The Effect of Leadership Style on Employee Performance- A Industry Study of Chinese Internet Industry

Abstract

As China's Internet user growth gradually slows, Chinese Internet companies are increasingly concerned about achieving better performance given their current user base. Data from a large-scale industry study of Chinese internet companies show that different leadership styles impact employees' engagement, innovation, and productivity. Based on a review of the existing literature, this

paper combines an online questionnaire survey of employees in the Internet industry with correlation analysis and multiple regression analysis to analyze the 83 valid questionnaires returned. The questionnaire surveyed 83 Chinese Internet industry employees and was empirically examined using SPSS 16.0 and EXCEL statistical software. The study results showed that transactional leadership is positively related to employees' engagement and innovation: transactional leadership is positively related to employee performance. However, transformational leadership is negatively related to employee performance.
Keywords: Leadership style, Chinese internet companies, organizational culture.

Table

CHAPTER ONE

1.0 INTRODUCTION

1.0 Introduction

The Internet industry is one of the most rapidly growing industries in China, and it has consistently attracted a large number of Chinese Internet companies. There are also many large international Internet companies, such as Google and Yahoo, that have established operations in China. However, the Internet industry has never been as highly valued by investors as other industries, such as financial services or technology. A major reason for this is that high growth rates in the Internet industry are not often sustainable and can lead to financial difficulties for firms. For example, there was significant volatility in the stock market of Chinese internet companies from 2006 to 2021 (see figure 1). The volatile market environment has led to major changes in Internet industry leadership.

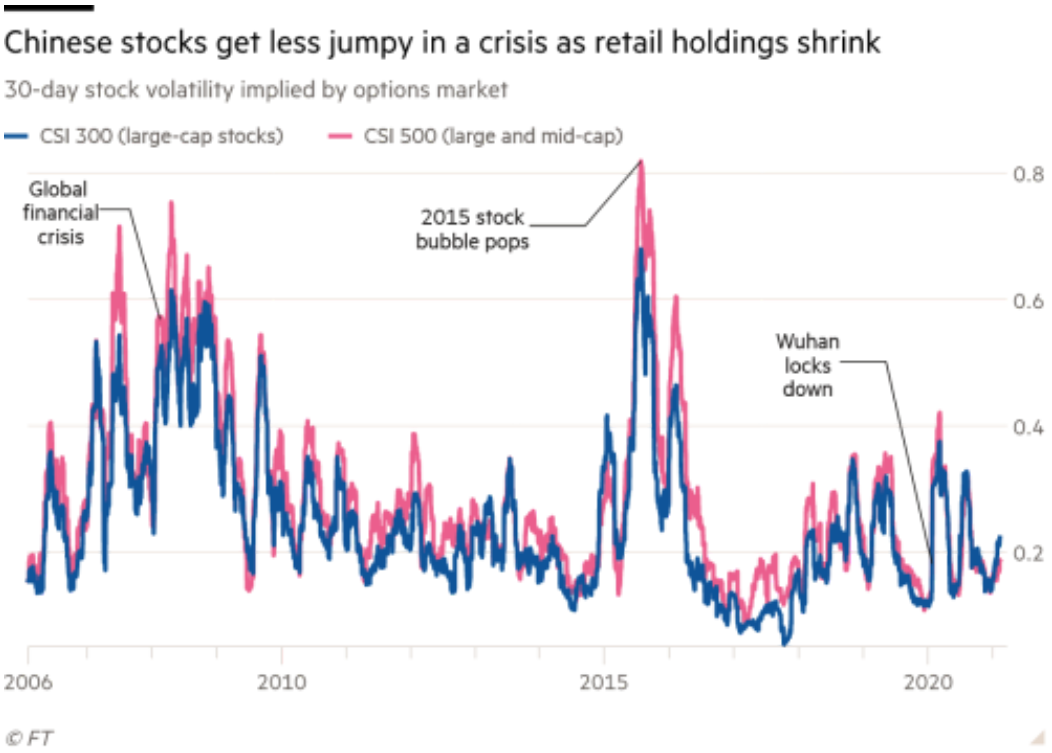


Figure 1: Chinese Internet Stocks Market (2006-2021) (Source: Financial Times Retail traders' hold on China's stock market slips as institutions rise *Increasing influence of professional investors comes as fee-free trading booms in US* <*https://www.ft.com/content/a1aa3a25-484d-480d-83bf-8f9c90504f22*>)

Another reason why the Internet industry has not achieved high investment returns is that it faces fierce competition in the market. All of China's internet

companies need to compete with each other and with foreign internet companies because the Chinese market is large and competitive. The Chinese internet industry has experienced enormous competition and growth over the past 20 years. With many large international internet companies such as Google, Yahoo and Amazon operating in China, the Chinese Internet industry must constantly reach new heights if they want to succeed.

1.1 Background to the Research Problem

Leadership was created from the early days of human social organization and natural evolution (Ronald, 2014). The leadership style, beliefs, and behaviors are different for each person. In addition, leadership is also influenced by the organizations' structure and culture (Rao, 2008). Therefore, choosing a suitable leadership style is very important for an organization because it will directly affect employee performance. No matter what industry, leadership acts as an indispensable role in guiding people's lives and work, bringing change and incentive to people (Ronald, 2014).

Today's internet industry is full of challenges for Chinese Internet companies due to the growing competition in the market. Therefore, Chinese Internet companies are continually looking to develop new ways to improve their performance. A large number of studies in the field show that there are many ways in which an organization can improve its performance. One of the most effective ways is to improve employee performance through leadership. In times of constant change and development, as Perkins (2018) says: "The only constant in the world is change" How to gain competitive advantages in a continuously changing environment has become a topic that organizations have to face. It is related to whether they can survive in a harsh competitive environment. Leaders' change and innovation in a competitive business environment are central and central to maintaining a competitive advantage (Obasan & Hassan, 2014). The decisive impact of leadership on the success of a group or even an organization has become a consensus (Mohammed et al., 2014). One study proves that correct and adequate leadership helps ensure organizational performance.

Leadership practices refer to how leaders interact with their followers (Alghamdi, F. 2018). Leadership styles are leadership practices that take into account individual differences among leaders and followers, among other things.

Traditional leadership theories utilize leader traits as an approach to understanding leadership behavior. Examples include trait theory and social exchange theory (Madison, 2019).

Trait theories of leadership were developed in the early days of social science research, where a lot of attention was paid to individual differences. Myers' (1962) leadership theory is an example of a trait theory. Researchers tried to identify personal characteristics that make one person more or less successful in the workplace. Trait theories of leadership include various traits and behaviors within the leader's personality, such as self-confidence and decisiveness (Emere, 2019).

Another trait theory of leadership is a humanistic-expectancy theory (Campbell & Alessandro, 2002). Humanistic-expectancy theory suggests that leaders should develop an ideal with which they are trying to guide others. They should decide why they are leading people in their specific roles and their goal (Nickels, 2018). And it is interesting to note that the relationship between leadership and employee performance has begun to be increasingly discussed since Burns proposed the division between transactional and transformational leadership in 1978. As one of the essential assets and core competencies of an organization, the value of employees cannot be ignored. Employee performance greatly determines the success of an organization (Siddiqui, 2014). In recent years, scholars have researched leadership and found that leadership is a top-down, social influence process that has a powerful impact by influencing the behavior and performance of team members (Obasan & Hassan, 2014). By controlling team members, organizational leadership is crystallized, which ultimately impacts the organization.

This paper collates relevant literature, optimizes based on an analytical approach, and produces a questionnaire. This paper selects Tencent, a highly representative company in the Chinese Internet industry, for the empirical study. The questionnaire was mainly distributed to employees of Tencent. Through regression analysis and correlation analysis of these influencing factors, this paper tries to find out how leadership impacts employee performance and then compares Chinese and international companies. Finally, the paper makes recommendations on how Chinese Internet companies can better promote employee performance through leadership, providing theoretical guidance and reference for the organization's long-term development.

1.2 Research Significance

1.2.1 Theoretical Significance

The theoretical significance of this paper lies in the fact that it considers leadership as a factor that affects employee performance. Organizational leadership can have a significant impact on employees and can influence the performance of an organization by affecting employee performance. In academia, it is widely believed that transformational leadership promotes employee performance better than transactional leadership. Aboshaiqah (2015), Kehinde, and Banjo (2014) have published transactional leadership style & transformational leadership has a significant positive relationship with employee performance. But they all affirm that transformational leadership is more effective for employee performance. In this paper, based on the leadership theories, we give the traditional leadership theories a better interpretation and create a more valuable and practical leader image. Leadership is an essential factor that can influence employee performance. How to promote employee performance through leadership is also discussed in this paper. To build a cultivation model of leadership and employee performance, this paper attempts to present a brand new approach to the study of leadership and its impact on employee performance.

With the depth of research in different segments, Mu (2018) has suggested that the trust environment created by transformational leadership in the Chinese internet sector is detrimental to employee performance development. Their research depicts that the company's employees' daily work efficiency is inversely correlated to transformation and transactional leadership. In contrast, the relationship between the two leadership styles and employee performance can be stable. (Mu, 2018). This is quite different from the findings of others. However, there are some limitations to this study. The over-concentration of the sample's age and the fact that it was all from the innovative technology industry may have led to some bias in the findings. And, with the rapid growth of the internet industry, which is still in a period of rapid expansion in 2018, there is a significant difference from the current market environment of slowing user growth, so there may be some variation in the association between employee performance and leadership style.

With the deepening of research in different sub-fields, Wahyuni (2020), found

in a manufacturing study that transactional leadership has a positive impact on employee performance. Their research shows that transactional leadership is more effective than transformational leadership. This is very different from the findings of others. However, this study has some limitations. The over-concentration of sample age and gender and all of them from manufacturing may lead to some bias in the research results. In the Chinese Internet field, the 08 study confirmed the positive correlation between transactional leadership and employee performance in IT companies, but there is no recent empirical study comparing the effects of transformational leadership and transactional leadership on employee performance. This paper will take Tencent, the most diversified Internet company in China at present, as the main body, and conduct an empirical study on the effect of leadership style on employee performance, which enriches the theoretical exploration of leadership.

This paper will enrich the theoretical exploration of leadership styles. Compared with foreign enterprises, the leadership of Chinese enterprises is facing some challenges such as low efficiency, inharmonious relationships, and stressed team members (Akkariadi, 2018). In this paper, we look at Tencent (Tencent), a high-tech enterprise in China. We will explore how the leadership style of Tencent's managers affects their employees' work efficiency. This paper will use multiple regression analysis to link employment and performance as predictors of employee productivity with transformational leadership and transactional leadership as independent variables and see how they coexist to predict employee productivity.

1.2.2 Practical Significance

This paper proposes a practical significance. Firstly, it extends the research scope beyond a single industry by providing good references to other sectors. Secondly, this paper adds more specific information on the Chinese Internet industry by helping business analysts and managers to understand the key parameters that can be used as a reference in their organization. This paper also provides a theoretical foundation for dealing with leader-employee relationship, which is very important to the success of business. This paper helps organizations to develop effective leader-employee relationships, which will further improve the overall performance of the organization.

Thirdly, this study uses empirical data from foreign and domestic organizations and thus can add a new perspective to international comparisons.

Fourthly, due to the uniqueness of internet technology and management in recent years, there has been frequent research into how leadership style affects employee behavior; however, there has been little empirical work on how leadership evaluates employee performance. This paper focuses on layering with regression analysis and regression analysis on variables that affect employee productivity by analyzing data from both domestic and foreign companies. It is expected that this paper can help improve the overall effectiveness of Chinese companies by providing reference for leaders in Chinese enterprises. It will also provide a set of basic references for the Chinese Internet industry.

The findings of this study can help Chinese Internet companies find the right leadership style for themselves. This can help improve the employee performance of Chinese Internet companies. As a fundamental part of business development, improved employee performance can help facilitate companies to be able to achieve a competitive advantage in a complex, competitive market environment.

1.3 Research Aim

This paper aims to explore the relationship between employee performance and transformational leadership, transactional leadership in Chinese Internet companies. In addition, this paper aims to analyze the effects of these two types of leadership styles on employee performance.

1.4 Research Objectives

i. To study the transformational leadership and transactional leadership of Tencent's employees.
ii. To explore the relationship between employee performance and these two kinds of leadership.
iii. To explore the impact of transactional leadership on employee performance in Chinese Internet companies.
iv. To compare the impact of transformational leadership and transactional leadership on employee performance in Chinese Internet companies.
v. To analyze how the synergy between them can affect employee performance. In order to achieve these objectives, this research will conduct multiple regression analysis. This study is based on literature review about transformational leadership and transactional leadership in Chinese Internet companies and also field survey data from Tencent's

employees. Through various statistical calculations, we will explore the relationship between employee performance and different variables by using multiple regression models.

1.5 Research Questions

This research will focus on the following research questions to explore the relationship between employee performance and transformational leadership, transactional leadership in Chinese Internet companies.

i. What is the relationship between employee performance and transformational leadership?
ii. What is the relationship between employee performance and transactional leadership?
iii. How do these two kinds of leadership on employee performance interact?

1.6 Thesis Structure

1.6.1 Introduction

This chapter mainly introduces the research background, research purpose, theoretical value and practical significance of this article. A structural introduction to the research essay topic and the article will also be presented in this chapter.

1.6.2 Literature Review

This chapter will critically discuss the development history of leadership and leadership, and provide a brief explanation of the development of leadership style theory.The research implications of employee performance and existing studies of employee performance and leadership style will also be critically analyzed and develop theoretical models for the present research methodology.

1.6.3 Methodology

This chapter will describe the research design, sample selection and the author's efforts towards research ethics. The limitations of the research methodology will also be presented in this section.

1.6.4 Findings & Analysis

This chapter will conduct empirical studies of the independent and dependent variables of the article, and after the analysis and collation of the data, the

theoretical and practical implications of some results will be presented and discussed.

1.6.5 Conclusion and Recommendations

This chapter will summarize the analysis content and answer the research questions. And make advice on how Chinese Internet companies can find a more appropriate leadership style.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Overview

The main contents of this chapter are the literature review related to the content of this study. The study of the existing literature is very valuable. In the analysis of existing research, the history and development process of research subjects will be reorganized. This process has a positive impact on finding the significance of this study, constructing research methods and finding research Gap. Based on this, this chapter will introduce the academic research results and research directions in the field of "The Effect of Leadership Style on Employee Performance".

2.2.1 The research history of leadership and leadership

The study of leadership, a subject that has been recognized by mankind as having research value for a long time, has been divided into three main periods: ancient, modern and contemporary. During this long period of research, despite the depth of scholarship on leadership, it has lacked a universally agreed definition. In the book 'Leadership development in the new millennium', Rost (1993) summarized and identified over 200 definitions of leadership.

The history of the emergence of leaders can be traced back to ancient times. In the primitive hunter-gatherer life, leaders were given the responsibility of protecting the tribe from attack and leading the tribe in hunting (Ronay & Vugt, 2014). In early historical research, leadership did not appear as a separate subject of study. It mostly appears in the political claims of different politicians and philosophers as a subsidiary element of their doctrines. The content of leadership can be traced back to the ancient Greek period in Europe (800 BC-146 BC) and the Spring and Autumn period in China (770 BC-476 BC). In the available literature, introduction1 has provided some summaries of the scholarship on leadership in the early historical period. In the ancient Greek period, under the influence of the philosopher Socrates, Plato divided leadership into rule of reason, the rule of desire and the rule of spirit. Based on that, Aristotle developed the concept of Hierarchical to match the society of his time (Hongladarom & Joaquin, 2021).

At the same time, in the far East, Confucius, the founder of Confucianism in China, also put forward Confucian political ideas with a Hierarchical concept (Hongladarom & Joaquin, 2021). Both political claims include a division into different Hierarchicals. In this period, Hierarchical theory established leadership

and domination of the upper class over the lower class by dividing people into different classes. This is known as the beginning of leadership. Today, Hierarchical still exists in most companies, but the discrimination against women and slaves has been phased out in the course of civilisation's progress.

The study of leadership has entered a new phase in the modern era with the development of productive forces and changes in production relations. Leadership is considered by King (1990) to have come into view in the late 18th century. In his view, leadership was often discussed but not clearly defined during this period, and the Great man theory was introduced in 1840 by Thomas Carlyle in 'The Hero as Divinity'. As a view of history, Carlyle believed that the course of history was driven by individual great men and heroes, whose traits such as courage and genius were the determining factors of history. In this theory, Carlyle argues that leaders emerge due to their personal greatness rather than luck or chance. It is from the unique personal traits and abilities of leaders that leadership emerges. These abilities are often innate (Johns & Moser, 1989). Contrary to Carlyle's ideas, Leo Tolstoy in 'War and Peace' argues that leaders are shaped by history and that they cannot determine the course of history, which Ronald, (2014) argues is a reflection of his beginning to realize that leadership does not only depend on the existence of individuals, but exists in the leadership relationship between the leader and the leadership relationship between the leader and the led. Carlyle and Leo Tolstoy's views on leadership and leadership could be said to be almost the exact opposite, but it is clear that the importance of leadership and leadership to the course of history was beginning to be recognized and discussed at the time.

In the 1930s and 1940s, trait theories developed from the Great Man theory, which suggested that leaders were born with traits. People who become leaders are born with personal traits, either psychological or physical, that set them apart. The research in this theory was based on the idea that one or more of the leader's personal traits was what made them a good leader (Fleenor, 2006). During this phase, many scholars have attempted to study the psychological, physical and social characteristics of leaders.

John W. Gardner's book named ‘On Leadership’ which publish in 1993 divides leaders into traits including physical, psychology, habits, character, and ability. However, this is not widely recognized by scholars, and therefore does not form a unified characteristic standard.

The behavioral theories of the 1940s and 1950s suggested that leader traits could also be learned later in life ((Hersey and Blanchard, 1969) primary literature). Followers of behavioral theory believed that it was the behavior of the leader that distinguished the leader from the led. Therefore, one can become a leader by learning about the behavior of the leader and thus by learning and imitating it (Anyango, 2015). Fleenor (2006) in his study mentioned that the blind spot of trait theories and behavioral theories is that they assume that leadership traits are innate or learned enduring characteristics that do not or rarely change over time. This was considered narrow in later research. As (Hersey and Blanchard, 1979) mention in their article, leadership is not static and changes with leaders, followers and specific situations. Therefore, this direction of leadership research was eventually abandoned. (20) At the same time, women's leadership traits were not studied more because of the status of women and the lack of women leaders at the time, which created another limitation of this theory (Sally, 1990).

In the 1960s, Reddin (1967) proposed the 3-D leadership framework, on the basis of which Hersey and Blanchard developed (1969) and optimized (1977) a situational leadership theory. Fiedler (1974) (20) recognized that leadership varies across contexts. Researchers began to focus on leadership in specific contexts rather than on the attributes of leaders that had been the focus of previous research. Effective leadership requires the leader to perceive and make judgments about the specific context and to make rational decisions (Graeff, 1997). In the above theory, the success of a leader no longer depends solely on the individual characteristics or personal behavior, and more contextual factors are considered. Factors such as leader style, ability to be led and behavior can all affect the success.

Since the late 20th century, with the deepening of leadership research, a single factor is not a major responsibility for the success or failure of leadership that is agreed upon by more scholars. In a changing and extremely challenging world, traditional leadership theory becomes no longer adapted to the needs of

The Times. Leadership is defined as a "one-way, top-down impact process". Hill (2008) sees leadership as a process that inspires and affects employees to effectively pursue organizational goals. Benmira & Agboola (2021) believes that in this process, not only the leaders mentioned in the previous study, but also were included in the leaders and context, but the connection of these three with organizations or groups are also important factors in scholars' observation. In the context of this era, research on transactional and transformational leaders was born.

Name of the theory	Years
Leaders Appear	Ancient Times
Hierarchical Theory	800 BC - 500 BC
Great Man Theory	1840S
Trait Theory	1930S-1940S
Behavioral Theory	1940S-1950S
Contingent And Situational Theory	1960S
Transactional Leaders & Transformational Leaders Theory	1990S Until Now

Source: Benmira, S., & Agboola, M. (2021)

2.2.2 Early studies of the leadership style

Psychologist Kurt Lewin (1939) has studied and summarized the leadership style on the basis of trait theory and behavior theory. In his study, the leadership style was divided into Authoritarian Leadership, Participative Leadership, and Delegative Leadership. Although Lewin's study has some limitations compared to later leadership style-related studies. But as an early study in the leadership style field, Lewin's leadership style theory jumped out of trait theories' limitations and broadened its description of leadership. Simple classifications are relatively easier to distinguish and understand, which sets the foundation for research on

leadership styles. ‘Leadership style is a constant pattern of behavior and traits expressed in the behavior of a leader ‘(Xie et al, 2018). Anyango (2015) believes that the different behavior of leaders in leading their followers is the leadership style.It is also defined as one or a set of stylistic-consistent behaviors (Cuadra, 2007),and the leaders' work style in guiding and motivating employees (Memon,2014).

In Burns' (1978) book "Leadership" he identifies transformational leadership and transactional leadership as the two main types of leadership styles. This division of leadership styles has become the basis of modern leadership style theory and will be discussed later. It is worth noting that these two leadership styles are not completely opposed to each other, as the two concepts are interrelated (Obasan & Hassan, 2014), and Judge and Piccolo in their 2004 study noted that although transformational and transactional leadership are often perceived as mutually exclusive, restructuring elements of the two leadership styles to suit different situations may produce better results.

After Burn, scholars have constantly made a more detailed division of leadership styles. Under the research of Hersey & Blanchard (1982) and Arvonen (1999), there are about ten common leadership styles at this stage.

Source：Indeed (2021)

With the further study of leadership style, leadership style has more and more classification methods, but, there is still no unified theory in academia that

can make all people agree with. Moreover, too detailed classification of leadership style classification may lead to the solidification of leadership style, which violates the requirements of leadership dynamic theory (Tucker & Lam, 2014). Therefore, this paper employs both transactional and transformative leadership styles as independent variables.

Based on Hill's definition of leadership style as mentioned above in 2008, a specific indicator is needed to measure the appropriateness of leadership style in leadership style research. An appropriate leadership goal can help employees better achieve or even exceed the goals given by the organization, which the organization usually describes as employee performance. Studies have shown that leadership style will largely affect organizational employee performance (Sudi, 2013).

2.2.3 Transformational leadership and transactional leadership

Leadership style is a constant pattern of behavior and traits expressed in the behavior of a leader (Xie et al, 2018). In previous research, leadership styles have been mainly categorized into transformational leadership and transactional leadership. transformational leadership is often defined as more focused on motivating employees to work together to achieve long-term goals such as corporate vision and building interpersonal trusting relationships (Burns, 2012). Transactional leadership, on the other hand, relies more on incentives and tends to achieve organizational goals by means of rewards and sanctions (Leithwood, 1994). The obvious difference between the two has led scholars to debate which of them is more effective, which is the theoretical basis of this paper.

2.4 Employee performance

Since leadership style is closely related to employee performance, it is impossible to make a complete understanding of the relationship between leadership style and employee performance with the lack of a certain understanding of what is employee performance. Based on the work by Patiar (2020), we can summarize that employee performance consists of three components: organizational citizenship behavior, work productivity, and discretionary effort. Organizational citizenship behavior refers to behaviors that are not directly related to work, but indirectly improve the organization's performance. Examples of these behaviors include providing help to coworkers

and completing tasks without being asked. Work productivity refers to the quality or quantity of output relative to the amount of input. Discretionary effort is a particularly important component for an employee who is not paid on a piecework basis, because it is independent of direct incentives (Patiar, 2020). Patiar (2020) divides into three combinations of behavior: first, high organizational citizenship and high work productivity are likely to be positive; second, high organizational citizenship and low work productivity are likely negative; third, low organizational citizenship with low or high work productivity is likely negative. With the changes in the labor market and an increasing shift of employees' purpose from work to work-life balance, employee performance, is also one kind of concern. It should be noted that employee performance is closely related to leadership style. Therefore, we focus on this issue in further analysis.

2.4.1 Organizational performance and transformational leadership

Para-González et al. (2018) suggests that transformational leadership will increase employees' organizational performance, especially in the long term. In the program of American Psychological Association, the transformational leadership activity predicts an employee's organizational productivity, whereas transactional and traditional or participative leadership activities emphasize job performance (Flynn et al., 2003). Organizational citizenship behaviors such as helping, developing or improving the skills of others are also positively associated with transformational leadership (Podsakoff, MacKenzie, Paine & Bachrach, 2000). The mutual positive influence of transformational leadership and organizational citizenship behaviors has been confirmed in previous studies. Organizational citizenship behavior is beneficial to the organization as well as to employees because it increases employee loyalty and reduces employee turnover (Gagne et al., 2015). Voluntary turnover is costly because it may cause tremendous losses in terms of energy and resources. According to a study by Gagne et al. (2015), the incentive effect of organizational citizenship behaviors is positive and significantly affects employee performance, particularly in organizations with high annual turnover.

Recent studies have shown that the combination of transformational leadership and organizational citizenship behavior produces more positive effects on employee performance than individual behaviors (Podsakoff, MacKenzie, Paine & Bachrach, 2000). In addition, the extra-organizational benefits of

organizational citizenship behavior are higher in organizations with high employee turnover rates because it reduces such losses. The combination of transformational leadership and organizational citizenship behavior is also associated with increased productivity. The positive influence of transformational leadership is related to its role in self-enhancement and group efficacy (Bass & Avolio, 2000). Group efficacy refers to a positive feeling about the performance of the group itself rather than individuals within the group. It is believed that transformational leadership positively affects employee performance and organizational citizenship behavior through job satisfaction (Arendt, 2019).

Transformational leadership is also characterized by improving employee performance. Scholars have found a positive relationship between transactional leadership and productivity (Hoxha, 2019). According to Uguaoni (2020), traditional or participative leadership contributes to employees' self-confidence and self-esteem. The combination of transformational leadership and transactional leadership increases employees' job satisfaction, which leads to improved efforts at work (Wang et al., 2010).

It is also worth noting that as relational leadership relates to transformational leadership (Hoxha, 2019), it can promote employee retention, which is also beneficial to the organization. Furthermore, transformational leadership not only facilitates the employees' ability to perform their jobs, but also provides employees with positive benefits by enhancing their emotional experience at work. Following the figure (2) it can be determined that the four factors of transformational leadership (openness, personal intelligence, energy and optimism) are closely related to transformational leadership. Openness is one of the most important and essential factors of transformational leadership, mainly because it is closely associated with self-enhancement and group efficacy. The positive relationship between openness and transformational leadership is indispensable to the development of employees' self-confidence, which also promotes their work performance. Personal intelligence refers to individual capabilities such as psychological strength and competence. It has been widely accepted that high personal intelligence leads individuals to develop positive characteristics such as thinking for themselves and taking initiative, which will benefit the organization (Luthans & Avolio, 1998).

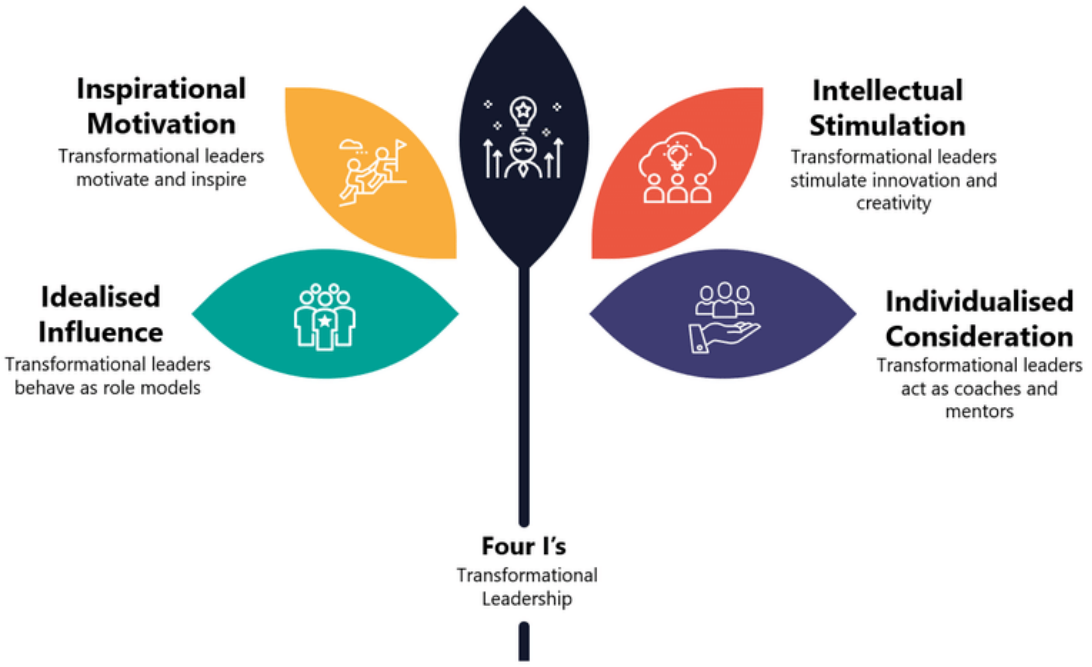


Figure: The 4 I's of Transformational Leadership

4.2 Organizational performance and transactional leadership

On the other hand, transactional leadership is often associated with low organizational performance (Al Khajeh, 2018). Employees may not feel rewarded by tools such as monetary rewards. Employees may not feel they have control over their work because they are not able to assign some tasks to themselves or decide when they finish it well; therefore, they might be less motivated. Managers who initiate this style of leadership usually want to get work done as quickly as possible. Such a mindset does not fit well with the long-term goal (Burns, 2012). This is one of the main reasons why employees find transactional leadership experts less attractive. Massey, Karas, and Schmidt (2011) found that low employee morale and lack of job satisfaction leads to a lower level of organizational performance in organizations that follow a transactional leadership style.

As relational leadership relates to transformational leadership, it also promotes employee retention and job satisfaction (Glinsmann, 2021). In addition, Glinsmann (2021) also reveals that even if there are no observable signs of higher motivation, employees who experience more positive emotions will always be more productive and motivated. Therefore, relational leadership is likely to lead to higher performance for organizations.

Therefore, employee performance is negatively affected by transactional

leadership. Employees are likely to be less committed to the organization and may feel less motivated if they are treated in a highly transactional manner, which will inevitably affect their performance. A study by Payne (1999) shows that employees who receive greater positive reinforcement tend to have higher job performance. Therefore, employees will also have high organizational performance if they are treated with transactional leadership.

Another study by Flynn et al. (2003) suggests that the effects of transactional and transformational leadership are independent of each other, but transactional leadership has a negative effect on organizational performance. Implicating that role clarity, a quality which is closely related to transactional leadership and leads to an organization's performance improvement, is not sustainable over time because it restricts the employees' capability to lead themselves.

2.4.3 Organizational performance and participative leadership

Participative and transformational leadership may both have positive effects on the employee's organizational performance in terms of increased productivity (Alhashedi, 2021). Participation is a process in which employees share their ideas and suggestions on the organization’s performance improvement and management. However, there are some simple limitations to the participative leadership. First, it is difficult to set up a participative leadership style in a low trust organization because trust can build up only after long-term business relationships (Alhashedi, 2021). A study by Hsu et al. (2008) shows that the level of trust between employees and managers has a tremendous influence on

employee performance. Second, participation may lead to decreased efficiency if it introduces too much complexity into the system (Elyousfi, 2021).

Participative leadership is sometimes associated with higher organizational performance, particularly in situations that require hard work and the experience of individual responsibility (Werdhiastutie, 2020). However, the relationship between participative leadership and organizational performance is not consistent. Some studies suggest that participative leadership can promote job satisfaction (Payne & McGregor, 2007), which is one of the main factors influencing employee retention at work (Hätherton & Härtel, 2016). Furthermore, participative leadership can also increase employee productivity (Payne & McGregor, 2007), which will result in a greater level of achievement for organizations. Participative leadership can be one of the best ways to improve employee performance, especially in organizations with high levels of organizational culture and performance.

2.5 Empirical research results

The application of relational leadership theory is still in its early stages. A number of empirical studies have been conducted on the effects of relational leadership style on employee performance, which can help to better understand the enduring nature of relational leadership. Flynn et al. (2003) explore the relationship between relational leadership and employee performance by comparing three leadership styles: transactional, transformational and participative. The survey was conducted in four different companies with a total of 151 employees. The survey uses five statements to measure transformational leadership, while transactional and participative styles were measured using eight statements each. Two factors, namely Workload and Work Engagement, were used to measure employee performance. Results reveal that relational leadership positively affect job satisfaction of employees; however, there is no significant effect on the level of performance at work. To explain this result further, Flynn et al. (2003) interpret that employees who are treated with relational leadership tend to be satisfied with their jobs, which is the effect of relational leadership on job satisfaction. The result shows that those employees will not perform at a higher level if they receive relational leadership.

To further understand the enduring nature of relational leadership, Hätherton

and Härtel (2016) conducted a study in a retail organization. The purpose of this study is to investigate whether transformational or transactional leadership have an impact on job performance and whether employee engagement plays a role in this relationship. Six hundred and thirty employees from different departments were asked to participate in the research survey, which measured their levels of transformational versus transactional leaders and employee engagement through four statements. Furthermore, employees' performance was measured through a leader behavior measure and an employee performance measure. Results reveal that relational leadership positively affects job performance. Transformational leadership is the significant predictor for both transactional and transformational leaders, which suggests that transformational leadership is more enduring than transactional leadership. A study by Banks et al. (2010) examines the relationship between transformational leadership and employee performance in a retail environment where one of the most significant factors influencing customer satisfaction is the behavior of store employees. The researchers focused on the role of transformational leadership to examine how this type of leader will contribute to employee performance in terms of customer experience and satisfaction within a retail setting. The study is based on the relational leadership theory and gathers data from employees in a retail setting. The final sample consists of 1,017 customers and 266 employees. Data was collected through an employee questionnaire that measures four leadership domains: transformational, transactional, participative and traditional attitudes. Data analysis reveals that there is a significant relationship between transactional leadership and customer satisfaction.

In summary the application of relational leadership theory to motivate employees in a workplace can be referred to as "reductionist" or "incrementalist", since it focuses on observable performance indicators such as job satisfaction, productivity, quality of work life.

2.6 Research Gaps

The application of relational leadership theory has been focused on the impact of relational leadership style on employee performance. There are three gaps in this area of study. First, research has focused on the effect of all three types of relational leadership behaviors, i.e., participative, transformational and

transactional styles (Banks et al., 2010). However, transformational leadership is the most significant predictor in most studies (Banks et al., 2010; Flynn et al., 2003; Hätherton & Härtel, 2016). Therefore, more research is needed to explain how different types of relational leadership affect employee performance. Secondly, most research focuses on a certain type or level of leader. This means that it is not necessarily important what relational leadership style the leader wants to use. For example, it is not necessarily necessary that a leader uses all three relational leadership behaviors (Flynn et al., 2003). Therefore, more research is needed to understand the effect of relational leadership on employee performance in different contexts. Lastly, there are some gaps in the pay practices of organizations. For example, there are many situations where employees do not get feedback from their leaders; therefore, this can be considered as a problem in many organizations (Banks et al., 2010).

2.7 Theoretical framework

There are two theoretical frameworks that have been used to explain the impact of relational leadership on employee performance. One of them is the leader-member exchange (LMX) theory and the other is the transactive memory theorum (TMT).

2.7.1 Leader-Member Exchange Theory

An introduction of LMX theory is presented by Hackman et al. (2004) in his study on the relationship between LMX and employee performance, which states that LMX has a significant influence on employee's job satisfaction, commitment and relationship quality with their leaders. Furthermore, it has a positive impact on employees' performance. LMX theory is consistent with the relational leadership theory that the leader has a significant impact on the employee's job performance and work satisfaction.

The LMX theory is based on the psychological principle of reciprocity, which means that an exchange between two people constitutes a relationship. The exchange can be direct or indirect and it depends on the particular situation (Hackman et al., 2004). LMX perspective was developed by Hackman in the early 1990s and more research has been done since that time (Banks et al., 2010; Hätherton & Härtel, 2016). According to the LMX theory, employees' success is directly dependent on their relations with their leaders. This concept shows that these relationships are important for employee's motivation and performance as

well as their satisfaction with their work place.

2.7.2 Transactive Memory Theory

Another theoretical framework that is used to explain the impact of relational leadership on employee performance is the transactive memory theory. By using LMX theory, Hackman et al. (2004) argue that one of the important benefits of relational leadership is that leaders can facilitate interpersonal relationships among their employees, which leads to more effective collaboration and exchange of information through these interpersonal relationships. Therefore, this kind of leadership style assists employees in coordinating tasks in diverse teams. These facilitative characteristics are particularly important for team members who are new to a team or task (Banks et al., 2010). TMT was used by Ettlie et al. (2008) to describe the impact of relational leadership on performance and work attitudes. The researchers identified eight types of relational leadership behaviors: transitional, positive, dominant, positive-dominant, transformational, transformational-dominant, transformational-participative and supportive-transformational (p. 839). The authors found that relational leadership has a greater effect on those employees who have experienced a leader with the supportive-transformational type of behavior compared to those in the other seven types. The authors concluded that leaders' relational behaviors were more relevant for relationally powerful employees than for relationally less powerful ones.

2.8 Research Hypotheses

In order to answer the above research questions, this paper proposes three types of hypotheses:

Hypothesis 1: Transformational leadership is positively related to employee performance through job satisfaction and morale;

Hypothesis 2: Transformational leadership is positively related to employee performance through job performance and efficiency;

Hypothesis 3: Transactional leadership is negatively related to employee performance through job satisfaction and morale.

Through the analysis of these three variables, we will explore the relationship between employee performance and different variables by using multiple regression models.

2.9 Summary

Relational leadership theory encompasses the three different leadership styles: participative, transformational and transactional leadership. This type of theory was used to explain the impact on employee performance of relational leadership style on employees. Transactional leadership has been proved to have a significant impact on employee job satisfaction, which is consistent with relational leadership theory. Although transformational and participative leadership styles had no significant effect on employee job satisfaction, transactional style can be associated with lower task-related performance, which is in line with relational theory. Furthermore, transformational leadership has more significant effects on employee's performance than transactional style, which is consistent with relational theory. However, there are some issues with relational leadership theory. It can be considered as a situational theory because it has time and context limitations. Relational leadership is affected by both the situational characteristics, such as team demographics and task complexity, and personal characteristics of the leader including personality traits, assertiveness, individual motivation level and the effect of learned behaviors (Banks et al., 2010).

CHAPTER THREE

3.0 METHODOLOGY

3.1 Introduction

This chapter will mainly introduce the research methods. Explaining research philosophy, research methods and why they are used will be discussed in detail in this chapter. Possible limitations in experimental design, sample selection and data collection will be discussed.

3.2 Research Question and Research Objectives

3.2.1 Research Question

i. What is the relationship between employee performance and transformational leadership?
ii. What is the relationship between employee performance and transactional leadership?
iii. How do these two kinds of leadership on employee performance interact?

3.2.2 Research Objectives

i. To study the transformational leadership and transactional leadership of Tencent's employees.
ii. To explore the relationship between employee performance and these two kinds of leadership.
iii. To explore the impact of transactional leadership on employee performance in Chinese Internet companies.
iv. To compare the impact of transformational leadership and transactional leadership on employee performance in Chinese Internet companies
v. To analyze how the synergy between them can affect employee performance.

3.3 Study design

3.3.1 Research methods

Effective data and information are needed to solve research problems accurately. The method of getting them is called research method Research methods are an important part of influencing research results. Choosing appropriate research methods is the key to achieve research objectives. Generally speaking, different research questions often apply to different research

methods. The choice of research methods is often based on the summary of existing research methods and the reference of research methods in the same field.

After referring to the research methods of anyango (2015), mu (2018) and other related fields mentioned above, this paper uses the research method of quantitative analysis and questionnaire survey to collect data. In addition to the literature support in related fields, quantitative analysis, as a more objective method with clearer measurement and comparison standards, is of greater help to answer the research questions of this paper.

3.3.2 Respondents and area of research

As a research with the questionnaire as the main data source, the questionnaire issued by this research mainly involves the employees of Tencent. For the protection of employees' personal information, all employees' positions, places of origin and other contents that may cause the disclosure of employees' personal identity information will not be collected. In order to ensure the relevance between the sample and the research theme of China's Internet, the questionnaire will screen whether employees work in China's Internet industry. If the respondents are not employees working in China's Internet industry, their questionnaire will be judged as invalid.

3.3.3 Sample size and sampling technology

Because there are too many qualified respondents, it is impossible to distribute the questionnaire and cover every respondent. This study uses a simple random sampling method to conduct a sampling survey of Tencent's companies in a certain region of China. As mentioned above, since the regional information may cause the exposure of employees' personal information, this information will not be published here. A total of 86 questionnaires were distributed, of which 83 were valid. Among them, the judgment standard of the effective questionnaire is that the respondents agree that they work in China's Internet industry and have completed all the questions in the questionnaire.

3.3.4 Questionnaire structure

There are 10 questions in the whole questionnaire. The first question is used to identify whether the respondents meet the basic requirements of the sample and determine whether the respondents belong to employees of Chinese Internet

enterprises. After that, some basic information about the background of the respondents will be asked. This information includes age, gender, education level (highest education) and length of time working in the current company. Leadership style is the independent variable of this study, and employees' scores related to transformational and transactional leadership will also be collected. Based on anyango (2015), the scoring scale of this part has been adjusted according to different research destinations and industries. It is worth noting that the number of problems of transformational leadership and transactional leadership is different, which is caused by the different characteristics of transformational leadership and transactional leadership. Since it will be used in the data analysis part, and the average value of the topic score of each part will be analyzed, this will not affect the research. In addition, since the existing Mu et. al, 2018) research on the decline of employee performance caused by the trust environment generated by transformational leadership conflicts with other existing research results, the researchers developed the trust relationship between some employees and leaders to measure the trust level between employees and leaders, and compared with the later research

3.4 Analysis tools

Data analysis is an important method to classify and extract raw data (adamsetal., 2007). This paper mainly uses SPSS and Excel for data analysis and extraction. After the questionnaire data is collected through the third-party questionnaire website, these data will be exported to excel file. Some basic information of respondents, including age, education level, working hours, etc., will be extracted and classified by Excel, and visual charts will be drawn. Reliability verification (Cronbach's alpha), correlation verification, analysis of variance and regression analysis will be analyzed by SPSS.

3.5 Ethical Considerations

This survey follows the ethical requirements of the University of leeds for the study, and protects the privacy, physical and mental health and data security of the respondents

First, in the sample selection, minors and those who cannot authorize the information required by the questionnaire are excluded. In the informed consent

form of the questionnaire, it is clearly pointed out that minors and those who cannot authorize the information required by the questionnaire should not participate in the survey.

Second, the privacy of respondents was fully protected in this survey. The questionnaire is completely anonymous. Through the setting of the third-party questionnaire website, the respondents' IP and other information that may cause privacy disclosure will not be collected. The contents that may expose the identity of the respondents, such as the region and position of the respondents, were not collected in the questionnaire.

Third, after the survey data is exported, the access password is set, and the author promises not to be used for other purposes except research.

Fourth, the form of the survey adopts the form of online questionnaire. During covid-19, this will minimize the direct contact between people, so as to reduce the possibility of physical damage to respondents due to the survey. In the questionnaire, the information that the respondents may be offended or unwilling to disclose is set with the option of "unwilling to disclose". The informed consent form of the questionnaire also informed the respondents that they can quit at any time if they feel any discomfort during the survey. However, because the questionnaire is completely anonymous, respondents will not be able to withdraw their questionnaire after the questionnaire collection.

3.6 Limitations

Limitations widely exist in each study, and this study is no exception. Affected by covid-19, the questionnaire was sent through the company's internal email, but the response rate was low and the number of effective samples was relatively small. In addition, considering the privacy of the respondents, the details of the respondents' jobs have not been counted, so it is impossible to determine whether the samples are too concentrated. Since the survey is conducted in the form of third-party questionnaire, there may be sampling errors and inappropriateness due to the effect of randomness, which cannot accurately represent employees of Tencent employees. Moreover, there is not enough time to conduct this kind of research.

3.7 Summary

Conclusion this chapter introduces the method used in this study - quantitative research and the reasons for choosing this method. It also briefly describes how to issue the questionnaire and analyze the data. Ethical considerations and research limitations are briefly described. The next chapter describes the main findings of the study.

CHAPTER FOUR

4.0 FINDINGS & ANALYSIS

CHAPTER 4

4. FINDINGS AND ANALYSIS

4.1 Data Analysis and Interpretation

This chapter aims to present, analyze and discuss the data collected in this study from 83 valid questionnaires. In this study, EXCEL was used to count the underlying characteristics of the samples and to visualize the data. SPSS16 was used to analyze the samples, including correlation analysis and multiple regression analysis. The study will be divided into three halves. The first part will perform descriptive statistical analysis on sample characteristics. The second part will further analyze the sample characteristics through cross-analysis. The third part will test the research hypotheses of this study through the correlation analysis of independent and dependent variables, and explore the impact of transactional leadership and transformational leadership on employee performance.

4.2 Demographic Background of the Respondents

The respondents' characteristics were examined in terms of gender, age, department, education level, and total year of experience; as a result, the data collected from the respondents was analyzed and interpreted.

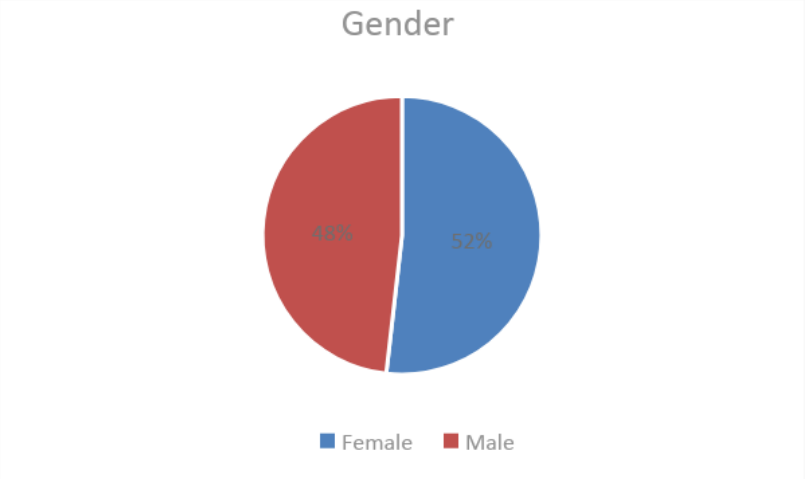
4.1.1 Gender

The results of the study showed that among the 83 valid questionnaires, 43 were women, accounting for about 52% of the total number of respondents. There were 40 male respondents, accounting for about 48% of the total number of respondents. It can be seen that the proportion of males and females is relatively balanced among the respondents. This reflects to a certain extent that the gender structure of Internet employees is relatively balanced.

Table: Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	40	48	48.0	48.0

Female	43	52	52.0	100.0
Total	83	100.0	100.0	



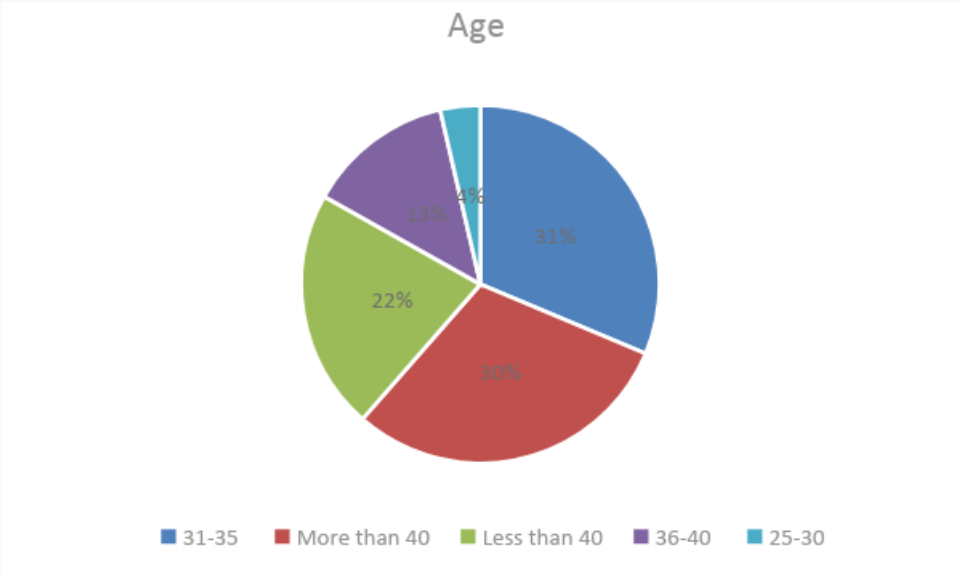
4.1.2 Age

Table 7: Age

	Frequency	Percent	Valid Percent	Cumulative Percent
20-30	18	22.0	22.0	30.0
31-45	25	31.0	31.0	73.0
46-60	24	30.0	30.0	98.0
>60	16	17.0	17.0	100.0
Total	83	100.0	100.0	

Table 7 shows the distribution of respondents of different ages in the sample. It is obvious to see that respondents aged 31-35 and respondents aged over 40 accounted for 31% and 30% of the sample, respectively. There were 18 respondents under the age of 25, accounting for about 22% of all 83 valid questionnaires. Respondents aged 36-40 accounted for about 13% of the total sample, with a total of 11 people. Respondents aged 25-30 accounted for the least, only 4% (3 people). This shows that the age of the respondents this time is mainly concentrated in the age group above 30 years old. This result may be related to the age structure of the respondent's company, and may also be

related to the willingness to respond to questionnaire emails of different ages.



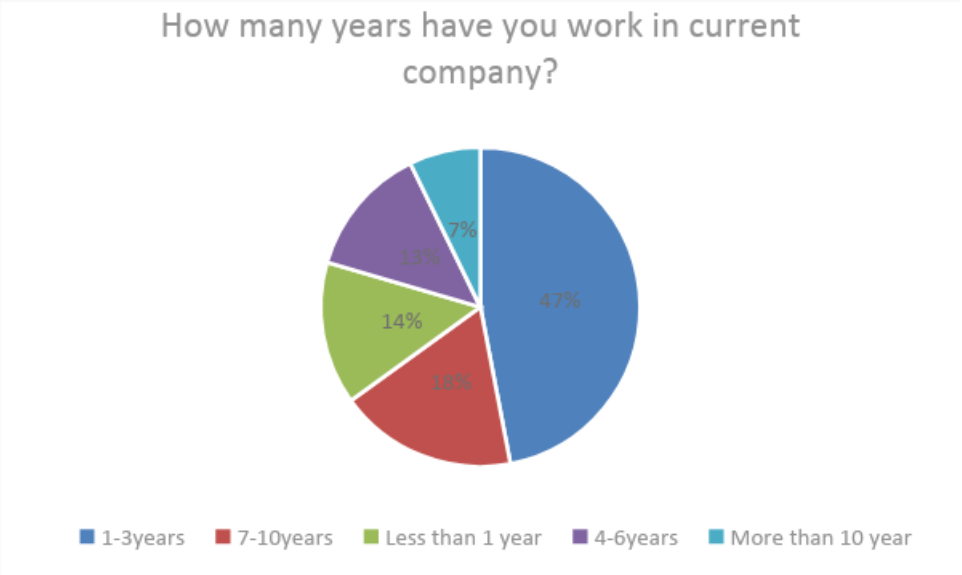
4.1.3 Work years

Table 8: Years of services in the organization

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than a year	2	2.0	2.0	2.0
1-3	11	13.0	13.0	15.0
4-6	11	13.0	13.0	28.0
7-10	18	22.0	22.0	50.0
Above 10 year	41	50.0	50.0	100.0
Total	83	100.0	100.0	

Table 8 shows the distribution of the number of years working in the Internet industry in China for the respondents in this survey. Obviously, nearly half of the respondents have worked in China's Internet industry for 1-3 years, accounting for the largest proportion, with a total of 39 people. Respondents who have worked in China's Internet industry for 4-6 years, 7-10 years, and no more than 1 year accounted for a similar proportion of the valid sample, 13% (11), 18% (15) and 15% (respectively). 6). The proportion of respondents who have worked in China's Internet industry for more than 10 years is about 7% (6), the smallest proportion. It can be seen that most of the respondents have worked in China's Internet

industry for less than 6 years, mainly in the period of 1-3 years. In China, Internet companies are relatively late-developed industries, so employees of Internet companies may enter the industry relatively late.



4.1.4 Level of education

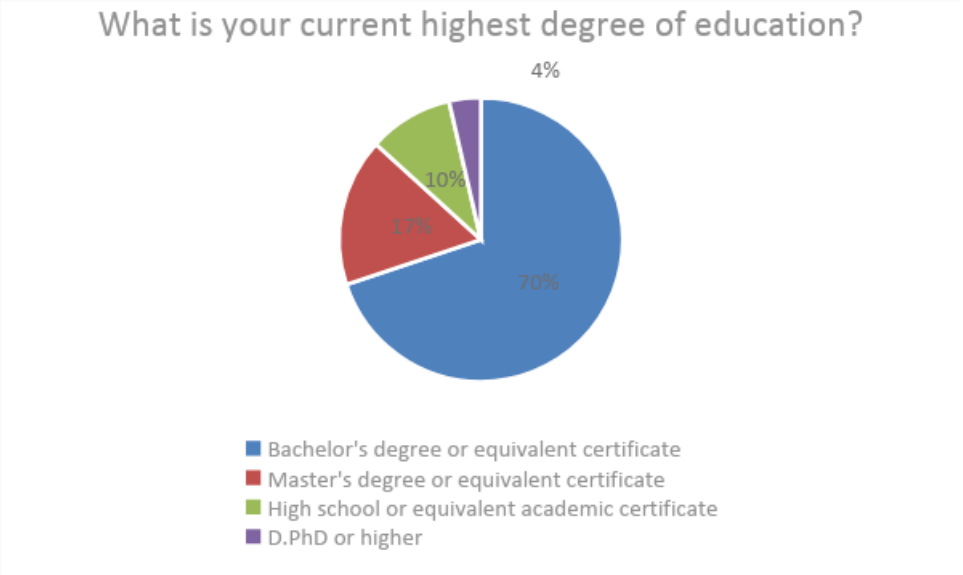
	Frequency	Percent	Valid Percent	Cumulative Percent
Diploma	22	26.0	26.0	26.0
Degree	33	40.0	40.0	66.0
Masters and above	27	33.0	33.0	99.0
	1	1.0	1.0	100.0
Total	83	100.0	100.0	

Table: Qualification

Table 9 shows that about 70% of the respondents have a Bachelor's degree or equivalent certificate as the highest education, a total of 58 people. There are 14 people with Master's degreeor equivalent certificate, accounting for 17% of the

total number of respondents. 8 people have High school or equivalent academic certificate, accounting for about 10% of the total respondents. Those with a PhD or higher degree accounted for the smallest proportion, accounting for less than 3%.

The majority of respondents had a Bachelor's degree or higher, which demonstrated that they were well educated and had some cognitive ability. This helps them properly assess the leadership styles of their leaders and their own performance.



4.2 Variance analysis

4.2.1

	N	Min.	Max.	Mean.	S.D.
You fully believe in your leader	83	1	5	3.890	1.137
Your leader makes you feel good	83	1	5	4.000	1.189
Your leader has given you enough trust	83	1	5	4.080	1.139

4.2.2

	N	Min.	Max.	Mean.	S.D.
Your leader using rewards to motivate you to complete your work	83	1	5	3.940	1.272
Your leader sets goals for you	83	1	5	4.020	1.093
Your leader often monitors your work	83	1	5	3.930	1.113
Your leader focuses on practicality	83	1	5	3.900	1.226
Your leader opposes change	83	1	5	3.930	1.237

Your leader opposes you to make self-determination	83	1	5	3.960	1.120
Your leader rarely proposes flexible solutions	83	1	5	3.950	1.248
Your leader focuses on leadership structure	83	1	5	3.880	1.098
Your leader is the decision maker	83	1	5	3.900	1.255

4.2.3

	N	Min.	Max.	Mean.	S.D.
Your leader is very predictable	83	1	5	4.020	1.137
Your leader keep their egos in check	83	1	5	4.010	1.163
Your leader encourages you to manage yourself	83	1	5	4.100	1.066
Your leader will make some difficult decisions	83	1	5	4.020	1.070
Your leader pays attention to the feelings of team members	83	1	5	3.930	1.113
Your leader is good at motivating others	83	1	5	4.000	1.024
Your leader is very adaptable	83	1	5	3.940	1.213
Your leader is open to suggestions	83	1	5	4.040	1.087
You communicate with leaders frequently	83	1	5	3.810	1.152
Your leader helps you find the meaning of your work	83	1	5	3.860	1.180
Your leader helps you find inspiration	83	1	5	3.920	1.128
Your leader helps you achieve self-development	83	1	5	4.020	1.082

4.2.4

	N	Min.	Max..	Mean.	S.D.
Please evaluate your work performance based on yourself-How do you rate quality of your Performance?	83	1	5	3.800	1.217
How do you rate your productivity on the job?	83	1	5	3.760	1.265
How do you evaluate the performance of your peers at their jobs compared with yourself doing the same kind of work?	83	1	5	3.880	1.310
How do you evaluate the performance of yourself at your job compared with your peers doing the same kind of work?	83	1	5	3.860	1.117

4.2.5

	N	Min.	Max.	Mean.	S.D.
Believe	83	3	15	11.98	3.088
Transactional leadership	83	12	44	35.42	9.151

Transformational leadership	83	18	56	47.66	11.057
Employee performance	83	4	20	15.29	4.43

4.3 Regression analysis

4.3.1 Analysis of Variance for overall evaluation of leadership style

Variable Regression Coefficient Sig. (2-tailed)

Intercept -0.190 0.740

Transformational leadership -0.043 0.833

Employee performance -0.034 0.865

Transactional leadership -0.017 1.000

Note: R Square = 0.306, Adjusted R Square = 0.280, F(3,81) = 2.

Regression analysis of the overall evaluation of leadership styles on employee performance.

Variable Regression Coefficient Sig. (2-tailed)

Intercept -0.081 0.801

Transformational leadership -0.017 0.924

Employee performance -0.088 0.871

Transactional leadership -0.013 1 .000

Variable Regression coefficient Sig. (2-tailed)

Intercept -0.111 0.821

Transformational leadership -0.009 1 .000

Employee performance' -0.042 0 .849

Transactional leadership 0 .003 1 .000

4.4 Correlation analysis

As shown in Table 10, there is a moderate positive correlation between the performance of employees and the three dimensions of leadership (leadership structure 0.402, leadership decision-making 0.391, transactional leadership 0.137), which shows that people who are more cooperative tend to have higher evaluation scores for the quality of their own performances. In addition, employees' own performance is highly correlated with transformational leadership (-0.088). The negative value indicates that people who are more cooperative

tend to have lower evaluation scores for their own performances as well as for their peers' performances (people who have not done well in self-determination). If the leader encourages and helps people to maintain a positive self-determination, they tend to have higher evaluation scores for their own performances as well as their peers' performance. However, transformational leadership is not correlated with transactional leadership. This suggests that transformational leadership and transactional leadership are two different concepts. Transformational leadership focuses on the meaning of work, motivates people to self-development, and helps develop the imagination of employees. Transactional leadership focuses on managing and motivating people through rewards Rather than using transformational leadership to link employee performance with the evaluation of people's outstanding performance in self-determination it is necessary to establish a link between transformational leadership and intrinsic motivation.

5. Discussion

5.1 Discussion of the results

5.1.1 Discussion of dimensions of leadership

The original study by James R. Allen and Harry Levinson, who established a comprehensive theory that involved three dimensions of leadership (decision-making, structure, and management), is widely recognized by scholars in many disciplines. In addition to the three dimensions, some scholars have

identified other dimensions such as empathy, respect for individual differences, positive emotions, self-confidence and trust. The current study chose to use transformational leadership as an indicator to represent one dimension because it covers all above characteristics and has been widely used in many disciplines. The three dimensions of transformational leadership created by James R. Allen and Harry Levinson may be more useful in the future because they are more comprehensive. However, Johnson has argued that it is easy for some leaders to have all three dimensions. So far, there is no evidence showing that the three dimensions of transformational leadership are related to the performance of people's work in terms of intrinsic motivation.

In addition, transactional leadership is not included in the study because it may be interpreted as non-leadership. In the study, transactional leadership is a degenerate form of leadership and compared with transformational leadership, the meaning of transactional leadership is very simple. Employees receive immediate rewards when they work hard and accomplish their tasks. If they slack off there is a negative reward. Thus, transactional leadership may not be useful in the present study.

In the study, self-determination was considered as an indicator of transformational leadership. Self-determination is one of the three dimensions of transformational leadership. Other dimensions include empowerment and motivation. The evaluation scores of employees' performance derived from transformational leadership and self-determination are similar suggesting that employees who are more cooperative tend to have higher evaluation scores for their own performances as well as for their peers' performances. This mechanism may be effective in encouraging workers to work harder.

5.1.2 Discussion of performance evaluation

As the work era has changed from a traditional production era to a service era, and later an innovation era and a knowledge era, employees are more likely to be more engaged in their work tasks in terms of creativity and imagination. Furthermore, employees' work performance is often evaluated based on self-examination rather than supervisor examination because supervisors usually lack interest in young people's imagination and creativity that are important for innovation. There are a number of studies showing that employees tend to be satisfied with the evaluation of their own performance. In the current study, it is hypothesized that employees evaluate their own performance better than that of

their peers because they feel a greater sense of belonging and are more familiar with their work tasks. Although the results show moderate correlations between performance evaluation and transformational leadership, transactional leadership, and employee performance, there is no significant correlation between them.

5.1.2 Comparison with existing studies on leadership styles

The results of this study show that all the four leadership styles, transformational leadership, transactional leadership, top-down or authoritarian style and bottom-up or democratic style have significant differences in their characteristics based on empirical data analysis of these four leadership styles. Whereas, the transformational leadership style covers all characteristics with higher values, the transactional leadership style covers all characteristics with lower values and the other two styles have significantly different characteristics.
The average leadership styles evaluated are transformational leadership and transactional leadership. The average evaluation scores of transformational leadership are higher than transactional leadership. In addition, the ideal types of those four styles can be divided into those three categories based on their characteristics. The result shows that transformational leader has more ideal types than transactional leader in every dimension except one dimension where they are close (respect for individual differences). This result indicates that a transformational leader is more ideal than a transactional leader. The data analysis of the evaluation scores show that transformational leaders have higher evaluation scores for employees' own performance (Transactional leadership has a negative value which means employees who lead this style tend to have lower evaluation scores for their own performance as well as their peers' performance). However, transactional leaders have higher evaluation scores for their peers'. In addition, the difference between the two styles was not significant in all dimensions. This shows that there is no significant difference between these two styles.

It seems that traditional top-down leadership style, like the traditional management style in most companies and organizations has been overvalued by scholars in many disciplines. Bottom-up leadership style, on the other hand, has been extensively recognized as a style of leadership that enables employees to develop their creative potentials. This study shows that there is no significant difference between leadership styles in the dimensions of intrinsic motivation and creativity.

The results of this study indicate that transformational leaders are more capable of developing intrinsically motivated employees than transactional leaders due to the understanding and empathy they have for others. When traditional top-down leadership style leads an organization, employees tend to work hard just for the sake of receiving rewards such as salary increases and bonuses. Therefore, management under these leadership styles tend to create unnecessary workplaces because employees are motivated to work hard for the sake of rewards. The results also show that transformational leaders encourage people to make their own decisions and maintain a positive attitude in their work. They also help them exercise their creative potentials. On the other hand, transactional leaders do not enable employees to create new products and services and do not enable them to develop their creative potentials. Thus, they tend to lose customers due to poor quality products and services. The results also show that transformational leaders are more consistent with their work than transactional leaders. They have better leadership skills in the dimensions of concern for others, self-criticism, trust, and decision making. They have sound judgment and make appropriate decisions about people's interests in their work. This shows that the employees' job satisfaction is better under transformational leadership than under transactional leadership since employees feel a greater sense of belonging under transformational leadership.

The results of this study show that there is no significant difference between these two styles in the dimensions of trust, creativity and innovation. The results also show that there is no significant difference between these two styles in the dimension of job satisfaction. However, transformational leaders are more effective for the dimensions of employees' own performance evaluation, peers' performance evaluation, intrinsic motivation and creativity. Transactional leaders are more effective for their peers' performance evaluation and job satisfaction. In addition, there is no significant difference between these two styles in the employees' turnover intention and withdrawal intention.

The results of this study show that there is no significant difference between these two styles in the dimensions of intrinsic motivation and creativity. The results also show that there is no significant difference between these two styles in the dimension of job satisfaction. However, transformational leaders are more effective for their employees' performance evaluation, peers' performance evaluation and intrinsic motivation. Transactional leaders are more effective for

their peers' performance evaluation and job satisfaction. In addition, there is no significant difference between these two styles in the dimensions of employees' turnover intention and withdrawal intention.

The results of this study indicate that transformational leadership style is more effective than transactional leadership style in every dimension except one dimension (the dimension of job satisfaction). Transformational leadership style is significantly different from transactional leadership style in terms of fostering creativity, innovative products and services. Thus, the adoption of transformational leadership style can significantly increase organizational performance.

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The results of this study show that transformational leadership style is significantly different from transactional leadership style in terms of fostering creativity, innovative products and services. Thus, the adoption of transformational leadership style can significantly increase organizational performance.

The results of this study show that there is no significant difference between these two styles in the dimensions of employees' turnover intention and

withdrawal intention. The results also show that there is no significant difference between these two styles in the dimension of job satisfaction. However, transformational leaders are more effective for their employees' performance evaluation and creativity. Transactional leaders are more effective for their peers' performance evaluation and job satisfaction. In addition, there is no significant difference between these two styles in the dimensions of management's capability and career opportunities or the dimension of concern for others.

CHAPTER FIVE

5.0 CONCLUSION & RECOMMENDATIONS

5.0 CONCLUSION & RECOMMENDATIONS

Conclusion

The above findings show that the transformational leadership research has advanced the role of leadership, confirming that there are different types of leaders and leading styles. The results also support the development of transformational leadership theory. According to the findings, transformational leadership theory is more applicable in the study of transformational leaders, such as Xiong (1996), Reiss (1999), Das (2001) and Lamanna et al. (2004) in different contexts, although this research has some limitations in the definition of the parameters of transformational leadership style. The transformation value attached to some leadership variables should be more carefully analyzed.

The workplace environment and leadership styles have an influence on the employees' performance evaluation and job satisfaction. The employees' values and work attitudes are often influenced by the surrounding environment and their own personal experiences. It is important for employees to have a high-quality work environment and a good leadership team to create an effective work environment. In addition, the employees' high performance evaluation can help cultivates the motivation of employees to further improve their performance.

The results revealed that transformational leadership style has a positive impact on the intrinsic motivation and creativity while transactional leadership style has no significant relationship with intrinsic motivation and creativity. This can be explained by the fact that transformational leaders tend to display interpersonal trust and challenge, which provides employees with opportunities for greater involvement in decision making (Bass & Avolio, 1994). Transactional leaders are more concerned about developing employees' skills in order to increase their performance evaluation and motivate them to improve performance.

The results of this study show that there is no significant difference between these two styles in the dimension of management's capability and career opportunities or the dimension of concern for others. The results also reveal that there is no significant difference between these two styles in the dimension of job satisfaction. However, transformational leaders are more effective for their employees' performance evaluation, peers' performance evaluation and intrinsic motivation. Transactional leaders are more effective for their peers' performance evaluation and job satisfaction. In addition, there is no significant difference between these two styles in the dimension of employees' turnover intention and

withdrawal intention.

The results of this study reveal that there is no significant difference between these two styles in the dimensions of management's capability and career opportunities or the dimension of concern for others. The results also reveal that there is no significant difference between these two styles in the dimension of job satisfaction. However, transformational leaders are more effective for their employees' performance evaluation, peers' performance evaluation and creativity. Transactional leaders are more effective for their peers' performance evaluation and job satisfaction. In addition, there is no significant difference between these two styles in the dimensions of employees' turnover intention and withdrawal intention.

Recommendations

Specific leadership training programs should be adopted to further enhance transformational leadership and raise the level of transformational leadership in organizations.

Research on the determinants of leader's effectiveness such as performance evaluation and job satisfaction should be conducted to explore how these leaders can optimize their leadership style.

The applicability of transformational leadership theory in different contexts should be explored. It is possible that different leader's effectiveness may require an appropriate style for each context, which will influence the development of transformational leaders' styles. Thus, another research on this topic can be conducted in addition to this study.

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APPENDIX

Questionnaire

1. Are you currently a staff member of the Chinese Internet industry ?

A. Yes

B. No

2. Gender
A. Male
B. Female
C. Prefer not to say

3. Age
A. Less than 25
B. 25-30
C. 31-35
D. 36-40
E. More than 40

4. How many years have you worked in your current company?
A. Less than 1 year
B. 1-3 years
C. 3-6 years
D. 6-10 years
E. More than 10 years

5. What is your current highest degree of education?
A. High school or equivalent academic certificate
B. Bachelor's degree or equivalent certificate
C. Master's degree or equivalent certificate
D. PhD or higher

6. Please rate the following question（Believe）

	1- s trongly disagree	2-disagre e	3-neutral	4-agree	5-Strongl y
You fully believe in your leader					
Your leader makes you feel good					
Your leader has given you enough trust					

7. Please rate the following question（Transnational leadership）

	1-strongl y disagree	2-disagre e	3-neutral	4-agree	5-Strongl y
Your leader using rewards to motivate you to complete your work					
Your leader sets goals for you					
Your leader often monitors your work					
Your leader focuses on practicality					
Your leader opposes change					
Your leader opposes you to make self-determination					
Your leader rarely proposes flexible solutions					

Your leader focuses on leadership structure					
Your leader is the decision maker					

8. Please rate the following question（Transformational leadership）

Your leader is very predictable					
Your leader keep their egos in check					
Your leader encourages you to manage yourself					
Your leader will make some difficult decisions					
Your leader pays attention to the feelings of team members					
Your leader is good at motivating others					
Your leader is very adaptable					
Your leader is open to suggestions					
You communicate with leaders frequently					
Your leader helps you find the meaning of your work					
Your leader helps you find inspiration					
Your leader helps you achieve self-development					

9. Which style of leadership do you prefer?

A. Transnational leadership

B. Transformational leadership

10. Please evaluate your work performance based on yourself

	1-very low	2-low	3-average	4-high	5-very high
How do you rate quality of your Performance?					
How do you rate your productivity on the job?					
How do you evaluate the performance of your peers at their jobs compared with yourself doing the same kind of work?					
How do you evaluate the performance of yourself at your job compared with your peers doing the same kind of work?					