# Araştırma Makalesi / Research Article

# THE EFFECT OF LEADERSHIP TYPES ON ORGANIZATIONAL PERFORMANCE AND THE MEDIATING ROLE OF MANAGEMENT STYLE

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# LİDERLİK TÜRLERİNİN ÖRGÜTSEL PERFORMANS ÜZERİNE ETKİSİNDE YÖNETİM TARZININ ARACILIK ROLÜ

#### **Absract**

The aim of the study is to determine the impact of leadership types on the organizational performance and the mediating role of the management style in this effect. In order to complete the study, questionnaires applied to thermal hotel managers in Afyonkarahisar. The Bass & Avolio Multifactor Leadership Questionnaire (MLQ), 34 questions, was used to determine the leadership styles. In order to measure organizational performance, 15 questions, from Kaplan and Norton's Balanced Scorecard measurement technique, and the management style; traditional or modern, 8 questions were used in the study.

In the survey, 166 healthy data were obtained from 250 questionnaires applied to hotel managers operating in Afyonkarahisar. Data is processed by AMOS 19 and a Structural Equation Model evaluated which has been represented the structural relationships.

**Keywords:** Types of Leadership, Company Performance, Management Style, Multifactor Leadership Questionnaire.

#### Öz

Araştırmanın amacı liderlik türlerinin işletme performansı üzerine etkisi ve bu etkinin oluşmasında yönetim tarzının aracılık rolünü tespit etmektir. Bu amacı araştırmak için Afyonkarahisar'da termal turizmde faaliyet gösteren otel yöneticilerine uygulanan anketler

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değerlendirilmiştir. Araştırmada otel yöneticilerinin liderlik türlerini belirlemek için Bass&Avolio Çok Faktörlü liderlik ölçeği (Multifactor Leadership Questionnaire-MLQ) kullanılmıştır. Çok faktörlü liderlik ölçeği 34 ifadeden oluşmaktadır. Örgütsel performansı ölçebilmek için Kaplan ve Norton'un Balanced Scorecard ölçüm tekniği kullanılarak belirlenen 15 ifade kullanılmıştır. Yönetim tarzını belirlemek için 8 ifadeden oluşan geleneksel ve modern yönetim tarzına yönelik sorular hazırlanmıştır.

Araştırmada Afyonkarahisar'da faaliyet gösteren otel yöneticilerine uygulanan 250 anketten 166 sağlıklı veri elde edilmiştir. Veriler SPSS 16.0'a girilmiş ve AMOS 19 da Yapısal Eşitlik Modeli ile değerlendirilmiştir.

**Anahtar Kelimeler:** Liderlik türleri, Örgütsel performans, Yönetim tarzı, Çok Faktörlü Liderlik Ölçeği, Balanced Scored Card.

#### 1. Introduction

In the global economy there is a fierce competition in between companies and nations. Companies and nations would like to have competitive advantage against to others to be leader and more importantly to survive.

Style of the management in the companies and the governments can directly affect the performance variables such as; unit costs, selling price, quality of the goods and the services provided to the customers. Managerial decisions in planning organizing and execution are all affected by the management style. That is why; it is assumed that results of traditional and modern style management will be different. In addition to this management theory suggest that good management and leadership can crucially affect the success of company.

#### 2. Literature Review

Several theories and plain thinking prompts us managers' experience, knowledge and capabilities mainly managers' managerial style is an important factor that influences the success of a firm. In this perspective there are several studies, in the literature, critically examined the effects of managerial style and leadership style on organizational performance or success.

For instance Wang (2012) stressed that there is a need for more researches on Global Roles of Leadership. Similarly, Rousseau and Fried (2001) proposed that there should be more researches in organizational

behavior research. Zaccaro (2007) suggest that the quantitative analysis of leadership dates back perhaps to Galton's times (1869) "Hereditary Genius". According to him leaders are the people who can change the history by their decisions. Additionally, he suggests leaders have inherent natural capabilities. Whereas, Goleman (1998) defined leadership as art: art of persuading people. In addition, Mc Cleskey (2014) suggests leaders can emotionally influence the employees and highly affect the performance. Similarly, Pirola-Merlo et al., (2002) also suggests the leadership, consequently the team work can influence performance, especially in research and development activities.

Naturally there are some criticisms about the leadership let's say charismatic leadership. Bryman (2004) introduced criticism about the charismatic leadership and named it "routinazation of charisma"; poor understanding of leadership which is considered an ephemeral phenomenon. Besides, Northouse (2007) criticized transformational leadership as "too elitist" since paying too much of attention to heroism of leadership. Tourish (2008) also criticizes it as "mythologizing of leadership begins".

Masry et. al., (2004) compared the Leadership Styles in Egypt. Result of this study indicated that there are no differences between foreign and Egyptian General Managers regarding their level of leadership effectiveness and their perception over thought their leadership styles are different. VonKrogh et al., (2012), indicated that transactional leadership focuses on leader–follower exchanges, rewards and exceptions, on the other hand, focuses on inspiration, stimulation and motivation. Birasnav (2014), suggest that transformational leadership is superior to transactional leadership. Whereas, Yukl (2012) claims that different leadership styles are useful in different environments and organizations; situational variables can determine the relevant behaviors.

According to Vera and Crossan (2004) Transactional leaders generally in favor of closed cultures, mechanistic structures and formal systems whereas Transformational leaders in favor of open cultures and flexible procedures. That is why Transformational leaders are the risk takers (Mittal and Dhar, 2015).

In addition to, these studies leadership styles examined under different perspectives such as ecological innovation. Bossink, (2004) examined the "Effectiveness of innovation leadership styles: a manager's influence on ecological innovation in construction projects". According to his study leadership style stimulates the project's ecological innovativeness.

Maamari and Majdalani (2017) investigated the effect of emotional intelligence (EI) on the leader's leadership style. The study represented that the leaders' emotional intelligence affect his/her leadership style and organizational climate.

Eagly (2007) has investigated the leadership on the basis of gender differences, its advantages and disadvantages. It is claimed that In the United States women are having excellent skills for leadership but more people prefer male than female bosses. Rohmann and Rowold (2009) are also studied similar subject: Gender and leadership style in Germany. Their results show that female leaders represent more transformational leadership behaviors than male leaders; and female leaders are more effective and they are producing more satisfaction.

Leadership is very important in sports, as well as in business. Coaches at different levels competed with each others. Bum (2019) investigated SPORT Leadership by using MLQ-5X. Bum (2019) listed some issues related to MLQ-5X success under two headings (1) Practical issues: Administration, scoring, examiner qualifications, evaluation and critique and (2) Technical issues: norming, scaling, equating, reliability, validity, evaluation and critique.

Burns (1978) distinguished the difference between transformational and transactional leadership. Later on Bass and his colloquies improved this distinction.

MLQ Multifactor Leadership Questionnaire and MLQ-5X have been used successfully all over the world. Antonakis and House (2002) assume that The MLQ 5X is the most popular questionnaire used for measuring leadership. Avolio and Yammarino (1990) examined to what extend charismatic leadership should be considered and result of study indicated that degree of charisma varying from one individual to another. Yammarino and Bass (1990) used MLQ on 186 United States navy officers; result of the study indicates that transformational leadership was related to subordinates' extra efforts.

Obviously there are several criticisms to MLQ. Such as: House et al., (1995) suggest that proper harmonization of theory and data are the key points to draw proper conclusion; for leadership researches (for MLQ). Yammarino et al., (2005) also pay attention to deficiencies in harmonization which can seriously defect the fundamental levels of analysis concerns.

Chester et al., (2009) claims that one shortcoming of MLQ is; the majority of items do not have a clear referent" so there can be invalid

interpretations since theory may not align with analyses. Tejeda et al (2001) suggests writers having difficulty in drawing concrete conclusions by using MLQ, because of "unresolved psychometric issues with the MLQ". They also claim that using "non-homogeneous samples" reduces the value of research results.

Hinkin and Schriesheim (2008) fount four considerations in examination of the transactional and non-leadership dimensions of the Multifactor Leadership Questionnaire (MLQ), these are;

- "(1) The contingent reward and exchange items of the MLQ contingent reward subscale (identified above) should be used as separate and independent measures.
- (2) Active management by exception is best represented by a four-item subset of MLQ items; however, such a measure may still have serious concerns.
- (3) Passive management by exception and laissez-faire leadership can each be best represented theoretically by eliminating some scale items (as previously described).
- (4) Even though passive management by exception and laissez-faire leadership are theoretically separate and independent, respondents typically do not differentiate between the two when describing their leaders".

Antonakis et al., (2003) investigated the researchers who did research on leadership by using MLQ and its versions. They also give the names of countries. They listed the sample description of studies (see table 1) including: Delivery firms, Military, Students, financial institution, Church, Health services, Educational institutions, various private and public firms, Students, hotels, Banks. In these studies there were various factors put into consideration consisting of: CH = charisma; IIA = idealized influence attributed; IIB = idealized influence behavior; IM = inspirational motivation; IS = intellectual stimulation; IC = individualized consideration; CR = contingent rewards; MBEA = management by exception active; MBEP = management-by-exception passive; MBE = management by exception; LF = laissez-faire leadership. Table 1 clearly represents the variety and the popularity of leadership researches.

 Table 1: Summary of Published Studies Testing the Factor Structure of the MLQ

Author/s		7	/ersion	Country	Sample descr	ription		Number of factors comprising model
Hater and Bass (1988) Fo		For	m 5, 1985	USA	Delivery firm		6	(CH, IS, IC, CR, MBEA, MBEP)
Yammarino, Spangler, and		1985	5 modified	USA	Military		5	(CH/IM, CR/IC, MBEA, MBEP, LF)
Bass (1993)								
Tepper and Percy	(1994)	Fori	m X, 1990	USA	Students, financial	institution	2	(CH/IM, CR)
Druskat (1994)		Forn	n 8Y, 1990	USA	Church		5	(CH/IC, IS/IM, CR, MBEA, MBEP/LF)
Bycio et al. (1995)		For	m 1, 1985	Canada	Health serv	ices	5	(CH, IS, IC, CR, MBE) <sup>a</sup>
Koh et al. (1995)		Forn	n 5S, 1985	Singapore	Educational ins	titutions	5	(CH, CR, MBEA, MBEP, LF)
Den Hartog et al. (	1997)	Forn	n 8Y, 1989	Netherlands	Various private and	public firms	3	(TF, TR, LF)
Lievens, Van Geit,	Lievens, Van Geit, and		n 8Y, 1989	Netherlands	Various private and public firms		4	(IS/IC/IM, CR, MBEA)
Coetsier (1997)								
Hinkin, Tracey, and		Forn	n 5X, 1990	USA	Students, hotels		3	(IM, IC, IS)
Enz (1997)								
Tracey and Hinkin	(1998)	Forn	n 5X, 1990	USA	Hotels		1	(II/IM/IS/IC)
Geyer and Steyrer	(1998)	F	orm 5R	Germany	Banks		4	(CH/IS/IM/IC, IC/CH, CR/IC, MBEP/LF)
Carless (1998a)		F	orm 5X	Australia	Banks		3	(CH, IS, IC) <sup>b</sup>
Avolio et al. (1999	)	F	orm 5X	Primarily USA	Various business firms		6	(CH/IM, IS, IC, CR, MBEA, MBEP/LF) <sup>c</sup>
Tejeda et al. (2001	)	Forn	n 5X, 1993	USA	Various busine	rious business firms		(IIA, IIB, IM, IS, IC, CR, MBEA,
								MBEP, LF) <sup>d</sup>
CH = charisma; IIA = idealized		influence	attributed; IIB = idealized influence behavior; IM = inspirational motivation;		IS = intellectual stimulation; IC = individualized			
consideration; CR = conting		gent	rewards;	MBEA = management MBEP = management	•	passive; MBE = management-by-exception; LF =		
Laissez-faire leade				-	•			
				•		•		

Source: J. Antonakis et al. / The Leadership Quarterly 14 (2003) 261–295

<sup>a</sup>Although the five-factor model had the best fit to the data, Bycio et al. (1995) argued that a simpler two-factor model of transformational and transactional—which was worse fitting—may be more tenable given the high intercorrelations among the transformational leadership scales.

<sup>b</sup>Only data from the three scales listed were gathered. An unconstrained secondorder model, which was empirically equivalent to the first-order model, was proposed as being the most optimal; however, a second-order model cannot be tested with only three first-order factors unless overidentifying constraints are imposed on the second-order part of the model (see Byrne, 2001; Rindskopf & Rose, 1988).

<sup>c</sup>Second-order models were also tested but had inferior fit to the first-order models.

<sup>d</sup>A second-order model was also tested that purported to fit the data best, but the factors of which it was comprised is unclear as no explicit model was articulated. Furthermore, a chi-square difference test was not reported to test whether the more restrictive second-order model was significantly worse fitting or not than the nine-factor first-order model (i.e., the two competing models were nested and can therefore be tested using a chi-square difference test, see Rindskopf & Rose, 1988). The fit of the more restrictive model was reported to be better than the less restrictive model (see Tejeda et al., 2001, p. 44), which normally should not be the case because the gains in degrees of freedom will always be accompanied by a higher discrepancy statistic (Marcoulides & Hershberger, 1997, p. 249), suggesting that their results may be questionable. However, the nine-factor model of their revised instrument generally indicated adequate fit to the data.

## 2.1. Leadership

The leaders are the individuals who makes public to follow them, whose sayings are respected and whose decisions are greatly approved. There are many studies about leadership and its concepts. When we look at the foreign and domestic literature, there is a lot of research about leadership.

Different leadership classifications are available in literature. Burns (1978) posited that leadership behavior can be categorized as either transformational or transactional (Rohmann and Rowold, 2009: 545). This idea was further elaborated by Bass and Avolio (1992).

Leader behavior is conceptualized by three classifications: transformational, transactional, and passive leadership. Transformational leaders help their followers to look beyond their own self-interest in order to accomplish extraordinary tasks. Transactional leaders reward or punish their followers depending on their behavior and performance characteristics to aid individuals support them to go different direction (Xu et al., 2015:729).

Transformational leadership was first described by Dawnston (1973) and later on by Burns (1978). According to Bass (1985) transactional leadership can be identified as: rewarding for submissive performance; leading type of transformational leadership that provides quality and superior performance, thereby increasing the self-confidence of subordinates and ensuring business ownership around a common goal (Ercan and Sığrı, 2015).

According to Zuned, (2017) the transactional style of leadership is authoritative over the followers and goals and objective oriented. Transformational leaders elevate the desires of followers for achievement and self-development; they also promote the development of groups and organizations (Bass and Avolio, 2002: 22).

Transactional leaders are generally in favor of closed cultures, mechanical structures and formal systems and procedures. Transformational leaders, on the other hand, generally in favor of open cultures, organic structures, adaptable systems and flexible processes (Baskarada et al., 2016: 507).

According to the leadership styles, managers implement different management styles. Traditional or modern management style can be more effective in according to the characteristics of the leadership style adopted.

# 2.2. Management Style

Management is the art of doing business by using others. It is ensuring the effective and efficient use of the tangible and intangible resources in the enterprises. The main goal of businesses is to reach the maximum profit target and minimize cost. In order to achieve this, it is necessary to use resources efficiently and effectively. Each manager has a management style that is shaped in the direction of the behavioral patterns adopted. The management style is differentiated by such factors as; participation of subordinates to decisions, reward and penalty system and respect to subordinates' ideas.

When literature is examined, management style can be divided into two categories as traditional and modern management. According to this classification, traditional management style represents classical management's current characteristics, while neoclassical, modern and modern management approaches in modern management style also have the influence on leadership.

In the traditional management style, the managers pay great importance to the physical and financial capital such as physical labor and machines sources, after than they put into consideration the human capital. Centralization is the pin point in the traditional management. Tasks are shaped according to the definitions and specializations; there is usually a vertical hierarchical structure. Blue-collar and white-collar employees are distinctively separated.

In modern management, information networks and databases are very important, human factor is the most important production factor; time is a very valuable resource. Providing self-discipline, participatory democracy, team work and synergy creation are all important, flexibility, innovation, creativity are the other important issues. Most importantly employees have right to participate in decisions and they have right to take initiative, Furthermore they can even be granted for the participation.

## 2.3. Organizational Performance

Performance determinants at the organizational level are: economic efficiency, productivity and efficiency. The economically is defined as the level of obtaining the input sources with appropriate quality at the minimum cost, and the efficiency to achieve the highest output with specific inputs in the direction of the organizational objectives, and the ability to reach the goals. (Özer, 2008:394).

The dynamism, efficiency and effectiveness of managers play a decisive role in overcoming factors which affect the performance of the business that is created by the internal and external barriers (Özgür, 2011: 217).

There are many ways to determine organizational performance in an enterprise. In addition to the financial indicators, there are other multi-dimensional performance measurement techniques. In the study, Balanced Scorecard performance measurement technique of Kaplan and Norton (1996) including financial, organizational, customer and learning dimensions was used.

# 3. Leadership, Management Style and Organizational Performance Relationship

Transformational, transactional and passive leadership have influence on organizational performance. One of the results of the study indicates transformational and transactional leadership have a positive effect on organizational performance, whereas passive leadership has no effect on organizational performance. Here, it has been examined whether leadership styles influence the organizational performance or not.

Management style

Modern

Traditional

Leadership

1. Transformational Leadership

2. Transactional Leadership

## Figure1: Research Model

# 3.1. Hypotesis

3. Passive Leadership

- H 0. Management style has an intermediary role in between leadership types and the performance of the company.
  - H0.1. The management style has an intermediary role in transformational leadership's effect of business performance.
  - H0.2. The management style has an intermediary role in transactional leadership's effect of business performance.
  - H0.3. The management style has an intermediary role in passive leadership's effect of business performance.
- H 1. Transformational leadership influences organizational performance positively.

#### 3.2. Research Variables

In order to determine the management style in this survey 8 questions about the traditional and modern management style were designed. Traditional management style represents such characteristics as; tangible and intangible assets and capital are important, the human factor is not so important; centralism is common, specialization is essential and includes a vertical hierarchical structure. Whereas, in modern management style; information networks are important, human capital is superior to capital, flexibility; creativity and innovation are essential and employees are allowed to participate in decisions. The management style questionnaires were created on these bases.

To measure leadership types Bass and Avolio's Multi-factor Leadership Questionnaire (MLQ) was used to measure leadership types. The Multi-factor Leadership Scale is composed of 34 questions. In the Multi-factor Leadership Questionnaire, the types of leadership were examined under three headings: transformational, transactional, and passive leadership, in

order to measure organizational performance. 15 of the questions from Kaplan and Norton's Balanced Scorecard measurement technique were used for measuring organizational performance. The performance scale is derived from Kaplan and Norton's four dimensions of Balanced Scorecard: customer, financial, process and employee. Managers were asked to score factors, such; as customer satisfaction, productivity, profitability and R & D investments.

#### 3.3. Data Collection

The questionnaires prepared for the research were completed by the hotel managers operating in thermal tourism city of Afyon/TURKEY. A total of 250 questionnaires were distributed. 166 healthy responses have been collected.

#### 3.4. Data Evaluation

The 166 responses were entered into SPSS 16 program. Confirmatory and factor analyses were performed by using this data.

		Frequency	Percent	Valid Percent	Cumulative Percent
	1-5 years	53	31,9	31,9	31,9
	5-10 years	47	28,3	28,3	60,2
Valid	10-15 years	41	24,7	24,7	84,9
	15-20 years	12	7,2	7,2	92,2
	20 years +	13	7,8	7,8	100,0
	Total	166	100,0	100,0	

**Table 2:** Operating Year of Enterprises

166 healthy data were obtained from the survey. 31,9 % of these companies 1-5-year-old, 28,3% of these companies 5-10-year-old, 24,7% of these companies 10-15-year-old, 7,2% of these companies 15-20-year-old and finally 7,8% of these companies 20 + year-old.

# 3.5. Testing of Scales

AMOS 19 is used in order to test the validity of the scales. For Multifactor Leadership Scales, first-level multi-factor confirmatory factor analysis used. For Organizational Performance and Management Style Scale, single factor confirmatory factor analysis is used.

Modifications proposed by the program have been completed. Since the metrics produced for testing the validity of scales are not within acceptable limits.

Changes because of modifications represented in table 3, compliance values produced by measurement models represented in table 4.

Scales		Number of Expressions	Number of evaluated Expressions		
ctor p	Transformational Leadership	20	2		
ılti-fac dershi ale	Leadership Transactional Leadership Passive Leadership	9	1		
Mι lea Sca	Passive Leadership	7	1		
Performance Scale		15	4		
Manager	nent Style Scale	8	2		

Table 3: Changes in Scale

As seen in the table 2, there are 2 expressions from Transformational Leadership, 1 from Transactional Leadership, 1 from Passive Leadership, 4 from Performance Scale and 2 from Management Style extracted.

		<i>x</i> 2	df	x2 /df	GFI	CFI	RMSEA
$\frac{1}{2}$ Transformation Leadership		189,055	132	1,43	0,90	0,95	0,05
Multi-Factor eadership Sca	Transactional Leadership	36,027	25	1,44	0,96	0,96	0,05
Mu ade	Passive Leadership	14,725	9	1,63	0,97	0,97	0,06
SEM		808,183	426	1,89	0,78	0,80	0,07
Performance Scale		78,579	40	1,96	0,93	0,95	0,07
Management Style Scale		28,068	6	2,55	0,96	0,97	0,09
Goodness Of Fit Index				≤ 3	≥ 90	≥ 0,97	≤ 0,05
Acceptable Compliance Values				≤ 5	0,89- 0,85	≥ 95	0,06- 0,08

Table 4: Orientation Values of Scales

p>.05, x2 = Chi- Square; df= Degree of Freedom; GFI= Goodness of Fit Index; CFI= Comparative Fit Index; RMSEA= Root Mean Square Error of Approximation, See: Meydan and Şeşen, 2015:37.

# 4. Findings

Cronbach's Alpha Coefficient of Scales represents high reliable Cronbach's Alpha results. When Table 5 is examined, it can be reviewed that the transformational leadership scale is very high reliable, transactional and passive leadership are highly reliable, the performance scale is highly reliable and management style scale highly reliable.

Table 5: Cronbach's Alpha Coefficient of Scales

Scales	Cronbach Alfa		
	Transformational Leadership	0,91	
Multi-Factor	Transactional Leadership	0,72	
Leadership Scale	Passive Leadership	0,70	
	Total Cronbach Alpha	0,79	
Performance Scale	·	0,92	
M Ct. 1.	Traditional	0,78	
Management Style	Modern	0,82	

- $\triangleright$  0,00  $\leq \alpha < 0,40$  the scale is not reliable,
- $\triangleright$  0.40  $\leq \alpha < 0.60$  the scale is low reliable,
- $\triangleright$  0,60  $\le \alpha$  < 0,80 the scale is highly reliable,
- $\triangleright$  0,80  $\leq \alpha < 1$ , 0 the scale is very highly reliable.

**Table 6:** KMO Values of Scales Performance Scale KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measur	,876							
	Approx. Chi-Square	1,303E3						
Bartlett's Test of Sphericity	Df	105						
	Sig.	,000						
Multi-Factor Leadership Sca	Multi-Factor Leadership Scale KMO and Bartlett's Test							
Kaiser-Meyer-Olkin Measur	,849							
	Approx. Chi-Square	2,646E3						
Bartlett's Test of Sphericity	Df	595						
	Sig.	,000						
Management Style KMO and	d Bartlett's Test							
Kaiser-Meyer-Olkin Measur	,813							
	Approx. Chi-Square	739,129						
Bartlett's Test of Sphericity	Df	28						
	Sig.	,000						

*KMO*: 1,00≤*KMO*0,90= perfect

*KMO*: 0,90≤*KMO*0,80= good

*KMO*: 0,80≤*KMO*0,70= medium

*KMO*:  $0.70 \le KMO0.60 = weak$ 

 $KMO: 0.60 \leq KMO = bad$ 

Measurement Criteria Indicates that Results of the KMO values are good.

# **5. Structural Equation Model**

Structural Equation Model developed to test the hypotheses of the research is shown in figure 2. The intermediary role of the management style in the influence of the converter leadership on performance is not tested because the variance of the hypothesis falls negatively. Since the variance is negative impact of transformational leadership on performance in management style's mediatory role hypothesis, it has not been tested.

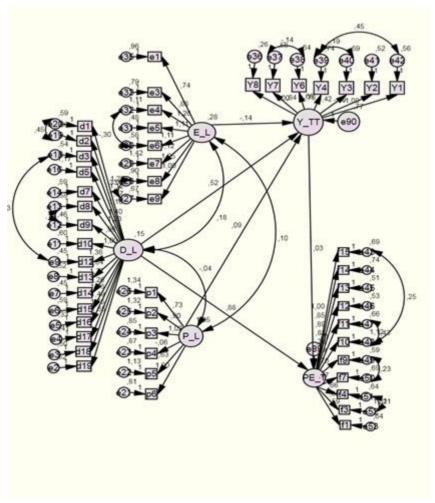


Figure 2: Structural Equation Model

Since the orientation values of the model shown in Figure 2 do not appear at the acceptable limits, four questions from the Transformational Scale, two questions from the Transactional Leadership Scale, two questions from Management Style Scale, one question from Passive Leadership Scale and one from Performance Scale excluded.

As a result of modification, it has been observed that model's Goodness of Fit values within the limits and model is structurally appropriate. It has been observed that there is sufficient evidence that the orientation values of the resulting modified model are well within the limits of orientation values and that the model is structurally appropriate.

According to the model Goodness of Fit Index (x2 / df: 1.60) in between acceptable levels. It satisfies the required spacing  $\leq$ 3. (RMSEA: 0.06) is in between the acceptable levels. In the model GFI: 0.73 and CFI: 0.82 values are slightly lower. According to model values of  $\beta$ , standard error, p and  $R^2$  values exhibited in Table 6.

**Table 7:** B Coefficients of Variables, Standard Deviation, P and  $R^2$ Values

Variables			Standar	d error	P	$R^2$	CR	Hypothesis Rejection/Acceptance
style has a	Transformational Leadership	0,22	0,8	97	,56	,36	0,57	
	Transactional Leadership	- 0,80	0,6	79	,84	,27	0,20	Reject
performance of the operator.	Passive Leadership	0,11	0,1	35	,50	,35	0,67	
Transformational leadership influences organizational performance positively.			0,2	48	,00	,15	3,54	Accept

When the values were examined, it is found that there is a significant relationship between transformational leadership and organizational performance. The hypothesis that claims transformational leadership has a positive effect on organizational performance has been accepted (p: 0.005, p<0.05).

According to Baron and Kenny (1986), the following conditions must be fulfilled in order to prove the mediation effect. The independent variable

(Leadership types) should have an effect on the dependent variable (Organizational performance). The independent variable (Leadership types) should have an impact on the mediator variable (Management style). When the data is analyzed together with the mediator variable (Management style) and independent variable (Leadership types), the effect of the independent variable (Leadership types) on dependent variable (Organizational performance) should decrease. The mediator variable must have an effect on the independent variable.

The effect of the transformational leader on organizational performance is mediated by the management style ( $\beta$ : 0,22, p> 0,05), mediation of transactional leadership ( $\beta$ : -0,80; p> 0,05) and passive leadership ( $\beta$ : 0,11, p> 0.05). For this reason, these hypotheses are rejected. The hypothesis that the impact of the transformational leadership on organizational performance ( $\beta$ : 0.38, p> 0.05) is accepted.

#### 6. Result

The leader is the person who comes to the fore with his vision, knowledge, power of rhetoric that he has as influencing the group he is involved in. he/she has the ability to direct the group for the specific objectives. Until today, trait theory, behavioral theories, situational leadership, transformational and transactional leadership examined the concept of leadership and advocated different types of leadership. In the literature, we can see that the concept of leadership has a great importance for increasing success and performance at the organizational level. It has been observed that the leadership type in the business has an impact on organizational performance. In the study, the types of leadership: transformational, transactional and passive and the effects of these leadership types on organizational performance in terms of the management style of the business are examined. In this study in order to determine the management style, 8 questions were asked about the traditional and modern management style. The Bass & Avolio Multifactor Leadership Questionnaire (MLQ) was used to measure leadership types. In the multi-factor leadership dimension, leadership styles are examined with the main dimensions of transformational, transactional, and passive leadership. Kaplan and Norton's Balanced Scorecard measurement technique was also used to measure organizational performance.

#### Results of the Hypothesis

- The management style has an intermediary role in the influence of leadership types on the performance of the organization.

Mediating effect of management style (on Transformational leader's influence on organizational performance) is  $\beta$ :0.22, p>0.05, transactional leadership is  $\beta$ : -0.80; p> 0.05 and passive leadership is  $\beta$ : 0.11; p> 0.05. Hence, the result of study indicates that there is no mediating role in the influence of leadership types: hypothesis rejected.

- Transformational Leadership positively influences the organizational performance ( $\beta$ : 0.38, p> 0.05): the hypothesis was accepted.

When the values are examined, it is found that there is a significant relationship between transformational leadership and organizational performance (p:0.005, p<0.05). So transformational leadership has a positive effect on organizational performance has been accepted.

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