

EFFECTS OF TRANSACTIONAL LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE IN THE NIGERIAN CONSTRUCTION INDUSTRY: THE MODERATING ROLE OF POSITIVE PSYCHOLOGICAL CAPITAL.

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Abstract

This study examines the effects of transactional leadership styles on positive psychological capital for employee performance in the Nigerian Construction industry. This study focuses on the transactional leadership style, in its interaction with positive psychological capital to impact the performance of construction industry employees. It employed a mixed-method research design to achieve the stated objectives, where one hundred and sixty four construction firms in Nigeria were considered. The study found that the contingent reward dimension of the transactional leadership style has a positive and significant effect on employee performance. It was revealed from the study that active management by exception has a positive effect on employee performance but the relationship is not significant; and that passive management by exception dimension of the transactional leadership style has a negative effect on construction employee performance, but the effect is not statistically significant. For the role of the positive psychological capital in the relationship between the transactional leadership style and construction employee performance, the result of the study revealed that self-efficacy has a positive role between contingent reward and employee performance and active management by exception and employee performance and a negative role in the relationship between passive management by exception and employee performance while they are all not statistically significant. Furthermore, hope was found to have a negative role in the relationship between contingent reward and employee performance but not significant, while it has a negative role in the relationship between active management by exception and employee performance which is statistically significant. It is therefore recommended that the contingent reward of the leadership style should be well explored in the industry to have the best performance from the employees while the use of active management by exception could be used as well but within a democratic workplace environment. It is recommended that more effort should be put in to enhancing the positive psychological capital of the construction employees, to have the best impact of the transactional leadership style on the performance of the employees.

Keywords: Contingent Reward, Construction Industry, Construction Professionals, Employee Performance, Psychological Capital.