership is demonstrated to influence positively on workplace relationship and thus, leading to the increase in individual job performance. As indicated in Li and Hung (2009), the transformational leaders will boost the communication between them and followers and thereby, instilling leaders’ support, confidence, and encouragement into followers. As a consequence, the followers will exhibit extra effort in return for high performance. Similarly, this research also found that transformational leader also creates a context encouraging the internal interaction, thus, fostering the high quality relationship among members; once members are in a high quality relationship, they will be motivated to engage in having more positive behaviors to enhance their job performance.

From knowledge management perspective, a variety of studies have pointed out that transformational leader will have a positive relationship with knowledge management and hence, help followers to have more opportunities to learn new knowledge and improve their job performance. Bryant (2003) indicated that by inspirational motivation and intellectual stimulation behaviors, transformational leader will create a working environment motivating followers to create new knowledge; then by individualized consideration, the leader will encourage their followers to share new knowledge to the

whole organization. This is in line with the results in Crawford (2005) stating that all behaviors of transformational leadership have positive relationships with knowledge management behaviors in organization. Once the organizational knowledge management is enhanced, individual job performance is then improved accordingly (Lai, 2013). Those findings support assumptions that all dimensions of transformational leadership will have positive relationship with individual job performance.

The relationship between transactional leadership and job performance: Transactional leadership and individual job performance also come with significant relationships. From knowledge management perspective, transactional leaders, who emphasize on increasing efficiency in existing operations and strengthening current routines, will facilitate the flow of learning from the organization to individuals by supplementing added values to organizational procedures, strategies and past experiences for best exploitation (Vera and Crossan, 2004). They provide formal systems and training programs that help to build a learning organization. Once learning organization is enhanced, individuals will have more chances to learn new knowledge and thereby, increasing their job performance as a result.

From psychological perspective, Zhu et al (2012) found that in the transactional leadership context, the interaction based on mutual reward exchange will help to develop the positive relationship between leaders and followers, which in turn contributes to followers' identification with the organization. Once individual's organizational identification is enhanced, individual job performance will be enhanced accordingly. Those findings above support the assumptions that all dimensions of transactional leadership will have positive relationships with job performance.

The relationship between passive/avoidant leadership and job performance: A variety of studies found a negative relationship between "management by exception – passive" and job outcomes like job satisfaction, extra effort and effectiveness (Amirul and Daud, 2012; Firestone, 2010). Rowold and Scholoz (2009) stated that management by exception – passive put individuals under chronic stress because negative feedback and punishments will be provided to followers once they make mistakes or don't meet the requirements. Therefore, an increase in dissatisfaction and a decrease in job performance can be forecasted as consequences.

Similarly, in an investigation of laissez faire leadership, Skogstad et al (2007) found that individuals who are managed by a laissez-faire leader will experience high levels of role ambiguity. When individuals don't clearly understand the requirements they need to fulfil, they will be irresponsible for their job because they don't know if their performance meet the organizational expectations. As a result, we can forecast a decrease in individual job performance when role ambiguity increases as Mac Kenzie et al (2001) pointed out. Those findings above support the assumptions that all dimensions of passive/avoidant leadership will have negative relationships with individual job performance.

### 3 Methodology

#### 3.1 Suggested Research Model and Hypothesis

Based on literature review, previous studies as well as the context of software companies in Vietnam, this study suggests the research model as follows:

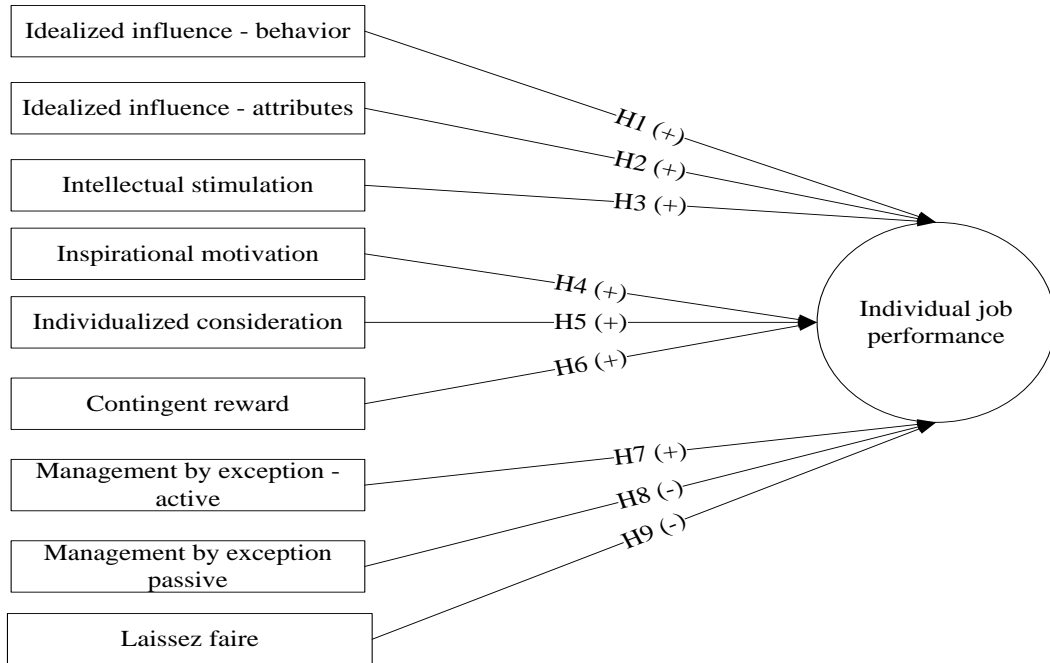


Figure 1: Suggested research model and hypothesis

#### 3.2 Research Instrumentations

This study measured followers’ individually experienced and perceived leadership behaviors by adapting the Multifactor Leadership Questionnaire - MLQ, Form 5X short (Bass and Avolio, 2004). The instrument uses a 5 point Likert scale; the anchors used to evaluate the MLQ factors presented are : 1 = not at all, 2 = once in a while, 3 = sometimes, 4 = fairly often, 5 = frequently, if not always.

The job performance instrument was assessed by adapting the Individual Work Performance Questionnaire – IWPQ scale for White collar developed by Koopmans et al (2013). However, only task performance and contextual performance are put into analysis since this study only focuses on productive aspects of performance. As indicated in Koopmans et al (2013), a popular problem with self-ratings of performance is that the person is inclined to judge their own performance favorably (the leniency effect). Hence, in order to counteract this effect, the centre of the scale is shifted so that the average point is not in the middle but rather to the left of the scale. The job performance behaviors are rated from 1 = seldom, 2 = sometimes, 3 = frequently, 4 = often, 5 = always.

### **3.3 Research Method**

Qualitative research is used the method of group discussion to explore, adjust and supplement the observed variables. Ten software engineers who have worked for their current companies for more than 5 years and have been managed by their direct supervisor for more than 2 years were invited to participate in the group discussion. The conditions for the participated software engineers are essential to make sure that they have enough knowledge to give suitable feedbacks and contributions on the observed variables. After the qualitative research, the leadership instrument, which has 9 factors with 36 items in original, was added two items. In contrast, the number of items of job performance instrument was reduced from 17 to 9.

Quantitative research was then conducted to evaluate measurement scale, test theoretical model. A direct of method of distribution and collection of the questionnaires was applied by the researchers to participants who are working in software companies in Ho Chi Minh city, Vietnam. 304 valid questionnaires were then used for data processing.

## **4 Research Results**

### **4.1 Descriptive Statistics**

Of the sample, the majority of the respondents are male, accounting for 82.60%. A large percentage of the respondents are young, with 40.50% below 28 years old; 34.50% are in the 28-35 bracket. Regarding the number of years respondents have been working with their current companies, 48% reported between 3 – 5 years, 24% reported over 5 years. The demographic summary also reported 39.10% of the respondents have the monthly income between 10 – 20 million VND while there're only 88 respondents who have the monthly income lower than 10 million VND, accounting for 28,90%. The majority of respondents for this study are at junior and team leader level, accounting for 65.50% and 23.70% respectively.

Table 1: Descriptive statistics

Sample = 304		Frequency	%
Sex	Male	251	82.60%
	Female	53	17.40%
Marital status	Married	134	44.10%
	Single	170	55.90%
Age	< 28 years old	123	40.50%
	28 - 35 years old	105	34.50%
	> 35 years old	76	25.00%
Number of years working with the current company	From 1 - 3 years	146	48.00%
	From 3 - 5 years	85	28.00%
	> 5 years	73	24.00%
Monthly income	< 10 million VND	88	28.90%
	10 - 20 million VND	119	39.10%
	> 20 million VND	97	31.90%
Position	Junior/Staff	199	65.50%
	Team leader	72	23.70%
	Manager	33	10.80%

## 4.2 Validity and Reliability of Measurement

### 4.2.1 Reliability

According to the results displayed in table 2, all constructs are of high reliability with their Cronbach's alpha higher than 0.8. If any variable within each construct is deleted, its Cronbach's alpha then will decrease accordingly. The minimum corrected item – total correlations are greater than 0.3, suggesting that the variables within each construct appeared to measure the same construct as proposed in conceptual model. Those results allow all variables to be retained for subsequent analysis.

Table 2: Scale reliability

Construct	Number of variables	Cronbach's Alpha	Minimum corrected item – total correlation
Idealized influence - attributes	4	0.864	0.618
Idealized influence - behavior	4	0.859	0.685
Inspirational motovation	5	0.841	0.596
Intellectual stimulation	5	0.848	0.639
Individualized consideration	4	0.869	0.663
Contingent reward	4	0.809	0.599
Management by exception - Active	4	0.840	0.650
Management by exception - passive	4	0.889	0.718
Laissez faire	4	0.903	0.733
Job performance	9	0.873	0.854

#### 4.2.2 Exploratory Factor Analysis (EFA)

Exploratory factor analysis (EFA) is employed to find the new underlying structure of the data by identifying new factors of a set of items, and determining the extent to which each items was explained. The value of KMO is 0.946; thus confirming sampling adequacy. Bartlett's test of sphecicity statistics is highly significant at  $p < 0.001$  level, indicating that there are adequate relationships between the variables included in the analysis. The result of EFA indicates that there are 7 factors retained with totally extracted variance of 66.599%. Among them, there are two new factors: the first new one is loaded by idealized influence – attributes and idealized influence – behavior variables, the second one is loaded by management by exception – passive and laissez faire variables. Hence, the first one is labeled as idealized influence and the second one is labeled as passive/avoidant leadership. The other factors are still the same constructs defined before (intellectual stimulation, inspirational motivation, individualized consideration, contigent reward, management by exception – active).



Table 3: The result of EFA

Construct	Eigen value	% of variance explained	Cronbach's Alpha	Number of variables
Idealized influence	15.697	14.535	0.913	8
Passive/Avoidant leadership	2.522	12.631	0.921	8
Intellectual stimulation	1.786	8.364	0.848	5
Inspirational motivation	1.604	8.093	0.841	5
Individualized consideration	1.383	7.725	0.869	4
Contingent reward	1.240	7.712	0.809	4
Management by exception - Active	1.076	7.538	0.840	4
KMO			0.946	
Barlett's test of sphecicity statistics			0.000	

### 4.3 Modified Research Model

After conducting the EFA, the research model is modified as below:

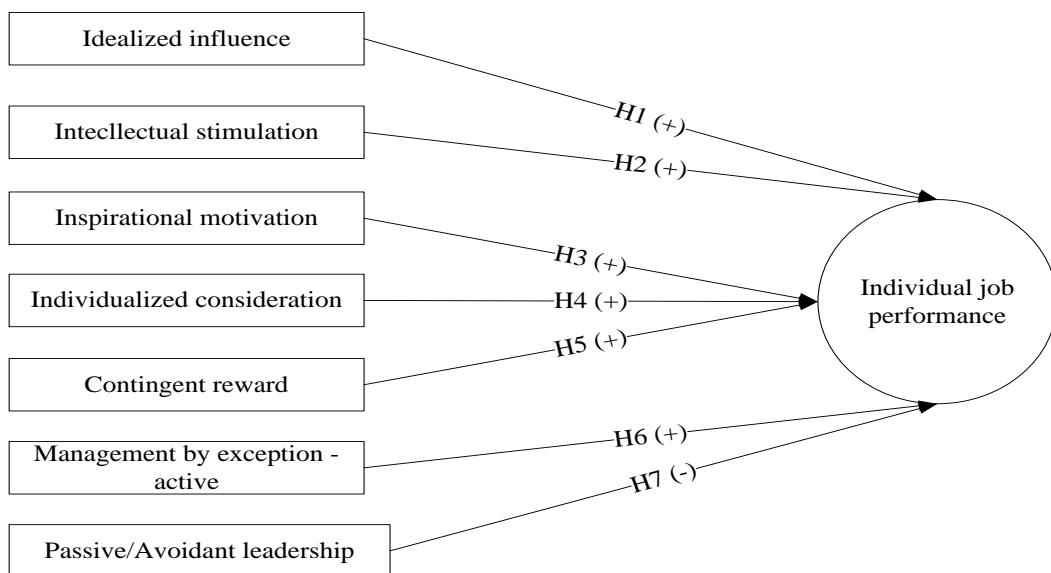


Figure 2: The modified research model

### 4.4 Correlation Analysis

The correlation matrix in this study indicates that correlation of each pair between constructs is highly significant at the level of 0.01. However, this result also means that

there's a sign of multicollinearity in this model. Hence, it's essential to conduct further analysis.

#### 4.5 Regression Analysis

As indicated in table 4, the adjusted  $R^2$  is 0.698 which means that 69.8% of independent variables providing information about dependent variables or job performance is explained by leadership behaviors. Hence, it's concluded that the regression model can be used to test the theoretical model. The F value of the model is highly significant at the level of 0.000, suggesting that the research model is suitable for the collected data, and there is a good fit between dependent variable and predictors.

Table 4: Regression Results

Independent variables	Standardized Beta	T value	Sig	VIF
Idealized influence	0.203	4.300	0.000	2.237
Intellectual stimulation	0.137	2.873	0.004	2.274
Inspiration motivation	0.033	0.694	0.488	2.254
Individualized consideration	0.221	4.527	0.000	2.394
Contingent reward	0.091	2.210	0.028	1.690
Management by exception - active	0.136	3.231	0.001	1.779
Passive/avoidant leadership	-0.226	-4.647	0.000	2.367
$R^2$	0.705			
Adjusted $R^2$	0.698			
Sig in Anova	0.000			
F value in Anova	101.256			

The VIF values as displayed in table 4 are lower than 2.5, indicating that there is no multicollinearity between the independent variables in this model.

The regression model is as follows:

Individual job performance = 0.203 \* Idealized influence + 0.137\*Intellectual stimulation + 0.221\*Individualized consideration + 0.091\*Contingent reward + 0.136\*Management by exception - active – 0.226\* Passive/avoidant leadership

According to the regression model and the results in table 4, there are 5 independent variables: idealized influence (sig. = 0.000), intellectual stimulation (sig. = 0.004), individualized consideration (sig. = 0.000), contingent reward (sig. = 0.028), Management by exception – active (sig. = 0.001) are statistically significant and positive in this model with significance level sig. <0.05 (95% confidence). Passive/avoidant leadership is found to influence on individual job performance negatively and significantly as expected. However, the result also shows that inspirational motivation is not significantly influenced on individual job performance as proposed in conceptual model.

#### 4.6 Comparison the Mean Scores of Different Groups of Individuals

Independent-samples t-test is used when we want to compare the mean scores of two different groups of people or conditions. In this study, independent-samples t-test is used to explore sex, marital status differences in individual job performance.

Table 5: The result of independent-samples t-test

Variables	Sig. of Lavene test	Sig. of F test	Conclusion
Sex	0.062	3.519	There's not a statistically significant difference in the mean individual job performance score for male and female.
Marital status	0.000	13.130	There's a statistically significant difference in the mean individual job performance score for the single and the married.

Table 6 shows that there's not a statistically significant difference in the mean individual job performance score for male and female. In contrast, there's a statistically significant difference in the mean individual job performance score for the single and the married groups. More specifically, the job performance of the single group (mean score = 3.697) is higher than that of the married (mean score = 3.366).

One way ANOVA is used when we have one independent variable with three or more levels in each our groups. In this case, one way ANOVA is used to explore if there's a difference in individual job performance score for different groups of age, number of years working with the current company, monthly income and position. The result in table 7 indicates that there's a significant difference in mean score between different groups of age, number of years working with the current company, monthly income and position.

Table 6: One way between-groups ANOVA

Variable	Sig. of Lavene test	Sig. of F test	Conclusion
Age	0.182	0.001	There's a significant difference in individual job performance score between different age groups.
Number of years working with the current company	0.068	0.000	There's a significant difference in individual job performance score between different groups of number of years working with the current company.
Monthly income	0.095	0.000	There's a significant difference in individual job performance score between different monthly income groups.
Position	0.137	0.000	There's a significant difference in individual job performance score between different position groups.

The result of one way ANOVA does not tell which group is different from which other group. ANOVA Post-hoc tests can then be used to find out where the differences lie. The result of Tukey test shows that there's a significant difference in individual job performance score between less than 28 and 28-35 age groups, between less than 28 and 35+ age groups. More specifically, the performance of less than 28 age group (mean score = 3.381) is lower than that of 28-35 age group (mean score = 3.621) and that of 35+ age group (mean score = 3.728).

Similarly, Tukey test also reports that the job performance of individuals in group of working with the current company less than 3 years is the lowest in comparison with other groups. Regarding the monthly income, the job performance of less than 10 million VND monthly income group is lower than that of 10-20 million VND monthly income group and that of 20+ million VND monthly income group. Regarding the position, the job performance of staff position group is lower than that of team leader position group and that of manager position group.

#### **4.7 Result Discussions**

A lot of prior studies such as Amirul and Daud (2012), Firestone (2010), Li and Hung (2009) concluded that inspirational motivation is positively and significantly influenced on job outcomes. However, the result of this study is not consistent with prior studies when inspiration motivation is found not to be significantly influenced on individual job performance. This result could be explained as follows: (1) such behaviors in inspirational motivation like talking optimistically about the future or articulating a compelling vision of the future are meaningful once they are delivered by senior managers. However, the majority of respondents for this study are at junior and team leader level and they only evaluated their direct supervisors, not senior managers; hence, inspirational motivation might not be meaningful to them. (2) Although this study does not do a statistics about the job hopping rate among respondents but perhaps, the job hopping rate is quite high in software companies in Vietnam; thus, the employees don't care much about the compelling vision or optimistic future given by their direct supervisors.

Except for the inspirational motivation, the others are found to be significantly influenced on individual job performance as proposed in conceptual model. These results are in line with Amirul and Daud (2012), Firestone (2010), Li and Hung (2009). Among the factors found to be significantly and positively influenced on individual job performance, idealized influence is the most important and this is similar completely to Li and Hung (2009). It could be explained as follows: (1) individuals working in software companies are always put under high pressure; hence, the individualized consideration behaviors like being an active listener or encouraging a two way exchange of views will make the followers motivated for extra effort. (2) The followers working in the software companies could be considered as knowledge workers so their demands of knowledge are always high; individualized consideration with such behaviors like coaching, promoting self development will make the followers satisfied with their job; once the followers are satisfied with their job, the job performance will be improved accordingly.

## **5 Conclusion and Managerial Implications**

### **5.1 Conclusion**

The purpose of this study is to analyze the relationship between leadership behaviors and individual job performance. More specifically, it aims to analyze the influence of transformational, transactional and passive/avoidant leadership behaviors on individual job performance in the context of software companies in Vietnam. The study used a sample of 304 individuals interviewed directly by questionnaire and applied the method of testing difference, EFA, multiple regression for data processing.

The results indicate that passive/avoidant leadership behavior is the most important factor influences on individual job performance; however, this is the negative influence. Among those behaviors which are found to influence significantly and positively on individual job performance, individualized consideration is the most important; it's then followed by idealized influence, intellectual stimulation, management by exception – active and contingent reward.

Surprisingly, inspirational motivation is found not to be significantly influenced on individual job performance and this could be explained by two reasons: (1) the job hopping rate in software companies in Vietnam is probably high; (2) such behaviors inspirational motivation in this study are not conducted by senior managers so they are not as meaningful to followers as expected.

This study also reveals that there's not a statistically significant difference in individual job performance for male and female. However, the job performance of the single group is higher than that of the married. Similarly, the performance of less than 28 age group is lower than that of 28-35 age group and that of 35+ age group. The job performance of individuals in group of working with the current company less than 3 years is the lowest in comparison with other groups. Regarding the monthly income, the job performance of less than 10 million VND monthly income group is lower than that of 10-20 million VND monthly income group and that of 20+ million VND monthly income group. Regarding the position, the job performance of staff position group is lower than that of team leader position group and that of manager position group.

### **5.2 Managerial Implications**

#### **From management aspects**

Firstly, leaders need to exert the individualized consideration more frequently. The consideration behaviors are not limited to technical activities but also non-technical activities such as re-creation activities after work, team building tours, and sports activities. Those activities will boost the understanding between the supervisor and their subordinates, which in turn could improve individual job performance.

Secondly, leaders need to stimulate their followers' efforts to be innovative and creative more frequently. Some conspicuous behaviors could be mentioned as follows: getting followers analyze and evaluate problems from different views, encouraging followers to rethink problems, re-examining assumptions.

Thirdly, leaders always need to provide early warnings of potential problems. In case the problems arise, leaders need to exhibit two behaviors as follows: (1) teaching followers how to correct the problems; (2) concentrating all resources to deal with the problems completely.

Finally, leaders must always clarify with the followers what they can get once completing their assignments successfully. The rewards for the followers could be monetary bonuses or non-monetary bonuses. One way ANOVA indicated that the followers who have monthly income less than 10 million VND will have the worst job performance; hence, for these followers, leaders need to clarify the monetary bonuses. For those followers who have monthly income greater than 10 million VND, the monetary bonuses are also necessary but they could be combined with non-monetary bonuses such as extra holiday, time off or just simple praise, recognition.

#### **From charisma aspects**

Firstly, leaders must always exhibit ideal, moral behaviors as a role model when working. The followers are inclined to imitate the behaviors of those people they admire and respect; hence, once the leaders have moral and ideal behaviors, their followers will be loyal and committed to them.

Secondly, leaders must be always demonstrated that they are technical experts so that their followers can trust in. Followers will be dependent on the leaders once the leaders have deep expertise. The more followers depend on leaders, the more they comply with the orders given by the leaders.

Both behaviors mentioned above will increase the opportunity for the leader to build a solid organization, which in turn could improve individual job performance.

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Good leadership behaviour accelerates the development of most organisations. It therefore plays a critical role in the performance of organisations. If so, in what ways does leadership behaviour influence employee performance? Based on extensive interviews with both leaders (managers) and followers (subordinates), researchers at the University of Michigan, led by Rensis Likert, identified two basic forms of leader behaviour: job-centred and employee-centred behaviours. (iii) To what extent do these leadership behaviours affect employee performance in GGBL? 1.5 Hypothesis H1: There is a relationship between leadership behaviour and employee performance in Guinness Ghana Breweries Limited. Inclusive Leadership and Team Performance. To improve team-level performance, leaders consider not only how to improve performance at the individual level but also the need for team members to collaborate among themselves in order to improve team performance. To achieve these aims, leaders must first show an influential leadership. The association of leadership with employee behavior has been supported by a number of evidence. In the context of teamwork, the team member does not only care about the needs of others but also take into serious consideration the advice of the leader from different angles, all of which can substantially improve team performance. Accordingly, we posit a mediated hypothesis Employees work together to achieve certain goals. As the goals become more specific, organizations often undertake their own, unique road, which can lead to both success and failure. The choice of the road is highly influenced by the individuals that work together and the overall atmosphere around the place. While any organization is free to run business as it sees fit, there are two important aspects that can help positively impact employee behavior. Honest Performance appraisal. This feeling also adds another piece to the puzzle: people need to see a purpose to really start putting in the sweat and tears needed to create something remarkably great. Being a part of the culture that they love is a damn good purpose to begin with. Designed by Freepik. Follow us.