

The Role of Leadership in Enhancing Organisational Performance: A Case Study of Young Phiroz General Dealers in Lusaka

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Abstract—This article examines how leadership influences organizational performance, using Young Phiroz General Dealers in Lusaka as a case study. The research aimed to evaluate current leadership practices, analyze their effect on employee motivation, productivity, and overall organizational growth, and suggest strategic leadership approaches for performance enhancement. Employing a mixed-methods case study design, data were collected through interviews and structured questionnaires from management and employees. The results suggest a robust positive connection between transformational leadership practices and enhanced organizational performance. The study recommends leadership development programs, employee involvement in decision-making, and the adoption of participatory leadership styles to sustain high performance.

Keywords— Leadership, Organisational Performance, Employee Motivation, Transformational Leadership, SMEs, Leadership Development.

I. INTRODUCTION

Leadership remains a crucial determinant of organizational success, influencing productivity, employee engagement, innovation, and long-term sustainability (Bass & Avolio, 1994; Mintzberg, 1973). In the context of small and medium-sized enterprises (SMEs), where resources are often constrained and market dynamics rapidly evolving, the role of leadership becomes even more critical. Effective leadership provides strategic direction, fosters an enabling work environment, and mobilizes teams toward achieving organizational goals (Northouse, 2021).

In Zambia, SMEs represent a significant portion of the economic landscape, contributing to employment and local development. However, many of these enterprises face persistent challenges related to leadership inefficiencies. Young Phiroz General Dealers, a Lusaka-based SME, exemplifies this situation. Operating in a competitive commercial environment, the organization has encountered performance bottlenecks that appear to be linked to leadership gaps, including poor communication, inadequate motivation, and a lack of strategic alignment.

Despite the acknowledged importance of leadership in enhancing organizational performance, there is limited empirical research focusing on leadership practices within SMEs in Zambia. Much of the existing literature is skewed toward large organizations in developed contexts, leaving a knowledge gap regarding how leadership functions in smaller,

resource-limited enterprises. This study addresses this gap by examining the leadership practices at Young Phiroz General Dealers and their influence on organizational performance metrics such as productivity, customer satisfaction, and overall business growth.

1.1 Statement of the Statement

Effective leadership is broadly acknowledged as an essential element in enhancing organizational performance. However, many small and medium-sized enterprises (SMEs) face challenges in aligning leadership strategies with organizational goals, particularly in competitive and resource-constrained environments (Goleman, 2000). In the context of Young Phiroz General Dealers, a Lusaka-based enterprise, there is limited empirical evidence on how leadership practices influence the company's performance, including employee productivity, operational efficiency, and overall business growth.

Many SMEs in Zambia, including Young Phiroz General Dealers, face persistent challenges in achieving optimal organizational performance (Mwansa, 2018). Preliminary observations suggest that gaps in leadership practices, such as poor communication, limited employee motivation, and ineffective decision-making, may hinder the company's growth. Despite its potential, there is insufficient understanding of how leadership influences performance outcomes in this context (Kaufmann and Rojas, 2018) hence this investigation on the role of leadership in enhancing organizational performance within Young Phiroz General Dealers in Lusaka.

1.2 Operational Definitions

Leadership is defined as the method through which one person impacts a group to reach a common goal. In the context of this study, it pertains to the ability of individuals at Young Phiroz General Dealers to guide and motivate employees toward achieving productivity and efficiency (Bass, 1997). Organisational performance is defined as the extent to which the organisation meets its established goals. This includes factors such as employee satisfaction, productivity, financial outcomes, and operational effectiveness.

Small and Medium-sized Enterprises (SMEs) are businesses with limited human and financial resources, which operate in competitive environments and often face distinctive operational and strategic challenges compared to larger

corporations. Transformational leadership is characterised by the ability to inspire and motivate employees, drive innovation, and promote a positive organisational culture (Bass & Avolio, 1990). Transactional leadership, on the other hand, is based on a system of rewards and penalties that aim to achieve specific performance outcomes (Burns, 1978).

II. LITERATURE REVIEW

Leadership has long been recognized as an essential force behind the success and sustainability of organizations. Globally, scholars have explored leadership as a multi-dimensional construct influencing various aspects of organisational performance, including employee satisfaction, productivity, innovation, and adaptability. Northouse (2016) defines leadership as a process through which an individual influences a group to achieve common goals. This influence is central to aligning team efforts with organisational objectives.

2.1 Global Perspective

Globally, the relationship between leadership and organisational performance has been widely studied through various theoretical frameworks. One of the most influential models is the Transformational and Transactional Leadership Theory proposed by Bass and Avolio (1994). Transformational leadership is characterized by attributes such as inspirational motivation, intellectual stimulation, individualized consideration, and idealized influence. It fosters innovation, trust, and a shared vision, which often lead to improved organisational outcomes. In contrast, transactional leadership relies on a system of rewards and punishments to manage performance (Burns, 1978). While transactional leadership can be effective in stable environments, it is often limited in dynamic and innovation-driven contexts.

A notable case study is Apple Inc. under the leadership of Steve Jobs. His transformational leadership style, marked by a clear vision and relentless pursuit of innovation, significantly enhanced Apple's performance and market position. Similarly, at General Electric, Jack Welch's leadership approach—blending strategic direction and performance accountability—resulted in sustained growth and operational efficiency (Bryman, 2011).

2.2 Regional Perspective

In Africa, leadership is influenced by cultural, social, and historical factors. African leadership approaches are often grounded in communal values, reflected in the Ubuntu philosophy, which emphasizes shared humanity and collective responsibility (Mbigi, 2005). This style promotes team spirit and inclusiveness, which can positively affect organisational performance by strengthening workplace cohesion and morale.

Research conducted across Sub-Saharan Africa suggests that a hybrid leadership model; integrating transformational principles with indigenous values, is increasingly relevant. A study by Avolio and Bass (2004) in Ghana revealed that transformational leadership significantly correlated with employee satisfaction and productivity in both public and private sectors. Similarly, Walumbwa et al. (2005) found that

in Kenya, authentic leadership styles improved trust and performance among employees.

A case study of South Africa's Sasol Ltd demonstrates the successful application of value-driven leadership, where inclusive policies and strategic innovation led to a turnaround in performance despite industry volatility. These regional examples show that leadership strategies tailored to local contexts yield the most effective results.

2.3 Local (Zambian) Context

In Zambia, the impact of leadership on organisational performance is increasingly evident in both large corporations and SMEs. Due to resource constraints, SMEs require leaders who are visionary, emotionally intelligent, and flexible in their management styles. Chanda (2017) noted that transformational and democratic leadership styles are gaining momentum in Zambia's private sector, helping to foster employee engagement and improve productivity.

At the local level, organisations such as ZESCO and Zamtel have undergone significant restructuring efforts that highlighted the importance of effective leadership. For instance, the transformation of ZESCO under Ernest Mupwaya's leadership showcased how strategic direction and employee empowerment can lead to enhanced service delivery and operational efficiency.

In SMEs, leadership often directly influences staff retention, innovation, and customer satisfaction. Zulu (2020) emphasized that leaders who demonstrate empathy, accountability, and strategic thinking tend to build resilient and high-performing teams. The case of Young Phiroz General Dealers, the subject of this study, reflects similar dynamics where leadership practices are closely linked to staff motivation, performance metrics, and business outcomes.

2.4 Theoretical Frameworks

Several leadership theories underpin the understanding of how leadership affects organisational performance. In addition to transformational and transactional leadership, Path-Goal Theory (House, 1971) and Situational Leadership Theory (Hersey & Blanchard, 1988) provide frameworks for evaluating leader effectiveness in varying organisational contexts. These theories suggest that successful leaders adapt their approach based on the task, team maturity, and organisational environment, an especially relevant insight for SMEs operating in rapidly changing markets.

2.5 Summary

In summary, the literature affirms that leadership is a core determinant of organisational success across contexts. Globally, transformational leadership is widely endorsed for its capacity to foster innovation and performance. Regionally, hybrid models that incorporate indigenous values have proven effective in African settings. Locally, in Zambia, leadership practices that emphasize vision, inclusivity, and adaptability are increasingly critical for organisational sustainability particularly within SMEs. These insights form a solid foundation for analyzing the leadership practices at Young

Phiroz General Dealers and their effect on organisational performance.

III. RESEARCH METHODOLOGY

3.1 Research Design

The study adopted a mixed-methods research design, combining both quantitative (structured questionnaires) and qualitative (interviews and focus group discussions) approaches. This design allowed for a broader and deeper understanding of how leadership influences organisational performance, aligning with recommendations by Creswell & Plano (2011) and Onwuegbuzie & Turner (2007).

3.2 Population and Sampling

The target population consisted of 420 employees of Young Phiroz General Dealers in Lusaka. A sample size of 81 participants was determined using Slovin's formula at a 90% confidence level. Purposive sampling was used for key informants (e.g., the CEO and senior staff) in the qualitative strand, while simple random sampling was applied to select employees for the quantitative strand.

3.3 Data Collection Methods

Quantitative data were collected using structured questionnaires focusing on leadership styles (transformational and transactional) and key performance indicators. Qualitative data were obtained through in-depth interviews and focus group discussions, guided by semi-structured tools to explore experiences and perceptions around leadership effectiveness.

3.4 Data Analysis

Quantitative data were analysed using SPSS, employing descriptive and inferential statistics to identify relationships between leadership styles and performance metrics. Qualitative data underwent thematic analysis following Braun & Clarke (2006), enabling the extraction of core themes. Triangulation was used to enhance the validity of findings.

3.5 Ethical Considerations

Ethical clearance was obtained, and participants provided informed consent. The study ensured confidentiality, anonymity, and the right to withdraw without consequence.

IV. FINDINGS AND DISCUSSION

4.1 Overview

This section presents and discusses the major findings of the study, which aimed to examine the role of leadership in enhancing organisational performance at Young Phiroz General Dealers in Lusaka, Zambia. The findings are derived from both quantitative and qualitative data, and are discussed in relation to existing literature.

4.2 Leadership Styles Practiced

The results revealed that both transformational and transactional leadership styles were practiced within the organisation, with a notable preference for transformational leadership. The majority of respondents reported that leadership at Young Phiroz was characterized by inspiration,

motivation, intellectual stimulation, and individualised consideration. These findings align with Bass and Avolio (1994), who posited that transformational leadership is effective in motivating followers beyond transactional exchanges.

Qualitative insights from interviews supported this, as participants highlighted the CEO's visionary leadership and commitment to employee development as major drivers of staff morale and loyalty. One interviewee stated, "Our leaders encourage innovation and always push us to be better, not just follow instructions." This finding is consistent with the work of Northouse (2018), who emphasized that transformational leaders foster commitment and innovation.

4.3 Influence of Leadership on Employee Motivation and Productivity

Quantitative data showed a strong positive correlation between transformational leadership and employee motivation, productivity, and performance ($r = 0.73$, $p < 0.05$). Respondents indicated that clear vision, open communication, and recognition from leadership significantly influenced their work output.

This is consistent with the studies of Judge and Piccolo (2004), who found that transformational leadership is significantly related to higher employee performance and satisfaction. Regionally, similar findings were observed by Odumeru and Ifeanyi (2013) in Nigeria, where SMEs led by transformational leaders exhibited superior performance metrics.

4.4 Leadership and Organisational Growth

The study also found that effective leadership was linked to measurable growth indicators, including increased customer retention, improved decision-making processes, and higher departmental outputs. Respondents noted that leadership's strategic planning and consistent communication helped the organisation navigate competitive pressures in Lusaka's retail landscape.

A case comparison with a similar SME in South Africa by Booysen (2011) also found that leadership grounded in empowerment and accountability was key to driving organisational growth. Locally, these results resonate with Mbozi (2020), who noted that Zambian SMEs with visionary leadership outperformed peers in revenue and innovation.

4.5 Challenges in Leadership

Despite the positive influence of leadership, challenges such as limited delegation, insufficient leadership training, and resource constraints were cited. Some employees felt decision-making was overly centralised, leading to delays and stifled innovation at lower levels.

Focus group discussions revealed that some departments lacked clarity on leadership expectations and goals, which occasionally hindered alignment with overall business strategy. These issues echo findings by Nuwagaba and Nzewi (2013), who highlighted leadership capacity gaps as a persistent issue in SMEs across Sub-Saharan Africa.

4.6 Synthesis of Quantitative and Qualitative Data

The integration of data revealed a convergent trend: transformational leadership positively influences organisational performance through enhanced employee engagement, communication, and vision alignment. While transactional leadership contributed to routine task execution, it was transformational elements that drove innovation, morale, and long-term strategic growth.

This finding reinforces the argument by Yukl (2013) that hybrid leadership approaches that balance structure with inspiration are most effective in complex organisational environments.

4.7 Summary

The study confirms that leadership plays a pivotal role in enhancing organisational performance, particularly through transformational practices. In the context of Young Phiroz General Dealers, leadership influenced not only productivity and motivation but also organisational adaptability and growth. These insights contribute to the broader discourse on SME leadership in developing economies and underscore the need for leadership development interventions tailored to SME dynamics.

V. CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

This study concludes that leadership is an essential factor in enhancing organisational performance at Young Phiroz General Dealers. The dominant leadership style identified was transformational leadership, which significantly contributed to innovation, employee engagement, and service delivery. The research revealed a strong correlation between effective leadership and employee motivation, with supportive and transparent leadership practices fostering higher job satisfaction and team collaboration.

While transformational practices were prominent, traces of transactional and laissez-faire leadership highlighted the need for a more balanced and adaptive leadership model. Importantly, leadership strategies directly affected customer satisfaction, emphasizing the significance of aligning leadership with service quality. However, areas such as decision-making transparency, employee recognition, and leadership development opportunities require improvement to sustain and advance organisational growth.

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