

**THE EFFECT OF TRANSACTIONAL LEADERSHIP AND INNOVATIVENESS ON BUSINESS PERFORMANCE**

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**ABSTRACT**

The study uses employee perceptions to help assess how high or low transactional leadership style and innovativeness impact business performance. Three hundred and thirty-three (333) employees from the telecommunication industry responded to a structured questionnaire. Data obtained was analyzed by regression and correlation making use of both inferential and descriptive statistics. The study discovered a significant positive relationship between both transactional leadership and innovativeness and business performance but of moderate strength. Transactional leadership and innovativeness also had a significant positive effect on business performance both independently and combined but the effect of innovativeness was higher than transactional leadership.

Keywords: *Leadership, Transactional leadership, Innovativeness, Business Performance*