



**ST. MARY'S UNIVERSITY COLLEGE  
SCHOOL OF GRADUATE STUDIES**

**EFFECT OF LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE:**

**THE CASE OF BLU WATER**

**BY**

**SIHEN BELAYHUN**

**Date- July, 2021**

**Addis Ababa, Ethiopia**

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**SAINT MARY'S UNIVERSITY  
SCHOOL OF GRADUATE STUDIES  
FACULTY OF BUSINESS**

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## DECLARATION

The undersigned, declare that this thesis work entitled “**The Effect of Leadership Style on Employee Performance, (the case of Blu Water Ethiopia)**”, is my original work, prepared under the guidance of Solomon Markos (Ph.D.). All sources of materials used for the thesis have been duly acknowledged.

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July 2021

## **ENDORSEMENT**

This thesis entitled, “The Effect of Leadership Style on Employee Performance in the case of Blu Water”, has been submitted to St. Mary’s University, School of Graduate Studies for examination with my approval as a university advisor.

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**Advisor**

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**July, 2021**

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Sihen Belayhun

SMU, JULY 2021

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## Acronyms

EP: Employee performance

HR: Human Resource

LS: Leadership Style

LSC: Leadership Style Construct

MLQ: Multifactor Leadership Questionnaire

## Abstract

*Leadership is the ability of individual or a group of individuals to influence and guide followers or other members of an organization. Leadership involves making sound and sometimes difficult decisions creating and articulating a clear vision, establishing achievable goals and providing followers with the knowledge and tools necessary to achieve those goals. Effective leaders not only control, appraise and analyze, they also encourage, improve and inspire. A leadership style is a leader's method of providing direction, implementing plans, and motivating people. The major objective of this study is to investigate the effect of leadership style on employee performance in Blu water company Ethiopia. The study was used a descriptive research design in which selection of respondents was done using a census technique. The analysis was made using descriptive statistics and significant relationship of the independent variables with the dependent variables was made using inferential statistics (correlation and regression analysis). The descriptive analysis result shows, the majority of the respondents were female (55.7). Most (51.4) of the respondents during data collection were under 18 to 28 years old. 55.0 % of them have bachelor's degrees. The correlation analysis result shows that Leadership styles i.e. (Transformational, transactional and laissez-faire) have a positive and significant relationship with Employee performance. Finally, according to the regression analysis result, only one hypothesis (Ha2) which is transactional leadership style has a positive and significant influence on employee performance is accepted. To improve perceived leadership influence on employee performance, leaders should avoid abusing power, address disagreements, and set clear goals for each member of their team, according to the findings.*

**Key Terms:** Leadership; Transformational Leadership; Transactional Leadership; Laissez-faire Leadership; Employee Performance.

# CHAPTER ONE

## INTRODUCTION

This chapter introduces a general background of the study, Objectives of the study as well as statement of the problem. The chapter further describes the scope of the study, significance of the study and organization of the study.

### **1.1 Background of the Study**

It is clear that many organizations are continuously searching until today new ways and methods of development, particularly in terms of administrative aspects, which may be possible helping to maximize the quality and profitability of organizational objectives. According to Igbaekemen, (2014).

Leadership is the process of influencing others to work willingly toward an organizational goal with confidence. Lawal,A.A.(1993). In Leadership both a study field and a functional capacity to "lead", influence or direct other people, teams, or entire organizations by a person, group or organization. Effective leaders not only control, appraise and analyze, they also encourage, improve and inspire (john Adair 1934).

In order to succeed in the business market, most organizations sought to follow suitable leadership styles. It is clear that many organizations are still searching for new ways and methods of growth especially in administrative areas that can help them achieve organizational goals with greater effectiveness and performance.

In an increasingly computerized world where technological advances have driven the creation of complex work environments, there is a need for dynamic and creative leaders that are capable of addressing the challenges and opportunities that exist in the new workplace that is intent on promoting the change required for establishing and retaining a competitive edge.

To accomplish the specified goals and objectives, the current organization used a number of leadership styles. Organizations must follow different leadership styles including transactional,

laissez faire, autocratic and transformational leadership styles in order to achieve business efficiency and economic growth.

Furthermore, most of the leadership theories suggest that the leadership style applied has the significant influence on employee performance, satisfaction and motivation and has also a significant influence on the two performance of the organization (Matin&Farjami, 2009) Performance refers to the proportion between product and all factors of production to achieve the required output. Employee performance is an important building block of an organization and factors which lay the foundation for high performance must be analyzed by the organizations.

From the preceding discussion, it is obvious that each leadership style has distinct characteristics. Transactional leadership, for example, tries to fulfill the immediate needs of their subordinates by organizational goal bargaining. (Bass, 1985). Transactional leaders have ability to motivate followers to rise above their own personal goals for the better performance of the organization and betterment of subordinates (Bass, 1996).

Transformational leadership is one of the styles of leadership in which the leader identifies the needs for change, creates a vision to guide the change through inspiration, and positive conduct for increased commitment of the members in the organization (Burns, 1978; Yukl, 1999). Additionally, transformationalism was represented in charisma, creative encouragement and attention to the individual (Bass & Avolio, 1994).

Lathan's (2005), defined laissez- fair style as "Abdicates responsibilities avoid making decisions". Laissez- Fair is uninvolved in the work of the unit. It's difficult to defend this leadership style unless the leader's subordinates are expert and well-motivated specialists, such as Scientists. "Leaders let group members make all decision" (Mondy&Premeaux, 1995). This research is, therefore, undertaken to assess the Blu water company's leadership style and its effect on its employees that may have or will impact the company's future.

## 1.2 Statement of the Problem

There is no question that leadership plays a major role in handling the sector's affairs. There are several variables influencing employee performance in organizations, such as recruitment, pay, organizational culture, hierarchy, responsibilities, among others, but styles of leadership have been overlooked.

The relationship between leadership style and employee performance has long been a source of debate among academics around the world. One of the concerns that need to get proper answers in organizational management is to find out the problems of leadership styles impacting the success of employees. Depending on the leading person, productivity in various sectors has fluctuated. The leader can influence performing or underperforming subordinates. Nonetheless, it is also noted that the performance of the organization does not only depend on the leading leader rather than employee attitude towards work Maxwell (2003).

Transactional leadership it is a leadership style in which leaders encourage followers' obedience through both incentives and punishments. Transactional leaders are able to keep followers focused for the short term through a system of incentives and punishments. Transactional leadership style influences workers performance more than any other leadership style (Pattern, 1995). Transformational leadership it is a leadership philosophy in which a leader works with teams to define the required change, build a vision to direct the change through inspiration, and execute the change in collaboration with dedicated community members.

Babatunde (2012) propounds that transformational leadership style influences workers performance more than other types of leadership styles. It has also, on the other hand, been argued that Laissez Faire LS since sets employees to decide on their own, it motivates them to perform better than any other leadership style hence influences them to perform better than any other leadership style. Conversely, the style of leadership of Laissez Faire is one of the worst. Leadership styles influence the output of workers as leaders let go of stuff without Employee performance management, which leads to less performance (Yukl, 2007). The Two Ones Researchers have no general consensus on the effect of the leadership style of laissez Faire, where It is seen in one viewpoint that it may impact the output of employees and on the other Perspectives do not impact the efficiency of employees.

It can be argued that assessing the influence of one's company leadership style on the motive of its employee to work harder and make the business profitable plays a major role in helping a business to change its tone to become successful. Efficient management style should be followed for workers to excel at their job managers and aim to build a happy and healthy work atmosphere. Because of this company, their LS, tone and setting have to be periodically reviewed to the point that it has an influence on the staff and the company in general so that it can be remedied in the future. In addition, the literature review shows that researchers who studied the same topic did not cover all industries. As a consequence, it's important to keep in mind that the literature doesn't cover all industries or countries. This also indicates that Ethiopian researchers have not studied the topic enough, and those who have in other countries have not reached a consensus. This thesis is intended to fill the knowledge gap by analyzing the Blu water company's leadership style and its effect on its employee's performance.

### **1.3 Basic Research Questions**

The purpose of this thesis is to answer the following research questions:

- What is the effect of transformational leadership style on employee performance at Blu Water Company?
- What is the effect of transactional leadership style on employee performance at Blu Water Company?
- What is the effect of laissez-faire leadership style on employee performance at Blu Water Company?
- How is the performance of Blu Water Company while implementing leadership constructs?

### **1.4 Objectives of the research**

- The thesis has the following general and specific aims:

#### **1.4.1. General objectives**

- The main objective of this study was to investigate the effect of leadership styles on employee performance in Blu water company, Ethiopia.

#### **1.4.2. Specific objectives**

- To determine the effect of transformational leadership style on employee performance at Blu water company.
- To examine the effect of transactional, leadership style on employee performance.

- To assess the effect of laissez-faire leadership style on employee performance at Blu Water Company.
- To determine the performance of Blu water company while implementing leadership constructs.

### **1.5 Significance the study**

This research has the following organizational and academic implications. The study results help Blu Water Company, to understand the organization's most dominant leadership styles and to understand the degree of the efficiency of leadership styles in achieving the objectives and goals stipulated by the company. In addition, the study will help the organization to strike a balance between the various types of leadership to fit into the current situation in order to improve employee morale. The thesis also has scholarly value, since it adds something to the field's body of knowledge. In the area the research findings and arguments made to this end may provide useful insights that ignite more academic debates and discussion on the subject. In addition, by acting as a reference material for potential researchers in the area, research work can bridge the literature gap in the field. The research effort is critical in improving the knowledge and skills of the researcher that are useful for future carrier growth.

### **1.6 scope of the study**

There is no argument that if the study was carried on two or more private water packing firms, the research results would have shown a better picture. However, due to time, finance and analysis manageability, the study is difficult and unmanageable to perform. There is minimal investigation of the influence of leadership style on employee performance for this report of blu water. However, there are other variables influencing employee productivity such as compensation and incentives, employee training, working conditions, there is a geographical factor in collecting the data and even company procedures to display secondary data for the analysis, etc., This research is dedicated to determine the effect of leadership style like transactional, transformational and laissez faire leadership style on employee performance only.



## **1.7 Limitation of the study**

It was difficult to cover the entire leadership style domain in only one report. Many study participants may not be interested in or serious about the study answers, and also difficult time due to respondents not giving detailed opinions/views to some questions despite being aware of the research subject. Therefore, it is not reflect all constructs that might be able to explain leadership style on employee's performance.

## **1.8 Definition of Terms**

**Leadership** is wide spread process, which calls for authority, responsibility and delegation of power (Talat, 2015). The role of the leader is considered significant as leaders can have influence on both employees and on the system.

**Leadership Style** refers to a leader's characteristic behaviors when directing, motivating, guiding, and managing groups of people. Great leaders can inspire political movements and social change. They can also motivate others to perform, create, and innovate. It is also a leader's method of providing direction, implementing plans, and motivating people. Various authors have proposed identifying many different leadership styles as exhibited by leaders in the political, business or other fields. (Kendra Cherry 2020).

**Employee performance** Employee performance is described as how well an individual performs their job responsibilities and completes their assigned tasks.

## **1.9 Organization of the study**

This paper is organized in five chapters. Chapter one includes study context, problem statement, fundamental research issues, study purpose, meaning of words, study importance, study delimitation/scope and study restriction. The second chapter deals with literature review, in which critical review of scholars' work in the research topic will be presenting. The type and design of the research are defined in the third chapter, as well as the subjects/participants of the study, data sources, data collection instruments, data collection procedures and data analysis methods used. Chapter four outlines the study's results/findings and interprets the findings and/or discusses them. Finally, chapter five summarizes, concludes and presents recommendations. Areas for future studies are also recommended.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Theoretical literature review

##### 2.1.1 Leadership overview

According to Bass and Avolio (1997), a single specific definition of leadership is a very complex task as literature and studies on this topic are varied and there is no definition which is widely and universally accepted. Some definitions describe leadership as an act of influence, some as a process and yet others have looked at a person's trait qualities. Nel et al. (2004) define leadership as the process whereby one individual influence other to willingly and enthusiastically direct their efforts and abilities towards attaining defined group or organizational goals. Leaders help direct, guide and assist their followers (employees) to achieve the organizational and professional benefits of their personal and organizational priorities and goals. Leadership styles also include all facets of coping with, dealing with or dealing with disputes, canceling, inspiring, supporting and directing workers inside and outside an organization to accomplish their duties and behaving as a role model.

Leadership is wide spread process, which calls for authority, responsibility and delegation of power (Talat, 2015). The role of the leader is considered significant as leaders can have influence on both employees and on the system. They set personal examples and develop culture and environment that influences both employees and organizations (Kaufman et al., 2014).

Leadership is the process of influencing others to work willingly toward an organizational goal with confidence. Leaders create a culture where their subordinates strive for goal attainment for the success of their organizations. Leadership is a relationship between leader and followers. The strength of this relationship may be seen as a function of the supply of and the demand for leadership services. Some minimum supply is clearly a necessary condition for a leadership relation to emerge and be sustained. Positive demand on the part of prospective followers seems not to be strictly necessary in all modes of leadership, but it is generally an important determinant of the strength of leadership relations. Leadership will clearly be most effective when supply matches demand. It is as a process by which a person influences others to

accomplish an objective and directs the organization in a way that makes it more cohesive and coherent (Kumar, 2014). These objectives are accomplished through the application of leadership attributes, such as beliefs, values, ethics, character, knowledge, and skills. Leaders create a culture where their subordinates strive for goal attainment for the success of their organizations.

### **2.1.2 Leadership theories and styles**

The type of leadership applied in functions entailing very high degree of precision, confidence level, sensitivity, care and technical expertise may be different than in simple management-oriented portfolios, as one that does not fit all heads (Dess, & Picken, 2000). It means that situations, contexts, culture, working environment, new laws and regulations, information overload, organizational complexities and psycho-socio developments remarkably impact the leadership concept thereby, making it commensurate to the changing organizational dynamics (Amabile, Schatzel, Moneta & Kramer, 2004).

Leadership has been the most widely discussed component of organizational behavior internationally, and a range of hypotheses have arisen based on leadership techniques, characteristics, personalities and situational approaches. Researchers, behavioral scientists and sociologists started to study the potential implications of leadership activities and the variables used to predict the behaviors of the leader because of an ever-increasing interest in the field of leadership. Some of the theories linked to leadership here below.

#### **2.1.2.1 Traits theory and leadership styles**

The early theorists opined that born leaders were endowed with certain physical traits and personality characteristics which distinguished them from non-leaders. Trait theories ignored the assumptions about whether leadership traits were genetic or acquired. Jenkins identified two traits; emergent traits (those which are heavily dependent upon heredity) as height, intelligence, attractiveness, and self-confidence and effectiveness traits (based on experience or learning), including charisma, as fundamental component of leadership (Ekvall & Arvonen, 1991). Max Weber termed charisma as “the greatest revolutionary force, capable of producing a completely new orientation through followers and complete personal devotion to leaders they perceived as

endowed with almost magical supernatural, superhuman qualities and powers”. This initial focus on intellectual, physical and personality traits that distinguished non-leaders from leaders portended a research that maintained that only minor variances exist between followers and leaders (Burns, 2003). The failure in detecting the traits which every single effective leader had in common, resulted in development of trait theory, as an inaccessible component, falling into disfavor. In the late 1940s, scholars studied the traits of military and non-military leaders respectively and exposed the significance of certain traits developing at certain times.

### **2.1.2.2 Behavioral theory**

The behavioral leadership theory focuses on how leaders behave, and assumes that these traits can be copied by other leaders. Sometimes called the style theory, it suggests that leaders aren't born successful, but can be created based on learnable behavior. Behavioral theories of leadership focus heavily on the actions of a leader. This theory suggests that the best predictor of leadership success is viewing how a leader acts. The behavioral theory has many advantages primarily that leaders can learn and decide what actions they want to implement to become the kind of leader they want to be. It allows leaders to be flexible and adapt based on their circumstances. This theory suggests that trained leaders are better than born leaders hence contradicting to trait theory which suggests that born leaders are better than trained leaders.

### **2.1.2.3 Theory X and theory Y**

The concept of Theory X and Theory Y was developed by social psychologist Douglas McGregor. It describes two contrasting sets of assumptions that managers make about their people. It was also pointed out that many human beings prefer to be directed and avoid responsibilities, but prefer to have security. Due to this unsatisfactory attitude, the characteristics of most employees should be controlled and punished in order to make them aware of the habit of achieving organizational objectives. Theory X – people dislike work, have little ambition, and are unwilling to take responsibility. Managers with this assumption motivate their people using a rigid "carrot and stick" approach, which rewards good performance and punishes poor performance. Theory Y – people are self-motivated and enjoy the challenge of work. Managers with this assumption have a more collaborative relationship with their people, and motivate them by allowing them to work on their own initiative, giving them responsibility, and empowering them to make decisions.

#### **2.1.2.4 Contingency Theories (Situational)**

The theories of contingency recommends that no leadership style is precise as a stand-alone as the leadership style used is reliant upon the factors such as the quality, situation of the followers or a number of other variables. “According to this theory, there is no single right way to lead because the internal and external dimensions of the environment require the leader to adapt to that particular situation”. Contingency theories are based on the assumption that leadership style depends on the prevailing organization situation (Cheng and Chan, 2002).

In most cases, leaders do not change only the dynamics and environment, employees within the organization change. In a common sense, the theories of contingency are a category of behavioral theory that challenges that there is no one finest way of leading/organizing and that the style of leadership that is operative in some circumstances may not be effective in others (Greenleaf, 1977). It was further pointed out that success of leader and employees depends upon a good number of factors, including the leader’s preferred leading style, the capabilities and behaviors of the subordinates and situational characteristics (Cheng, 2002).

Effective leadership requires adapting one’s style of leadership to situational factors, and control is conditional on three factors namely, the relationship between the leader and subordinates, the degree of the task structure and the leaders’ authority and power.

#### **2.1.2.5 Transformational leadership**

Transformational leadership is a leadership theory where a leader works with teams to identify needed change, to create a vision to guide change through inspiration, and to implement change in tandem with committed members of a group. It is when leader behavior influences followers and inspires them to perform beyond their perceived capabilities. Transformational leadership It inspires people to achieve unexpected or remarkable results. It gives workers autonomy over specific jobs, as well as the power to make decisions once they have been trained. This leads to a positive change in the attitudes of the followers and the organization as a whole. The transformational leadership style is expected to bring about higher-order changes within organizations as the production of higher order changes is the nature of this leadership style (Bass &Reggie, 2006:6).

Transformational leadership also originates in the personal values and beliefs of leaders, not in an exchange of commodities between leaders and followers. Both Bass (1985) and Bums (1978). Indicated that transformational leaders operate out of deeply held personal value systems that include such values as justice and integrity. Bums refer to these values as end values those that cannot be negotiated or exchanged between individuals. By expressing their personal standards, transformational leaders are able both to unite followers and to change followers ' goals and beliefs. This form of leadership results in achievement of higher levels of performance among individuals than previously thought possible (Bass, 1985).

Transformational leaders Identified to hold high expectations for followers, believing they can do their best. As a result, they inspire, empower and encourage followers to exceed normal levels of performance. Transformational leaders also Focus on and care for followers and their personal needs and development. In addition to finding an inspiring leader to help direct them through an uncertain world, followers are often challenged and motivated to collaborate with complex work groups and organizations; this helps them to become committed, high performers.

Transformational leadership can/may use one or more of the following 5 components discussed below for the achievement of superior results (Bass &Avolio, 2005).

- I. **Idealized attribute:** -For followers, the leader acts as an ideal role model; the leader "walks the conversation," and is praised for this. A transformational leader represents the qualities of his/her team that he/she needs. In this situation, the followers look up to the leader as a role model. This component expresses the way in which a leader behaves to become a role model for his/ her followers as a result of which such a leader gains respect, admiration and trust from his/ her followers (Bass &Riggio, 2006:7). The conduct of the leader is characterized by the following variables: personal needs, sharing of risk, continuity, moral and ethical behavior. For the followers, it is easy to believe and trust in a transformational leader (Bass &Avolio, 2005:4). At this juncture, it should be remembered that idealized qualities are also part of charismatic leadership (Gill, 2010: 53).
- II. **Idealized behavior:** This refers to leaders who spend most of their time discussing important ideals and ideas. They also consider the ethical implications of decisions

(Bass & Avolio, 2004: 8). Strong morals and leaders' value-driven behavior, as well as highly valued actions, are vital to them. Dominance, consciousness, self-control, optimism, and self-efficiency are examples of highly valued behaviors for such leaders. They have an inspiring vision and also consider the moral implications of their actions.

- III. **Inspirational behavior:** - This applies to action that encourages and motivates followers through having a vision and presenting that vision. The stimulation of followers' curiosity and trust enhances their sense of belonging to the team. This is done by the leader giving meaning to the work of his or her followers. The leader is observed here to be devoted to the mutual vision and to convey clear priorities and goals. Emotional appeal, vivid and persuasive images and other examples are used by the leader (Bass & Riggio, 2006: 6).
- IV. **Intellectual stimulation:** - followers are encouraged to recognize problems and try to identify solutions of good quality (Sarros & Santora, 2001:246; Ahanger, 2009:357). The leader inspires his or her followers to be inventive and imaginative, and to question the status quo. Transformational leaders are "soft," a common misunderstanding, but the fact is that they actively challenge followers to higher standards of success.
- V. **Individualized consideration:** - The leader serves as a mentor and coach to his or her followers, inspiring them to achieve their full potential. This is done by providing opportunities for learning and a welcoming atmosphere, delegating assignments and giving other responsibilities. Transformational leaders show sincere concern for the desires and emotions of followers and assist them to self-actualize. This one-on-one attention to each follower helps in the creation of trust between members of the organization and their authority figure (s). It depends on the idea of individualized consideration to shift from transactional to transformational leadership. This includes ways to modify the motivations of followers to not only understand their self-interest, but also the moral and ethical implications of their action.

### 2.1.2.6 Transactional leadership

Transactional leadership represents those exchanges in which both the superior and the subordinate influence one another reciprocally so that each derives something of value (Yukl, 1981). Simply stated, transactional leaders give followers something they want in exchange for something the leader's wants. Transactional leaders engage their followers in a relationship of mutual dependence in which the contributions of both sides are acknowledged and rewarded (Kellerman, 1984). This indicates two key variables. First, transactional leadership is an exchange process. Secondly, workers exert themselves either to receive rewards or avoid punishment.

The definition given above for this style of leadership matches with that of task orientation (Blake & McCauley, 1991:29). Transactional leadership is frequently positioned as a less efficient one than transformational leadership although each one is complementary to the other (Northouse, 2012:11). In these situations, leaders are influential because doing what the leaders want is in the best interest of the followers. Effective transactional leaders must regularly fulfill the expectations of their followers. Thus, effective transactional leadership is contingent on the leaders' abilities to meet and respond to the reactions and changing expectations of their followers (Kellerman, 1984). However, according to Avolio (2010: 49), transformational leaders will not succeed without using a form of transactional leadership as expectations and goals need to be set and performance needs to be controlled. Besides, the goal of structuring for the achievement of tasks must be realized (Bass & Avolio, 2005:12). Transactional leaders are generally split into three dimensions: contingent reward, management-by-exception: active, and management-by-exception: passive.

- I. **The contingent reward:** - the contingent reward is a basic element of transactional leadership behavior (Armstrong, 2008:8). Here, the leader promises to deliver rewards when the follower reaches predefined goals. The contingent incentive system is a motivational system that rewards people who accomplish their objectives. It gives positive reviews for a job well done. This method of encouragement motivates workers to complete their assignments and achieve their objectives in a professional and timely manner. The expectancy theory of motivation is related to contingent



reward. Both share the existence of conditions that allow individuals to make conscious preferences (Vroom, 1964 :). To be clearer, contingent reward states that if employees recognize the existence of a correlation between task performance, and rewards sufficient to satisfy the desired need of employees, employees will then be motivated to fulfill the demands of the leader (Vroom, 1964:72; Lawler, 1998:9). Valence (a sufficient reward is offered to motivate followers), expectancy (employees believe that they can do what is required) and instrumentality (followers expect that managers will provide the promised reward if they deliver) are part and parcel of the beliefs of this component (Vroom, 1964:7; Bass, 1990:48; Burns, 1978:18; Sims &Manz, 1996:63).

- ii. **Management by exception active:** - the leader continually monitors each subordinate's performance and takes immediate corrective action when something goes wrong. Van Eeden et al. (2008:255) state that the characteristics of management-by-exception active help identify which leaders work hard to rid an organization of failures. These characteristics are a degree of task orientation, and the need for structure that requires directives. Management-by-exception in its active phase describes a leader who actively monitors the followers' progress, and when mistakes are identified, the leader then adjusts the course of action, thereby correcting the situation. Avolio and Bass (2002) proposed while corrective action may be perceived as negative; an active approach tends to be effective in certain situations.
- iii. **Management-by-Exception Passive:** - A leader who uses management-by-exception in a passive manner is one who waits for errors before intervening to correct them. They stick to the idea "If it ain't broke, don't fix it" (Avolio, 2010:64; Gill, 2010:51). Bass and Avolio (1994) also described management by exception passive as a putting out fires approach or a reactive management approach. This relationship is not positive in nature as the follower only receives feedback from the leader when mistakes are present (Barbuto & Brown, 2000).

### **2.1.2.7 Laissez-faire leadership**

Leaders who practice laissez-faire management have a trusting and dependent mindset toward their staff. They don't micromanage or get too active, and they don't offer too much direction or

guidance. Laissez-faire leaders, on the other hand, encourage their workers to use their ingenuity, resources, and experience to help them achieve their objectives. Managers trust their staff and are confident in their abilities, so this style of leadership is very hands off. They provide direction and take initiative when necessary, but this leadership style encourages subordinates and team members to take the lead. This is also referred to as passive leadership in contrast to active leadership. It implies an absence of leadership. Laissez-faire leadership is different from democratic and participating styles as democratic and participating leadership styles allow autonomy, delegation and intervention when standards are not met (Bass & Avolio, 1993:121). These theories concentrate on supervisory positions, organizational roles, and group efficiency and they categorize leadership based on a system of incentives and punishments for achieving specific goals. The laissez-faire leadership style is marked by a lack of direction from officials, as well as a lack of transparency. Employees have decision-making power. It is required of people to solve their own problems. Many resources and software are accessible, Leaders constructive criticism.

#### **2.1.2.8 Great man theories**

The great man theory is a 19th-century concept that history can be primarily explained by the influence of great men, or heroes; highly powerful and exceptional individuals who have a definitive historical effect due to natural qualities such as superior intelligence, courageous bravery, remarkable leadership skills, or divine inspiration. In this theory it is assumed that the capacity for leadership is inherent – that great leaders are born not made (Maxwell, 2009). Since leadership was thought to be predominantly a male attribute at the time, particularly in terms of military leadership, the term "Great Man" was coined (Babatunde, 1999).

#### **2.1.2.9 Situational Theories**

Refers to leaders who use various leadership styles depending on the situation and the level of growth of their team members. It's a smart way to lead because it adapts to the needs of the team and strikes a good balance for the whole organization. Situational theories propose that leaders choose the best course of action based upon certain situation (Botha, 2000).

#### **2.1.2.10 Participative Theories**

According to participatory leadership theories, the strongest leadership style is one that considers the views of others. Participative leadership theories suggest that the ideal leadership style is one that takes the input of others into account (Prabhu, 2011). These leaders empower community members to engage and contribute, making them feel more engaged and invested in the decision-making process. However, in participative theories, the leader maintains the freedom to accept others' feedback.

#### **2.1.3 Employee performance**

In order to increase employee performance, the role of leaders is very important in directing and managing the employees to reach the company's goals. Without a leader, the company is only a group of people working together without any guidance that enable them to realize the goals of the company. Leaders are the ones who can be able to model the way, motivate, enable others to act and challenge the process for the sake of the company (Bateman & Snell, 2007). Thus, leaders and followers will have to work together to achieve the company goals. The quality of the leader is usually the most crucial factor in determining the success or failure of the company (Bass, 1990).

Performance is the attained outcome of actions with skills of employees. Employee performance is described as how well an individual performs their job responsibilities and completes their assigned tasks. It refers to the output's effectiveness, consistency, and performance. Performance is also a factor in deciding how important an employee is to the company. Employee efficiency, it is further clarified, is an individual's contribution to the achievement of organizational objectives. Employee output is essentially the outcome of patterns of action taken to accomplish a target in compliance with certain criteria. Performance is considered as an important activity that provides both the goals and methods to achieve the organizational goals and also provide the achievement level in term of out-put (Ibrahim, 2004).

Bass and Avolio (1997) assert that the outcome of leadership and the leader's success are related to followers' perceptions of the leader. Bass and Avolio state that this perception is determined by: how the followers perceive their leader as being effective, and how satisfy the followers are

about how their leader communicates with others. How much do followers think their leader inspires them to put in extra effort? These metrics will be addressed further down.

## **I. Effectiveness**

Effectiveness is the ability to achieve a desired output or the capability of producing a desired outcome. If anything is considered successful, it means it achieves the desired result or leaves a lasting impression. Leadership effectiveness is “the successful exercise of personal influence by one or more people that results in accomplishing shared objectives in a way that is personally satisfying to those involved. Furthermore, effectiveness is assessed by the extent to which the organization performs its task and then achieves its goals. Leadership effectiveness is impacted strongly by appropriate leadership style, Bruno, Léo F.C. & Lay, Eduardo G.E., (2008).) And good relationships with their followers which enhance followers’ well-being and their performance

## **II. Employee satisfaction**

Employee satisfaction is a broad term used by the HR industry to describe how satisfied or content employees are with elements like their jobs, their employee experience, and the organizations they work for. Employee Satisfaction with Leadership is a survey index or collection of questions that asks employees how happy they are with the leadership of their business. Depending on the survey used, such a metric or index can have a different name. Employee Satisfaction with Leadership examines employees' feelings about the leadership of their business line, role, or region, as well as the leadership of the organization as a whole. While the Manager Quality Index focuses on employees' feelings about their direct managers, Employee Satisfaction with Leadership examines employees' feelings about the leadership of the organization as a whole. Laohavichien, Fredendall and Cantrell (2009:17) point out that both transactional and transformational leadership have received considerable attention from many scholars. According to some reports, transformational leadership has a greater effect on followers' success and creativity than transactional leadership. (Boerner, Eisenbeiss&Griesser, 2007:18). Because of their high communication skills transformational leaders show more commitment to the goals of the organization (Berson&Avolio, 2004:629

### **III. Extra effort**

Transformational leaders verbalize feelings of admiration, respect, trust and gratitude towards their subordinates as a result of which such subordinates become motivated to put in an extra effort (Bass, 1985:). Leaders are able to increase the motivation to put in an extra effort by their followers. This is because they can motivate followers to higher levels of personal expectations and commitment. A high positive association between transformational leadership and perceived efficacy of leaders, completed work units, and extra effort from followers has been reported in several studies. If followers have personal values that are consistent with their leaders' values, transformational leadership can have a greater effect on follower effort and results.

#### **2.2 Empirical literature review**

Leadership has been described as a significant topic in the field of organizational behavior in the literature. During individual and organizational activity, one of the most complex results is leadership. In other words, management's ability to conduct a collaborative project is dependent on leadership ability. Despite the fact that the numerous leadership methods examined show that leadership research has had periods of skepticism, recent attention has centered on the relevance of the leadership position to the performance of organizations. Leaders and their leadership styles are one of the most studied subjects in recent years, according to numerous surveys and researches. The impact of leadership styles on employee performance have been studied in a variety of ways. Some of these researches are mentioned in this section.

Various academics and scholars have interpreted leadership differently in the age of leadership, including well-known researchers. Fry (2003) explains leadership as the application of a leading approach to provide motivation and to maximize the capacity for growth and advancement of employees. Whereas, Stogdill (1957), leadership is characterized as an individual's actions that guides a community toward a common goal.

Excellent leader not always inspires subordinate potential to enhance efficiency but also meets their requirements in the process of achieving organizational goals. Rassol (2015) who investigated leadership styles and their effects on employee performance in Pakistan's health sector and found that transformational leadership styles have a greater positive impact on

employee performance than transactional leadership styles. A broad body of empirical evidence has shown that leadership practices have an effect on employee success, and that strong leaders outperform weak leaders. And that transformational leadership generates higher performance than transactional leadership (Burns 1978; Bass 1990; Hater and Bass 1985; Howell and Avolio 1993). Research (Bass & Avolio, 1994; Kotter, 1988 and Meyer & Botha, 2000) in organizational behavior has identified transformational leadership as the most suitable for modern day organizations. This creative leadership style is needed in today's business climate; a style that empowers employees and raises employee performance in an effort to improve organizational performance and continued existence (Kotter, 1988).

### **2.2.1 Transformational leadership and employee performance**

In order to increase employee performance, the role of leaders is very important in directing and managing the employees to reach the company's goals. Without a leader, the company is only a group of people working together without any guidance that enable them to realize the goals of the company. Gill, (2010) state that transformational leadership is a process of influencing employees' behavior and their ways of thinking and building employees' commitment toward companies' vision and mission statements in order to achieve the companies' goals. In addition to this, transformational leadership refers to leaders' styles that enable to motivate employees so that they can develop themselves to perform their best (Yukl, 2010). So, it can be concluded that transformational leadership is a leader style that enables employees to develop themselves to empower their performance. Transformational process can be seen through a number of transformational leadership behaviors as: attributed charisma, idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass, 2003). It is claimed that a transformational leader allows subordinates to have a vision, purpose, and company objectives, inspiring and empowering them to reach their full potential, stimulating subordinates to think creatively and solve problems in innovative ways, and treating employees as individuals (Butler, 1999).

### **2.2.2 Transactional leadership and employee performance**

Burns in Bass (2005) that exchange relationship in transactional leadership, where subordinate is expected to offer a performance to leader, in this case the form of transaction, employer offers an

abstract reward (trust, commitment and respect), and real rewards. It can be interpreted as fee or remuneration. Transaction process between leaders and subordinates directed to produce a satisfactory performance. It consistent with theory of Bass and Avolio (2003) According to this report, transactional leadership has an effect on employee efficiency (performance). Transactional leadership styles can influence success in either a positive or negative way. It is based on the employee's evaluation. Employees who rate transactional leadership favorably have a positive impact, whereas employees who assume transactional leadership styles cannot be trusted have a negative effect. They are deceptive or opaque, and they do not keep their promises. The influence of transactional leadership on success is being studied by Haryadi (2003), Andarika (2004), and Ahn et.al (2005). This explains why transactional leadership has a positive and important influence on employee productivity.

### **2.2.3 Laissez faire leadership and employee performance**

Laissez-faire style supports a great deal of empirical freedom to leadership, (laissez-faire style) Tayfur Ekmekci (2016), Employees are granted complete autonomy in determining their own policies and practices, as well as making their own decisions. Leaders believe that the most successful leadership style is dependent on the ability to give workers some degree of autonomy in implementing any leadership style. The aim of this study was to learn more about how employee performance is influenced by laissez-faire policies. Many scholars have put it to the test and found it to be accurate and credible in describing how to achieve successful leadership. It emphasizes the importance of concentrating on interpersonal interactions between a leader's style and the demands of different circumstances and employees.

On the other hand, there has been a lot written about the connection between positive self-esteem and successful management. Kerns (2004) discussed the relationship between principles and organizational leadership, and his findings were over whelming in favor of the laissez-faire approach to bridging the divide between employer and employee, with his sole concern being that laissez-faire would result in a productive climate regardless of their jobs, staff and employers felt like relatives.

Laissez-Faire leadership style and employee's performance in organization have been investigated. Research by Chaudhry & Javed (2012) reveals that laissez faire leadership style is

not an important style that boosts the motivation level of workers as compare to other leadership styles. If workers are not motivationally boosted, they cannot perform better. Research by Frischer (2006) reveals that the inactivity of the laissez-faire leader has been consistently negatively related to productivity, satisfaction, cohesiveness and maximum goal achievement.

#### **2.2.4 Autocratic leadership and employee performance**

Autocratic leadership is a management style wherein one person controls all the decisions and takes very little inputs from other group members. Autocratic leaders make choices or decisions based on their own beliefs and do not involve others for their suggestion or advice. Autocratic leaders make decisions without consulting the group Where a quick decision is required, it may be unavoidable and beneficial (Hampton, 1973). People in the group may dislike that they are unable to contribute ideas. Researchers have also found that autocratic leadership often results in a lack of creative solutions to problems, which can ultimately hurt the group from performing. However, autocratic leadership has some characteristics, such as not taking input from other group members, dictating all tasks or distributing responsibilities among other employees, and not rewarding or recognizing employees to boost morale.

Prabhu (2011) found that both transformational and transactional contingent incentive leadership behaviors are positively related to employee success in India. Employee performance is affected by both transactional and transformational leadership styles, but they didn't find any evidence of a positive or negative relationship between the two.

In Nigeria, Osabiya (2009) investigated the effect of leadership style on organizational employee efficiency. The use of both transformational and transactional leadership styles in leading organizations has an effect on employee success, according to this report. Many workers see their leaders as role models in transformational leadership, and they look to them to be innovative in order to achieve the organization's objectives. Employees are self-motivated, results-oriented, and motivated most particularly by their leaders' success in this style of leadership, which builds confidence between employees and leaders. Transformational leaders can develop high quality leader member exchange relationships with followers, through which they influence followers' performance. Although the initial stage of LMX can be transactional, once the final stage is reached, it can be transformational (Bass, 1999). Transactional leadership, according to both



Bass (1985) and Podsakoff et al. (1990), clarifies standards for followers' success and offers incentives to followers based on their performance level. Followers may be encouraged to achieve performance goals and complete their contracts in order to be properly compensated (Bass, 1985). Podsakoff, Bommer, Podsakoff, & MacKenzie (2006) found good empirical support for the relationship between leaders' contingent pay and employee efficiency.

In a Libyan report on nurses' perceptions of managers' leadership styles and their related outcomes, Aboshaiqah (2015) found that nurses at all levels, including low-level, middle-management, and top-management nurses, believed that transformational leadership has a greater impact on worker performance than transactional and laissez-faire leadership styles. Further study revealed that in managing workers, there was a positive correlation between outcome factors (effectiveness, extra efforts and happiness, meeting targets) in transformational and transactional leadership styles and a negative correlation with laissez-faire leadership styles. In the health sector, this research clearly demonstrated a positive correlation between outcome factors of using transformational leadership style and using transactional leadership style, as well as a negative correlation between outcome factors of using laissez faire leadership style. They came to the conclusion that a combination of transformational leadership styles, attitudes, and influences led to an improvement in effectiveness, employee satisfaction, extra effort and overall employee efficiency, as well as nurse perceptions of leader effectiveness.

FasikaYalew (2016) investigated the impact of leadership styles on job satisfaction among employees at the Ethiopian Program for Appropriate Technology in Health (PATH). Leadership styles were found to be fundamentally linked to job satisfaction in the report. The study's results revealed that transactional and transformational leadership styles have a significant impact on employee job satisfaction. Employees preferred transformational leadership style over transactional leadership style, according to the findings, and transformational leadership style earned the highest mean score in the worker job satisfaction measurement.

The transformational leadership style has important relationships with success outcomes, such as effectiveness, satisfaction, extra effort, and dependability, according to their findings. Their research contributed to our understanding of the preferred leadership strategy and best leadership style to use with subordinates at different professional levels. Leaders may use their findings to

adapt their attitudes in realistic ways to improve subordinates' job efficiency, resulting in improved productivity for their organizations. They stress the need for leaders to be able to recruit and influence their colleagues, set clear performance goals for their peers, and serve as the best role model for the rest of the organization.

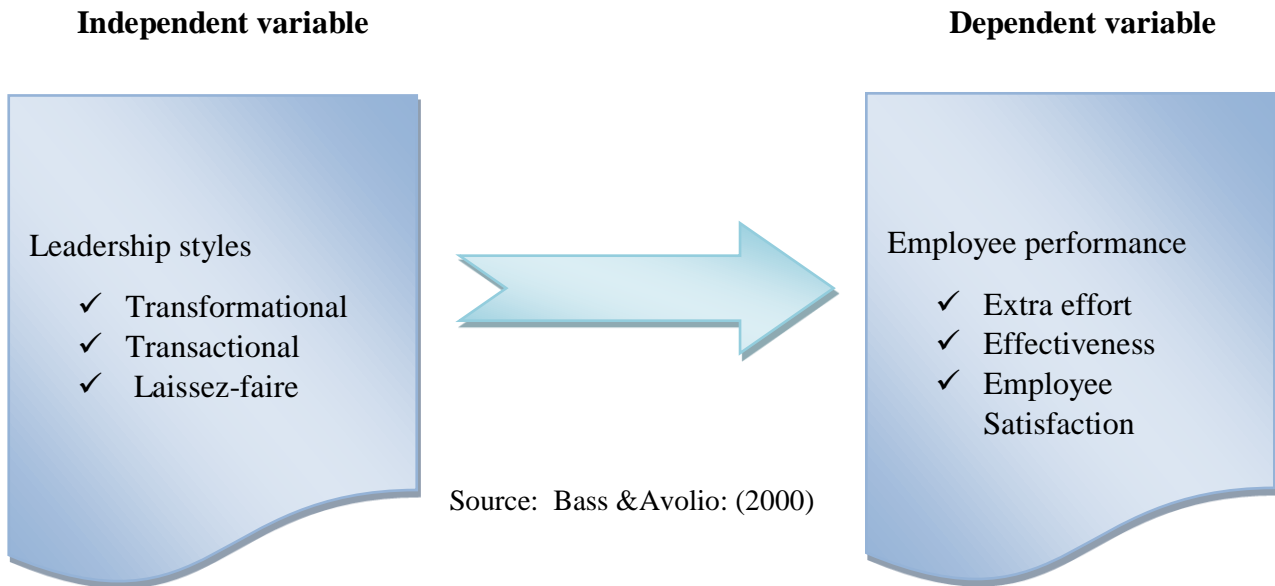
### **2.3 Research gaps**

The literature on the influence of leadership style on employee performance shows that there is no common agreement on which type of the leadership styles influence employee performance and how each influence performance does. There are inconsistencies in the literature that show a positive relationship between employee performance and transformational leadership and a positive relationship between employee performance and transactional leadership. This demonstrates that there is still no consensus among researchers on the evidence regarding the relationship between leadership style and employee performance. Furthermore, the literature review reveals that researchers on the same subject did not cover all industries. As a result, it should be remembered that the literature does not cover all sectors or countries. This also shows that Ethiopian researchers haven't looked into the subject in all sectors, and those who have in other countries haven't come up with a consensus. As a result, the aim of this study is to fill the knowledge and literature gaps regarding the effect of leadership styles on employee performance.

### **2.4 Research conceptual framework**

Based on a review of the literature, a model may be built to research the impact of leadership style on employee efficiency. As seen in the diagram below, the system connects independent and dependent variables.

Transformational, transactional, and laissez faire leadership styles are among the independent variables that show how different leadership styles affect employee performance (dependent variable). The dependent variables effectiveness, employee satisfaction, and extra effort, attempt to represent the possible impact of practiced leadership styles on employee performance (independent variables).



*Figure 1 Conceptual framework*

## 2.5 Research Hypothesis

This research aims to determine the relationship between leadership style and employee performance. To assess the positive significance of leadership style and organizational performance, these hypotheses are proposed.

**Hypothesis1.** Transformational leadership style has a significant impact on employee performance.

**Hypothesis2.** Transactional leadership style has a significant impact on employee performance.

**Hypothesis3.** Laissez-faire leadership style has a significant impact on employee performance.

## CHAPTER THREE

### RESEARCH METHODOLOGY

This chapter was present a description of the methodology that is employed in the study. It was spell out the research design, research approach, research techniques, sample design (population, sampling frame, sampling unit, sampling technique, sample size and sampling), primary and secondary sources of data, data analysis and interpretation and finally data presentation.

#### **3.1 Research approach**

Researchers mostly use the quantitative approach to collect , analyze, and organize the data to obtain findings, there for it involves testing objectives by examining the relationship among variables, these variables, in turn, can be measured, typically on instruments, so that numbered data can be analyzed using statistical procedures. The qualitative approach is one in which the instruments producing data from statistics are used.it is also the process of gathering, evaluating and interpreting non- numerical data, such as language.

In this study, the researcher used a quantitative approach to collect and analyze the finding A research question was created for data collection to examine the effect of leadership style on employee performance and then a theoretical model based on various theories and principles was developed based on it. Open-ended and close-ended questioners were used to gather information and it was summarized and analyzed to explain and reflect on the population.

#### **3.2 Research Design**

The study investigated the leadership styles based on fundamental theories, principles, and philosophies of leadership that are supposed to be effective parameters just to assess the actual performance of the key business activities of the case company. Accordingly, the existing leadership styles of the case company and the challenges prohibiting effectiveness were evaluated.

The researcher, therefore, implemented the descriptive type of research, which helps to use quantitative research for data analysis; descriptive research design is preferred for a better description of the group of individuals over the set of variables. Also correlation and regression

were used in this case, the quantitative research method was used to measure the effect of independent variables (leadership styles) on the dependent variable (employee performance) by collecting quantitative data from Blu Water employees.

### **3.3 sampling techniques**

Employees employed in the Blu water industry made up the overall workforce in this report. The target population of the study was the employees of Blu Water Company. All employees at Blu water contributed to the study by supplying the necessary data.

The researcher was used census technique. The census technique was used to accurate and highly reliable. This is because each and every item of the population is studied.

### **3.4 Target Populations**

As a result, the study's overall population is made up of 175 existing Blu water workers. Since the total number of employees at Blu water is 175 and manageable, the census techniques approach was used to pick respondents for the study. As a result, all employees at Blu water contributed to the study by supplying the necessary data.

### **3.5 Source of data and data collection instrument**

Data required for this study obtained from both primary and secondary sources. Primary data was gathered from company staff, while secondary data was gathered from company records.

Bass and Avolio developed and refined the Multifactor Leadership Questionnaire MLQ (5X-Short Form) used in this research (1995). The MLQ (5X-Short Form) assesses three types of leadership: transformational, transactional, and laissez-faire. It is a 360-degree tool that aids in the gathering of data from various perspectives, and as previously mentioned, the tool has both a self-report and a version for other raters. Raters of a leader (and therefore leadership styles) may come from higher up in the company, lower down, or workers who report directly to the leader being evaluated (Bass & Riggio, 2006).

Idealized characteristics, idealized attitudes, inspirational motivation, intellectual stimulation, individualized consideration, contingent reward, management-by-exception (active), management-by-exception (passive), and laissez-faire are some of these components. Transformational leadership traits are evaluated by the components of intellectual stimulus,

individualized influence (behavior), inspirational motivation, individualized influence (attributed), and individualized consideration, while transactional leadership traits are evaluated by the three other components (contingent incentive, management-by-exception active, and management-by-exception passive). The final part assesses laissez-faire leadership characteristics.

In addition, ten questionnaire statements (items) assess the perceived relationship (leadership outcomes) between a particular leadership style and employee performance. The ten questions probed three aspects of leadership effect, employee satisfaction, extra effort, and leadership effectiveness. Extra effort focuses on the relationship between leaders' efforts to inspire their employees to produce exceptional results. Effectiveness refers to a leader's ability to accomplish goals and meet the needs of his or her team. The capacity of a leader to induce satisfaction in their followers is referred to as satisfaction.

As a result, each aspect was assessed using a subset of four questionnaire statements (transformational, transactional, and laissez-faire), while leadership outcomes are assessed using a subset of three question statements (extra effort), four question statements (effectiveness), and three question statements (innovative thinking) (satisfaction), which respondents' rate on a five-point Likert rating scale (0 = "Never"; 1 = "once in a while "; 2 = "Sometimes"; 3 = "fairly often"; 4 = "Always"). Data for this analysis will also be gathered from secondary sources, such as reviewing various related company records.

### **3.6 Methods of data analysis**

Before analyzing the data, the quantitative data collected using a questionnaire was cross-checked for its completeness and consistency. Then, descriptive statistics, correlation, and multiple linear regression models were used to analyze the data. The analysis of the data was done using SPSS v 26.

To analyze the data that was collected with the use of questionnaires have a five-point Likert type response scale (1= strongly disagree 2=disagree, 3= neutral, 4= agree, 5= strongly agree). In addition analysis of data was done by using statistical tools like regression and correlation models. Descriptive was used analyze the respondents demographic data, such as educational qualification, position, experience with in the organization and department

### **3.7 Validity and Reliability**

A quantitative study is objective, measurable, and allows for a wide range of topics to be covered. Validity and reliability must be addressed in every study because the accuracy, trustworthiness and integrity of the research depend on it. Validity is defined as the extent to which a concept is accurately measured in a quantitative study. A high level of validity improves the study's generalization (Heale, R., & Twycross, A., 2015).

According to (Gliem, J. A., & Gliem, R. R., 2003), internal validity in relation to questionnaires refers to the ability of the questionnaire to measure what the researcher intends it to measure. To achieve this, questions in the questionnaire are emanated from the broad research questions tailored to meet research objectives. Content validity, on the other hand, refers to the extent to which the measurement device, in this case, the measurement questions in the questionnaire, provides adequate coverage of the investigative questions.

This is achieved by providing a five-point Likert scale for addressing a range of alternatives. Therefore, this study was addressed validity through the review of literature and adapting instruments used in previous researches.

The second measure of quality in a quantitative study is reliability or the accuracy of an instrument. It relates to the consistency of a measure. In other words, the extent to which a research instrument consistently has the same results if it is used in the same situation on repeated occasions (Heale, R., & Twycross, A., 2015).

According to (Haile, M., 2017), reliability analysis is concerned with the internal consistency of the research instrument. In this study, the internal consistency/reliabilities of Leadership styles, and employee performance were assessed with Cronbach's Alpha.

Cronbach's alpha reliability coefficient normally ranges between 0 and 1. The closer Cronbach's alpha coefficient is to 1.0, the greater the internal consistency of the items in the scale. George and Mallery (2003) cited in (Gliem, J. A., & Gliem, R. R., 2003), provide the following rules of thumb: “\_ > .9 – Excellent, \_ > .8 – Good, \_ > .7 – Acceptable, \_ > .6 – Questionable, \_ > .5 – Poor, and \_ < .5 – Unacceptable”.

Accordingly, the overall Cronbach's alpha coefficient found for the current study was 0.961 which indicates excellent internal consistency of the items in the scale. Generally, to maximize reliability and validity, individual questions are carefully designed.

### **3.8 Ethical considerations**

In Blu Water Company, Addis Ababa, Ethiopia, a study was performed on the impact of leadership style on employee efficiency, and certain issues were discussed. These concerns must be taken into account in order to protect the participants' privacy and protection. These concerns can be detected ahead of time in order to avoid potential issues that occurred during the testing process. Consent, confidentiality, and data security are only a few of the important topics that were discussed. Participants in the study were given enough time to respond to the questions presented to them in order to prevent mistakes and inaccuracies in their responses.



## CHAPTER FOUR

### DATA ANALYSIS AND INTERPRETATION

#### 4.1 Introduction

This study aimed to examine the relation of leadership style with employee performance in Blu Water. In line with this, the findings of the study are presented and discussed in this chapter. The questionnaire were developed in likeret scales ranging from zero to four value where: 0= never, 1= very seldom, 2= sometimes, 3=fairly often and 4= always.

The collected data analyzed using descriptive analysis in line with this, data presented in table and frequency distribution and mean value were computed using descriptive statistics.

A total of 175 questionnaires were distributed to employees and out of which 140 questionnaires were properly filled and returned while 35 questioners returned un-responded. Thus analysis made based on 140 questionnaire responses and the response rate is 80%.

#### Part one: Descriptive analysis

#### 4.2 Demographic characteristics of respondents

This section shows the distribution of the study respondents by their demographic characteristics. Accordingly, respondent's demographic characteristics such as gender, age, educational qualification work experience are presented and discussed as follows.

*Table 1 Respondent's demographic characteristics*

|                  | Frequency | Valid percent |
|------------------|-----------|---------------|
| <b>Gender</b>    |           |               |
| Male             | 62        | 44.3          |
| Female           | 78        | 55.7          |
| Total            | 140       | 100.0         |
| <b>Age</b>       |           |               |
| 18-28            | 72        | 51.4          |
| 29-39            | 41        | 29.3          |
| 40-50            | 23        | 16.4          |
| Above 51         | 4         | 2.9           |
| Total            | 140       | 100.0         |
| <b>Education</b> |           |               |
| Certificate      | 13        | 9.3           |

|                        |     |       |
|------------------------|-----|-------|
| Diploma                | 50  | 35.7  |
| Degree                 | 77  | 55.0  |
| Masters                | 0   |       |
| Above Masters          | 0   |       |
| Total                  | 140 | 100.0 |
| <b>Work experience</b> |     |       |
| <1 years               | 24  | 17.1  |
| 1-5 years              | 98  | 70.1  |
| 6-10 years             | 18  | 12.9  |
| Total                  | 140 | 100.0 |

Source: Own Survey; 2021

Table above depicts the demographic characteristics of respondents. Gender wise 62(44.3) are male and 78(55.7) are female. In terms of age 72(51.4) are 18-28, 41(29.3) are 29-39) years old, 23(16.4) are 40-50 years old and 4(2.9) are above 51 years old. Concerning to level of education, certificate 13(9.3), 50(35.7) achieved diploma, 77(55.0) are first degree holder. With regard to work experience, 24(17.1) below 1 year experience, 98(70.1) are 1-5 year experience, 18(12.9) have 6-10 year experience. To this end, respondents fairly represent both genders as well as their level of education and work experience enables them to understand data collection instruments as well as to provide their opinion to the questions asked to them.

### 4.3 Descriptive Analysis of the perceived leadership styles in Blu Water. Staffs

#### 4.3.1. Transformational leadership style

Table 2 Transformational leadership style: Idealized attribute

| Statement  | Frequency of occurrence |                      |                    |                       |                 | Mean | S.D   |
|--|-------------------------|----------------------|--------------------|-----------------------|-----------------|------|-------|
|  | Never<br>F (%)          | Very seldom<br>F (%) | Sometimes<br>F (%) | Fairly often<br>F (%) | Always<br>F (%) |      |       |
| Others take pride in being identified with him/her   | 5(3.6)                  | 24(17.1)             | 44(31.4)           | 35(25.0)              | 32(22.9)        | 2.46 | 1.128 |
| Do you put the group's needs ahead of your own?      | 2(1.4)                  | 25(17.9)             | 39(27.9)           | 38(27.1)              | 36(25.7)        | 2.56 | 1.100 |
| Do you behave in a way that makes people admire you? | 0                       | 31(22.1)             | 32(22.9)           | 49(35.0)              | 28(20.0)        | 2.53 | 1.049 |
| Exudes a sense of authority and self-assurance.      | 2(1.4)                  | 19(13.6)             | 56(40.0)           | 33(23.6)              | 30(21.4)        | 2.50 | 1.021 |
| Over all   |                         |                      |                    |                       |                 | 2.51 | 1.07  |

Source: Own survey 2021

The idealized component of transformational leadership describes how a leader acts in order to become a role model for his or her followers, earning respect, adoration, trust, and loyalty in the process. The reported overall mean is 2.51 and standard deviation is 1.07.

According to table 2 the perceived idealized attribute of leadership is rated by respondents as 3.6 % never, 22.1% very seldom, 40.0 % sometimes, 35.0 % fairly often and 25.7 % always. Thus leaders rarely becoming a role to their employee as majority 40.0 % replied sometimes.

Table 3 Transformational leadership style: Idealized behavior

| Statement  | Frequency of occurrence |                      |                    |                       |                 | Mean | S.D   |
|--|-------------------------|----------------------|--------------------|-----------------------|-----------------|------|-------|
|  | Never<br>F (%)          | Very seldom<br>F (%) | Sometimes<br>F (%) | Fairly often<br>F (%) | Always<br>F (%) |      |       |
| What do you believe in? Addresses his or her fundamental values and convictions. | 2(1.4)                  | 14(10.0)             | 38(27.1)           | 50(35.7)              | 36(25.7)        | 2.74 | 0.999 |
| Do you believe it is important to have a shared sense of purpose?                | 4(2.9)                  | 8(5.7)               | 51(36.4)           | 39(27.9)              | 38(27.1)        | 2.71 | 1.021 |
| Do you Consider the moral and ethical consequences of decisions                  | 1(0.7)                  | 20(14.3)             | 30(21.4)           | 45(32.1)              | 44(31.4)        | 2.79 | 1.063 |
| When it comes to solving problems, do you look for different perspectives?       | 5(3.6)                  | 6(4.3)               | 36(25.7)           | 55(39.3)              | 38(27.1)        | 2.82 | 0.998 |
| Overall  |                         |                      |                    |                       |                 | 2.76 | 1.02  |

Source: Own survey 2021

This component of a transformational leader refers to leaders who focus on discussing ideas and beliefs that are important to their followers, and who, as a result, display an inspiring vision to energize their followers. As a result, respondents assessed the leader's idealized behavior. The reported overall mean is 2.76 and standard deviation is 1.02.

According to table 3 never 3.6 %, very seldom 14.3 %, sometimes 36.4 %, fairly often 39.3 % and always 31.4 %. This suggests that leaders fairly often exhibit idealized behavior, as evidenced by the majority. 39.3% of respondents.

Table 4 Transformational leader: Inspirational motivation

| Statement  | Frequency of occurrence |                      |                    |                       |                 | Mean | S.D   |
|--|-------------------------|----------------------|--------------------|-----------------------|-----------------|------|-------|
|  | Never<br>F (%)          | Very seldom<br>F (%) | Sometimes<br>F (%) | Fairly often<br>F (%) | Always<br>F (%) |      |       |
| Do you talk about the future with optimism?                        | 4(2.9)                  | 18(12.9)             | 42(30.0)           | 48(34.3)              | 28(20.0)        | 2.56 | 1.041 |
| Do you Talks enthusiastically about what needs to be accomplished? | 4(2.9)                  | 23(16.4)             | 37(26.4)           | 50(35.7)              | 26(18.6)        | 2.51 | 1.063 |
| Are you willing to express a convincing future vision?             | 4(2.9)                  | 23(16.4)             | 34(24.3)           | 43(30.7)              | 36(25.7)        | 2.60 | 1.124 |
| Do you have faith in your ability to achieve your goals?           | 6(4.3)                  | 24(17.1)             | 34(24.3)           | 36(25.7)              | 40(28.6)        | 2.57 | 1.19  |
| Over all   |                         |                      |                    |                       |                 | 2.56 | 1.10  |

Source: Own survey 2021

To motivate and inspire their followers, inspirational motivation refers to a leader who is seen to be committed to a common vision and conveying precise goals and expectations to them. The reported overall mean is 2.56 and standard deviation is 1.10.

According to table 4 Respondents rated the leader’s inspirational motivation as 4.3 % never 17.1 % very seldom, 30.0 % sometimes, 35.7 % fairly often and 28.6 % always. As a result, leaders often commit to a common vision and communicate precise goals and objectives in order to engage and inspire employees. As confirmed by the majority 35.7 % respondent’s response.

*Table 5 Transformational leader: Intellectual stimulation*

| Statement  | Frequency of occurrence |                      |                    |                       |                 | Mean | S.D   |
|--|-------------------------|----------------------|--------------------|-----------------------|-----------------|------|-------|
|  | Never<br>F (%)          | Very seldom<br>F (%) | Sometimes<br>F (%) | Fairly often<br>F (%) | Always<br>F (%) |      |       |
| Do you re-examine important assumptions to see if they are still valid?          | 2 (1.4)                 | 30(21.4)             | 39(27.9)           | 31(22.1)              | 38(27.1)        | 2.52 | 1.147 |
| Do you Seek different perspectives when solving problems.                        | 1(0.7)                  | 23(16.4)             | 23(16.4)           | 49(35.0)              | 44(31.4)        | 2.80 | 1.081 |
| What do you do? You get people to look at issues from a variety of perspectives. | 3(2.1)                  | 18(12.9)             | 53(37.9)           | 46(32.9)              | 20(14.3)        | 2.44 | 0.962 |
| If you have any suggestions for new approaches to completing assignments?        | 2(1.4)                  | 20(14.3)             | 39(27.9)           | 50(35.7)              | 29(20.7)        | 2.60 | 1.016 |
| Over all   |                         |                      |                    |                       |                 | 2.59 | 1.05  |

Source: Own survey 2021

Employee innovation, creativity, and involvement in decision-making are encouraged through intellectual stimulation, as a consequence of which employees can spot problems and attempt to discover workable solutions. The reported overall mean is 2.59 and standard deviation is 1.05.

According to table 5 in the above, respondent’s response for this component is: never 2.1 %, very seldom 21.4 %, sometimes 37.9 %, fairly often 35.7 % and always 31.4 %. As a result, the majority of respondents saw leaders as frequently supporting employee creativity and participation in decision-making.

Table 6 Transformational leader: Individualized consideration

| Statement  | Frequency of occurrence |                      |                    |                       |                 | Mean | S.D   |
|--|-------------------------|----------------------|--------------------|-----------------------|-----------------|------|-------|
|  | Never<br>F (%)          | Very seldom<br>F (%) | Sometimes<br>F (%) | Fairly often<br>F (%) | Always<br>F (%) |      |       |
| Do you spend a lot of time coaching and training others?   | 0                       | 19(13.6)             | 46(32.9)           | 49(35.0)              | 26(18.6)        | 2.59 | 0.944 |
| Do you treat people as individuals rather than members of a group?   | 6(4.3)                  | 26(18.6)             | 45(32.1)           | 37(26.4)              | 26(18.6)        | 2.36 | 1.114 |
| Do you think so? Considers an individual's desires, talents, and goals to be distinct from those of others | 2(1.4)                  | 24(17.1)             | 35(25.0)           | 45(32.1)              | 34(24.3)        | 2.61 | 1.078 |
| Do you assist others in maximizing their potential?  | 8(5.7)                  | 15(10.7)             | 42(30.0)           | 30(21.4)              | 45(32.1)        | 2.64 | 1.201 |
| Over all   |                         |                      |                    |                       |                 | 2.55 | 1.08  |

Source: Own survey 2021

Individualized consideration refers to a leader's concern for increasing an employee's knowledge and experience through providing learning opportunities, providing a supportive environment, delegating duties, and assigning additional responsibilities. The reported overall mean is 2.55 and standard deviation is 1.08.

According to table 6 Individualized considerations by the leader is evaluated as never 5.7 %, very seldom 18.6 %, sometimes 32.9 %, fairly often 35.0 and always 32.1 %. As the majority of respondents observed, leaders occasionally provide employees with opportunities to expand their knowledge and expertise.

#### 4.3.2 Transactional leadership

Transactional leadership is the one where by the leaders and subordinates agree on the goals to be achieved and the performance indicators to be used. If one succeeds in meeting organizational goals or fails to fulfill organizational goals, there is mutual agreement on incentives and punishments. The factors are contingent reward, management- by exception active and management-by-exception passive. Employee's perception towards the three forms of transactional leader is presented here under.

Table 7 Transactional leader: contingent reward

| Statement  | Frequency of occurrence |                   |                 |                    |              | Mean | S.D   |
|--|-------------------------|-------------------|-----------------|--------------------|--------------|------|-------|
|  | Never F (%)             | Very seldom F (%) | Sometimes F (%) | Fairly often F (%) | Always F (%) |      |       |
| Do you offer help to others in return for their efforts?                             | 10(7.1)                 | 18(12.9)          | 47(33.6)        | 26(18.6)           | 39(27.9)     | 2.47 | 1.226 |
| Do you talk about who is responsible for meeting success goals in concrete terms?    | 6(4.3)                  | 10(7.1)           | 52(37.1)        | 28(20.0)           | 44(31.4)     | 2.67 | 1.122 |
| Do you make it clear what a person should expect if their performance goals are met? | 4(2.9)                  | 15(10.7)          | 56(40.0)        | 31(22.1)           | 34(24.3)     | 2.54 | 1.062 |
| Do you feel satisfied when others meet your expectations?                            | 6(4.3)                  | 11(7.9)           | 41(29.3)        | 53(37.9)           | 29(20.7)     | 2.63 | 1.034 |
| Over all   |                         |                   |                 |                    |              | 2.57 | 1.11  |

Source: Own survey 2021

Leaders clearly express what followers should do under the contingent incentive system. Tasks must be completed successfully in order to be rewarded or to avoid punishment. The leaders' needs are met when workers successfully complete a task. The reported overall mean is 2.57 and standard deviation is 1.11. Accordingly, respondents assessed leaders as never 7.1 %, very seldom 12.9%, sometimes 40.0%, fairly often 37.9 and always 31.4 %.

Table 8 Transactional leader: Management by exception (active)

| Statement  | Frequency of occurrence |                   |                 |                    |              | Mean | S.D   |
|--|-------------------------|-------------------|-----------------|--------------------|--------------|------|-------|
|  | Never F (%)             | Very seldom F (%) | Sometimes F (%) | Fairly often F (%) | Always F (%) |      |       |
| Do you pay attention to discrepancies, errors, exceptions, and deviations from the norm? | 4(2.9)                  | 17(12.1)          | 51(36.4)        | 38(27.1)           | 30(21.4)     | 2.52 | 1.049 |
| Do you devote all of your time to coping with errors, grievances, and failures?          | 8(5.7)                  | 23(16.4)          | 52(37.1)        | 34(24.3)           | 23(16.4)     | 2.29 | 1.103 |
| Do you keep track of all of your errors?   | 14(10.0)                | 14(10.0)          | 43(30.7)        | 37(26.4)           | 32(22.9)     | 2.42 | 1.230 |
| Do you draw his or her attention to failures to fulfill expectations?                    | 8(5.7)                  | 21(15.0)          | 42(30.0)        | 35(25.0)           | 34(24.3)     | 2.47 | 1.178 |
| Over all   |                         |                   |                 |                    |              | 2.42 | 1.14  |

Source: Own survey 2021

This aspect of the transactional leadership style ensures that final mistakes and deviations are avoided, and that rules and procedures are followed. The reported overall mean is 2.42 and

standard deviation is 1.14. Employees perception that leaders exhibiting management by exception active is rated as never 10.0%, very seldom 16.4 %, sometimes 37.1 %, fairly often 27.1 % and always 24.3%. This implies that leaders occasionally monitor employee work progress in order to prevent final errors and deviations by reinforcing employees' adherence to rules and procedures while completing jobs.

*Table 9 Transactional leader: Management by exception passive*

| Statement   | Frequency of occurrence |                      |                    |                       |                 | Mean | S.D   |
|---|-------------------------|----------------------|--------------------|-----------------------|-----------------|------|-------|
|   | Never<br>F (%)          | Very seldom<br>F (%) | Sometimes<br>F (%) | Fairly often<br>F (%) | Always<br>F (%) |      |       |
| Do you wait until an issue becomes serious before intervening?                    | 8(5.7)                  | 18(12.9)             | 51(36.4)           | 41(29.3)              | 22(15.7)        | 2.36 | 1.074 |
| Do you Waits for things to go wrong before taking action.                         | 14(10.0)                | 27(19.3)             | 40(28.6)           | 33(23.6)              | 26(18.6)        | 2.21 | 1.240 |
| Do you Shows that he/she is a firm believer in "If it ain't broke, don't fix it." | 4(2.9)                  | 22(15.7)             | 37(26.4)           | 61(43.6)              | 16(11.4)        | 2.45 | 0.984 |
| Do you show that issues must become persistent before action is taken?            | 2(1.4)                  | 19(13.6)             | 60(42.9)           | 47(33.6)              | 12(8.6)         | 2.34 | 0.871 |
| Over all  |                         |                      |                    |                       |                 | 2.34 | 1.04  |

Source: Own survey 2021

Exceptional management the term "passive" refers to a leader who waits for problems to arise and become serious before reacting and acting. They stick to the idea "If it ain't broke, don't fix it". These leaders prefer to wait and intervene only when absolutely necessary. The reported overall mean is 2.34 and standard deviation is 1.04. Accordingly respondent's perception towards management by exception passive is never 10.0 %, very seldom 19.3 %, sometimes 42.9%, fairly often 43.6 % and always 18.6%.

### **4.3.3 Laissez-faire leader**

The laissez-faire leader does not define explicit goals or participate in decision-making; instead, he or she delegates tasks to followers. Furthermore, he/she makes no attempt to influence followers and does not even provide them support. It suggests that there is no one in charge.



Table 10 Laissez-faire leadership

| Statement   | Frequency of occurrence |                      |                    |                       |                 | Mean | S.D   |
|---|-------------------------|----------------------|--------------------|-----------------------|-----------------|------|-------|
|   | Never<br>F (%)          | Very seldom<br>F (%) | Sometimes<br>F (%) | Fairly often<br>F (%) | Always<br>F (%) |      |       |
| When critical problems arise, can you avoid getting involved? | 2(1.4)                  | 10(7.1)              | 37(26.4)           | 69(49.3)              | 22(15.7)        | 2.71 | 0.869 |
| When it's necessary, are you absent?                          | 4(2.9)                  | 3(2.1)               | 50(35.7)           | 60(42.9)              | 23(16.4)        | 2.68 | 0.875 |
| Do you find it difficult to make decisions?                   | 2(1.4)                  | 12(8.6)              | 76(54.3)           | 28(20.0)              | 22(15.7)        | 2.40 | 0.904 |
| Do you take a long time to respond to urgent questions?       | 6(4.3)                  | 25(17.9)             | 46(32.9)           | 31(22.1)              | 32(22.9)        | 2.41 | 1.150 |
| Over all  |                         |                      |                    |                       |                 | 2.55 | 0.94  |

Source: Own survey 2021

As shown in the table above, leaders' perceived laissez-faire leadership is regarded as low. The reported overall mean is 2.55 and standard deviation is 0.94 Never 4.3 %, very seldom 17.9 %, sometimes 54.3 %, fairly often 49.3 % and always 22.9. The reported overall mean is 2.55 and standard deviation is 0.94. As a result, as a majority of 54.3 percent of respondents affirmed in their responses, this style of leadership is used by leaders on occasion.

#### 4.4 Employee performance

##### Results of analyses of employee extra effort, effectiveness, and job satisfaction

In the following sub-sections the results of analyses performed on the three sets of performance scores (extra effort, effectiveness and job satisfaction) are presented.

Table 11 Employee performance: Extra effort

| Statement  | Frequency of occurrence |                      |                    |                       |                 | Mean | S.D   |
|--|-------------------------|----------------------|--------------------|-----------------------|-----------------|------|-------|
|  | Never<br>F (%)          | Very seldom<br>F (%) | Sometimes<br>F (%) | Fairly often<br>F (%) | Always<br>F (%) |      |       |
| Do you encourage others to put in more effort?                           | 0                       | 4(2.9)               | 43(30.7)           | 68(48.6)              | 25(17.9)        | 2.81 | 0.755 |
| Do you encourage others to achieve their goals?                          | 0                       | 14(10.0)             | 66(47.1)           | 50(35.7)              | 10(7.1)         | 2.40 | 0.766 |
| Do you persuade someone to go above and beyond what is required of them? | 0                       | 6(4.3)               | 50(35.7)           | 60(42.9)              | 24(17.1)        | 2.73 | 0.794 |
| Over all   |                         |                      |                    |                       |                 | 2.64 | 0.77  |

Source: Own survey 2021

The leader's influence is to motivate employees to go above and beyond. In other words, as a result of the leader's inspirational motivation and intellectual stimulation, employees go above and above the contractual arrangement. The reported overall mean is 2.64 and standard deviation is 0.77. As indicated table above, extra effort is rated never 0 % very seldom 10.0 %, sometimes 47.1 %, fairly often 48.6 % and always 17.9 %. To this end leaders often induced employees to make extra effort the fact that extra effort is an outcome of transformational leader. In other words since transformational leadership style is the most dominant leadership style employees are expected to do what is assigned to them by the leader.

*Table 12 Employee performance: Effectiveness*

| Statement   | Frequency of occurrence |                      |                    |                       |                 | Mean | S.D   |
|---|-------------------------|----------------------|--------------------|-----------------------|-----------------|------|-------|
|   | Never<br>F (%)          | Very seldom<br>F (%) | Sometimes<br>F (%) | Fairly often<br>F (%) | Always<br>F (%) |      |       |
| Is your manager capable of achieving organizational goals?        | 0                       | 8(5.7)               | 71(50.7)           | 49(35.0)              | 12(8.6)         | 2.46 | 0.734 |
| Is your manager capable of leading a team to success?             | 0                       | 8(5.7)               | 39(27.9)           | 61(43.6)              | 32(22.9)        | 2.84 | 0.845 |
| Is your boss good at satisfying the needs of others at work?      | 0                       | 8(5.7)               | 40(28.6)           | 62(44.3)              | 30(21.4)        | 2.81 | 0.836 |
| Is your manager good at portraying others in front of higher-ups? | 6(4.3)                  | 6(4.3)               | 37(26.4)           | 55(39.3)              | 36(25.7)        | 2.78 | 1.018 |
| Over all  |                         |                      |                    |                       |                 | 2.72 | 0.85  |

Source: Own survey 2021

The efficacy of a leader is judged in terms of clearly outlining individual duties, setting declines, and communicating them to employees in this leadership influence. In order to satisfy organizational needs, leaders also influence staff to meet deadlines and follow pre-established procedures and norms. The reported overall mean is 2.72 and standard deviation is 0.85.

Accordingly respondents responded as never 4.3 %, very seldom 5.7, sometimes 50.7, fairly often 44.3 and 25.7. This indicates leadership effectiveness in the company the fact that under transformational leaders creates a vision for their followers and guides the change through inspiration and motivation. They are excellent role models and their followers emulate many of their actions. And make team members more committed to the team and, consequently, more likely to work together over time, implement new ways of working, and have a better work

experience. As a result, employees believe the present leadership style is inspiring them to be more effective in their jobs and to produce on time what is required of them.

*Table 13 Employee performance: Satisfaction with the leadership style*

| Statement   | Frequency of occurrence |                      |                    |                       |                 | Mean | S.D   |
|---|-------------------------|----------------------|--------------------|-----------------------|-----------------|------|-------|
|   | Never<br>F (%)          | Very seldom<br>F (%) | Sometimes<br>F (%) | Fairly often<br>F (%) | Always<br>F (%) |      |       |
| Is your leader Appreciating the work that has been completed?             | 0                       | 4(2.9)               | 72(51.4)           | 42(30.0)              | 22(15.7)        | 2.59 | 0.786 |
| Is your leader Encourage person to use their own abilities and strengths? | 0                       | 11(7.9)              | 42(30.0)           | 63(45.0)              | 24(17.1)        | 2.71 | 0.842 |
| Is your boss Uses methods of leadership that are satisfying?              | 2(1.4)                  | 4(2.9)               | 46(32.9)           | 57(40.7)              | 31(22.1)        | 2.79 | 0.869 |
| Over all  |                         |                      |                    |                       |                 | 2.69 | 0.83  |

Source: Own survey 2021

In this leadership result, leaders adopt an acceptable leadership technique, recognize individual effort, and express satisfaction when employees reach or exceed expectations. The reported overall mean is 2.69 and standard deviation is 0.83. Leaders' outcomes elicited the following responses: never 1.4 %, very seldom 7.9%, sometimes 51.4 %, fairly often 45.0 % and always 22.1 %. This indicates employee's satisfaction with the leadership style in the company as majority 51.4 % confirmed in their response. Employee satisfaction is a result of the leader providing the perceived reward and disclosing his satisfaction when people deliver what is expected of them.

## 4.5 Correlation analysis

The measure of a linear relationship between two variables is correlation. The value of a correlation coefficient can range from -1 to 1. Then it said to be a perfect correlation: as one variable increases, the other variable tends to also increase (if positive) or decrease (if negative). whereas values lies between  $\pm 0.50$  and  $\pm 1$  is said to be a strong correlation , if the value lies between  $\pm 0.30$  and  $\pm 0.49$  is moderate degree , when the value lies below  $\pm 0.29$  then it is said to be a small correlation or low degree, when the value is zero there is no correlation or non-existent linear relationship. Correlation analysis is carried out in this part in respect to each research issue.

A correlation study is used to look at the relationship between leadership style and employee performance. This is the link the p-value represents the probability of this relationship's significance, while the coefficients show the intensity and direction of the link.

*Table 14 Transformational, transactional and laissez faire leadership styles correlation with extra effort, effectiveness and satisfaction.*

|   |                     | Transformational leader | Transactional leader | Laissez-faire leader |
|---|---------------------|-------------------------|----------------------|----------------------|
| Employee performance                                | Pearson Correlation | .387 <sup>**</sup>      | .543 <sup>**</sup>   | .386 <sup>**</sup>   |
|   | Sig(2-tailed)       | .000                    | .000                 | .000                 |
| ** Correlation is significant 0.01 level (2-tailed) |                     |                         |                      |                      |

Source: Own survey 2021

Since the data has a normal distribution, the researcher used Pearson correlation than spearman correlation. Accordingly, it was found out that the variable relationship among the independent (Transformational transactional and laissez- faire leadership styles) and dependent (employee Performance) was found to be positive and significant. According to the above table, at 99 percent confidence level ( $p < 0.01$ ), the highest correlation was shown on transactional leadership style ( $r = 0.543$ ), and followed by at 99 percent confidence level ( $p < 0.01$ ), Laissez-faire leadership style ( $r = 0.386$ ).

As it is indicated in the above table, there is a positive and significant correlation between laissez faire leadership style and employee Performance. In other words, laissez faire leadership style and employee Performance have a relationship ( $r=0.386$ ).

Pearson correlation results shown in the above table indicate, there is a positive and significant correlation between Transformational leader and employee Performance. In other words, Transformational leader and employee Performance have a relationship ( $r=0.387$ ).

The table also indicates, there is a positive and significant correlation between Transactional leader and employee Performance. In other words, Transactional leader and employee Performance have a relationship ( $r=0.543$ ).

In general, based on the above data the positive and significant relationship of the variables shows that an increase in leadership styles (transformational, transactional and laissez-faire) would bring improvement to the employee Performance.

#### **4.6 Regression analysis**

Linear regression is a method of estimating or predicting a value on some dependent variable given the values of one or more independent variables. Like correlations, statistical regression examines the association or relationship between variables. Unlike correlations, however, the primary purpose of regression is prediction (Geoffrey M. et al., 2005). In this study multiple regressions was employed. Multiple regression analysis takes into account the inter-correlations among all variables involved. This method also takes into account the correlations among the predictor scores (John Adams, et al., 2007:198). They added multiple regression analysis, which means more than one predictor is jointly regressed against the criterion variable. This method is used to determine if the independent variables will explain the variance in dependent variable.

Therefore, the equation of regressions on this study is generally built around two sets of variables, namely dependent variable and independent variables. The basic objective of using multiple regression equation on this study is to make the study more effective at describing,

Understanding and predicting the stated variables. That is it is primarily used to identify the Major determinant style of leadership that affects employee performance at Blu Water Company.

#### 4.6.1 Multiple regression analysis

The purpose of the multiple regression analysis was to look into the impact of the independent variable on the dependent variable and determine the relative significance of the independent variable (Transformational leadership, Transactional leadership, Laissez-faire) on the dependent variable (Employee Performance). The regression analysis results are shown in the below table.

##### 4.6.1.1 Extra Effort

###### *Model Summary*

*Table 15 Model summary for Extra effort*

| Model  | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|--|-------------------|----------|-------------------|----------------------------|
| 1  | .457 <sup>a</sup> | .209     | .192              | .53165                     |
| a. Predictors: (Constant), Laissez-faire leader, Transformational leader, Transactional leader |                   |          |                   |                            |

Source: Own survey 2021

The R square statistic 0.209 depicts that the model explains 20.9% of the variance in the dependent variable (Extra effort). This means 20.9% changes in Employee extra effort can be counted to the predictor variables (Transformational leadership, Transactional leadership, Laissez-faire).

###### **ANOVA**

*Table 16 ANOVA table for Extra effort*

| Model  |            | Sum of Squares | Df  | Mean Square | F      | Sig.              |
|--|------------|----------------|-----|-------------|--------|-------------------|
| 1  | Regression | 10.175         | 3   | 3.392       | 12.000 | .000 <sup>b</sup> |
|  | Residual   | 38.441         | 136 | .283        |        |                   |
|  | Total      | 48.616         | 139 |             |        |                   |
| a. Dependent Variable: employee performance  |            |                |     |             |        |                   |
| b. Predictors: (Constant), Laissez faire leader, Transformational leader, Transactional leader |            |                |     |             |        |                   |

Source: Own survey 2021

The ANOVA table shows that the overall model is significant [(F3, 136) 22.663 p<0.001]. These indicate that leadership styles can play a significant role in shaping employee performance.

## Coefficients

Table 17 Coefficients for Extra effort

| Model |                         | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig. |
|-------|-------------------------|-----------------------------|------------|---------------------------|-------|------|
|       |                         | B                           | Std. Error | Beta                      |       |      |
| 1     | (Constant)              | 1.665                       | .196       |                           | 8.494 | .000 |
|       | Transformational leader | .113                        | .084       | .147                      | 1.340 | .183 |
|       | Transactional leader    | .202                        | .085       | .286                      | 2.386 | .018 |
|       | Laissez faire leader    | .077                        | .074       | .093                      | 1.041 | .300 |

a. Dependent Variable: employee performance

Source: Own survey 2021

The above Regression analysis result table indicates that transactional leader has a significant influence on Extra effort ( $p < 0.05$ ). Besides, the value of beta ( $\beta = .202$ ) shows that Transactional leader has a positive impact on Extra effort.

The other two leadership styles (transformational and laissez-faire leadership styles) have no significant influence of extra effort ( $p > 0.05$ ). Besides the value of beta ( $\beta = .113$  and  $.077$ ) shows that transformational and laissez-faire leadership styles have a positive impact on extra effort.

### 4.6.1.2 Effectiveness

#### Model Summary

Table 18 Model summary for effectiveness

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .533 <sup>a</sup> | .284     | .268              | .55550                     |

a. Predictors: (Constant), Laissez-faire leader, Transformational leader, Transactional leader

Source: Own survey 2021

The R square statistic 0.284 depicts that the model explains 28.4% of the variance in the dependent variable (Effectiveness). This means 28.4% changes in Employee's effectiveness can be counted to the predictor variables (Transformational leadership, Transactional leadership, Laissez-faire).

## ANOVA

Table 19 ANOVA for Effectiveness

| Model  |            | Sum of Squares | Df  | Mean Square | F      | Sig.              |
|--|------------|----------------|-----|-------------|--------|-------------------|
| 1  | Regression | 16.619         | 3   | 5.540       | 17.952 | .000 <sup>b</sup> |
|  | Residual   | 41.968         | 136 | .309        |        |                   |
|  | Total      | 58.587         | 139 |             |        |                   |
| a. Dependent Variable: employee performance  |            |                |     |             |        |                   |
| b. Predictors: (Constant), Laissez faire leader, Transformational leader, Transactional leader |            |                |     |             |        |                   |

Source: Own survey 2021

The ANOVA table shows that the overall model is significant [(F3, 136) 17.952 p<0.001]. These indicate that leadership styles can play a significant role in shaping employees' effectiveness.

## Coefficients

Table 20 Coefficients for Effectiveness

| Model                                       |                         | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig. |
|---|-------------------------|-----------------------------|------------|---------------------------|-------|------|
|   |                         | B                           | Std. Error | Beta                      |       |      |
| 1   | (Constant)              | 1.665                       | .205       |                           | 8.131 | .000 |
|   | Transformational leader | -.085                       | .088       | -.101                     | -.970 | .334 |
|   | Transactional leader    | .411                        | .088       | .530                      | 4.649 | .000 |
|   | Laissez faire leader    | .107                        | .077       | .118                      | 1.398 | .164 |
| a. Dependent Variable: employee performance |                         |                             |            |                           |       |      |

Source: Own survey 2021

The above Regression analysis result table indicates that transactional leader has a significant influence on Effectiveness (p<0.05). Besides, the value of beta ( $\beta = .411$ ) shows that Transactional leader has a positive impact on effectiveness.

The other two leadership styles (transformational and laissez-faire leadership styles) have no significant influence of effectiveness (p>0.05). Besides the value of beta ( $\beta = -.085$  and  $.107$ ) shows that transformational and laissez-faire leadership styles have a negative and positive impact on effectiveness.



### 4.6.1.3 Satisfaction

#### Model Summary

Table 21 Model summary for satisfaction

| Model  | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|--|-------------------|----------|-------------------|----------------------------|
| 1  | .496 <sup>a</sup> | .246     | .230              | .54718                     |
| a. Predictors: (Constant), Laissez-faire leader, Transformational leader, Transactional leader |                   |          |                   |                            |

Source: Own survey 2021

The R square statistic 0.246 depicts that the model explains 24.6% of the variance in the dependent variable (satisfaction). This means 24.6% changes in Employee's satisfaction can be counted to the predictor variables (Transformational leadership, Transactional leadership, Laissez-faire).

#### ANOVA

Table 22 ANOVA for satisfaction

| Model  |            | Sum of Squares | Df  | Mean Square | F      | Sig.              |
|--|------------|----------------|-----|-------------|--------|-------------------|
| 1  | Regression | 13.296         | 3   | 4.432       | 14.802 | .000 <sup>b</sup> |
|  | Residual   | 40.719         | 136 | .299        |        |                   |
|  | Total      | 54.015         | 139 |             |        |                   |
| a. Dependent Variable: employee performance  |            |                |     |             |        |                   |
| b. Predictors: (Constant), Laissez faire leader, Transformational leader, Transactional leader |            |                |     |             |        |                   |

Source: Own survey 2021

The ANOVA table shows that the overall model is significant [(F3, 136) 14.802 p<0.001]. These indicate that leadership styles can play a significant role in shaping employees' satisfaction. In addition to this, we can also access all the independent variables to see each one of them is significant.

## Coefficients

Table 23 Coefficients for satisfaction

| Model                                       |                         | Unstandardized Coefficients |            | Standardized Coefficients | T     | Sig. |
|---|-------------------------|-----------------------------|------------|---------------------------|-------|------|
|   |                         | B                           | Std. Error | Beta                      |       |      |
| 1   | (Constant)              | 1.513                       | .202       |                           | 7.502 | .000 |
|   | Transformational leader | -.009                       | .087       | -.011                     | -.106 | .916 |
|   | Transactional leader    | .290                        | .087       | .390                      | 3.331 | .001 |
|   | Laissez faire leader    | .154                        | .076       | .177                      | 2.037 | .044 |
| a. Dependent Variable: employee performance |                         |                             |            |                           |       |      |

Source: Own survey 2021

The above Regression analysis result table indicates that transactional leader has a significant influence on satisfaction ( $p < 0.05$ ). Besides, the value of beta ( $\beta = .290$ ) shows that Transactional leader has a positive impact on satisfaction.

The other two leadership styles (transformational and laissez-faire leadership styles) have no significant influence of satisfaction ( $p > 0.05$ ). Besides the value of beta ( $\beta = -.009$  and  $.154$ ) shows that transformational and laissez-faire leadership styles have a negative and positive impact on satisfaction.

In general, based on the above table transactional leadership style has a positive and significant influence on the three constructs of employee performance (extra effort, effectiveness and satisfaction).

### 4.6.2 Regression analysis result

The multiple regression analysis was conducted to investigate the influence of independent variable on the dependent variable and identify the relative significant influence, independent variable (Transformational, Transactional and Laissez-fare leadership styles) to the dependent variable; i.e., Employee performance. The proposed hypothesis was tested using multiple regression analysis. The results of the regression analysis were depicted on table.

Table 24 Regression analysis result

| Model                                       |                         | Unstandardized Coefficients |            | Standardized Coefficients | T     | Sig. |
|---|-------------------------|-----------------------------|------------|---------------------------|-------|------|
|   |                         | B                           | Std. Error | Beta                      |       |      |
| 1   | (Constant)              | 1.620                       | .171       |                           | 9.461 | .000 |
|   | Transformational leader | -.003                       | .074       | -.004                     | -.041 | .967 |
|   | Transactional leader    | .312                        | .074       | .472                      | 4.222 | .000 |
|   | Laissez faire leader    | .112                        | .064       | .145                      | 1.746 | .083 |
| a. Dependent Variable: employee performance |                         |                             |            |                           |       |      |

Source: Own survey 2021

**Hypothesis1. Transformational leadership style has a significant impact on employee performance.**

The result of Multiple regression analysis of the above table clearly indicates that transformational leadership style has no significant influence on employee performance ( $p > 0.05$ ). Besides, the value of beta ( $\beta = -.003$ ) shows that the negative influence of transformational leadership style on employee performance. Hence, the above proposed hypothesis is rejected.

**Hypothesis2. Transactional leadership style has a significant impact on employee performance.**

The result of Multiple regression analysis of the above table clearly indicates that transactional leadership style has a significant influence on employee performance ( $p < 0.05$ ). Besides, the value of beta ( $\beta = .312$ ) shows that the positive influence of transactional leadership style on employee performance. This implies that one percent increase in transactional leadership style results 31.2 percent increase in employee performance. Thus, the above proposed hypothesis is accepted.

**Hypothesis3. Laissez-faire leadership style has a significant impact on employee performance.**

The result of Multiple regression analysis of the above table clearly indicates that laissez-faire leadership style has no a significant influence on employee performance ( $p > 0.05$ ). Besides, the

value of beta ( $\beta = .112$ ) shows that the positive influence of laissez-faire leadership style on employee performance. Thus, the above proposed hypothesis is rejected.

In conclusion, only Hypothesis2. Which is Transactional leadership style has positive and significant influence on employee performance is accepted.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.1. Summary of major findings

The overall goal of this study was to look into the impact of leadership style on staff performance in Blu Water Company. The primary findings and outcomes from the data analysis reported in chapter four are summarized in this chapter. The following is a summary of the study's principal findings.

- Even though the proportions of female respondents are slightly greater than male respondents, respondents fairly reflect both genders.
- Majority in terms of age 51.4 percent of respondents are between the ages of 18 and 28, indicating that they are still in their youth.
- The majority of respondents have a first-degree education; they are able to comprehend the data collection instrument.
- The majority of respondents had 1-5 years of work experience in the organization, which allows them to submit information for the study.
- The sometimes (40.0 percent) rating for the transformational leader idealized attribute component implies that leaders are occasionally becoming role models for their workforce.
- According to (39.3 percent) of respondents, transformational leaders often demonstrate idealized behavior. As a result, leaders typically discuss principles and beliefs that are extremely important to their followers.
- The majority (35.7 percent) sees the leader's inspirational motivation on a regular basis. As a result, leaders commonly demonstrate their commitment to a common vision by conveying precise goals and expectations to engage and inspire their employees.
- Transformational leaders are frequently recognized as having a high level of intellectual stimulation (31.4 percent). As a result, the majority of respondents saw leaders as often supporting employee creativity and participation in decision-making.

- Individualized transformational leader considerations are often rated as well (35.0 percent). As the majority of respondents observed, leaders periodically provide employees with opportunities to expand their knowledge and expertise.
- The display of contingent reward by transactional leadership is judged as occasionally effective (40.0 percent). As a result, leaders occasionally express what followers should do, and employees are paid or punished based on their level of achievement.
- Management by exception is likewise graded as sometimes active (37.1 percent). This suggests that, in order to eliminate final mistakes and deviations, leaders may reinforce employees' tight adherence to work procedures and norms.
- Leaders often display management by exception passive, as evidenced by majority response (43.6 percent )
- As stated by (54.3 percent) of respondents, the laissez faire leadership style is used on occasion.
- The transformational leadership style, as represented by a mean score of 2.59, is a low-practice yet generally dominating leadership style demonstrated by the Blu water Company.
- Employees sometimes made extra effort because of the relation of the perceived leadership style
- Employees are satisfied with the company overall leadership style as confirmed by 51.4 % of respondents response.
- Employees witnessed leadership effectiveness in the company as the perceived leadership style relate them to become effective in accomplishing tasks effectively and timely
- The results of the correlation research show a positive association between Transformational, Transactional and Laissez-faire leadership styles and Employee performance.
- The regression analysis result table indicates that Transactional leadership style has a significance influence on employee performance. Transformational leader and Laissez-faire leadership styles has no significance influence on Employee performance.

## 5.2. Conclusion

The goal of this study is to look into the effect of leadership style and employee performance in Blu Water Company, with a particular focus on determining the most dominant leadership style in the firm and assessing its perceived impact on employee performance.

The study found that transformational leadership is the most prevalent leadership style used by the Blu Water Company, yet this leadership style is supplemented by transactional leadership as each leadership style does not fit all situations. As a result, having leadership style flexibility in the workplace is beneficial since it allows leaders to act differently in different situations.

Employees consider the company's predominant transformational leadership style to be effective. The fact that the leader used a transformational leadership style that combined idealized attributes, idealized behavior, inspiring motivation, intellectual stimulation, and individualized concern.

Under the idealized behavior leaders who concentrate on talking about values and beliefs which are of vital importance. They also pay attention to the ethical consequences of decisions. For them, strong morals and the value-driven behavior of leaders as well as highly valued behaviors are important. On the other hand intellectual stimulation behavior of transformational leader innovation and creativity are encouraged and this is done through questioning of assumptions, reframing of problems and using new approaches. The organization's opportunities, threats, strengths and weaknesses are articulated by such a leader. In addition inspirational motivation refers to behavior that motivates and inspires followers. Team spirit on the part of followers is enhanced by the stimulation of their interest and confidence. This is achieved on the part of the leader by giving meaning to the work of followers. In general; the transformational leadership style used by Blu Water Company encourages staff to become more efficient in achieving deadlines.

Even though the transformational leadership style practices by the company is considered as in getting things done right, there are weaknesses associated with it. The first problem is that leaders need their followers to agree with them. The leader must continuously sell the vision they have to encourage their team to work toward it. If any of the followers disagree with the leader's

assessment that the work being done, or the outcome achieved by the vision is immoral, then they will not participate.

Another problem associated with the company leadership style is that Risks taken through transformational leadership can be disruptive.

Leaders use their charismatic approach to serve as a role model for their followers and their organization. They use this energy to show people how to achieve goals or accomplish tasks. There are certain risks that are generally accepted by those using this leadership style to find innovation or create change. If the leader accepts risks that are, or perceived to be, excessive or unnecessary, then the actions of the leader become detrimental to the team and their organization.

The other issue is Transformational leaders often focus on individual needs. Leaders seek diversity because more opinions and experiences lead to more innovation. To encourage diversity, transformational leaders encourage followers to pursue vocational enhancement opportunities. The needs of individuals are often the focus of the leader instead of the needs of the team, which means one team member tends to receive more attention than others in this area. That leads to a lack of trust from affected team members, which ultimately affects the levels of productivity that are achievable.

The companies leadership style are not always detail oriented also another problem in the company. Leaders tend to look toward the big picture at all times. They come up with fantastic ideas to achieve outlandish dreams. That process can cause some leaders to become fixated on the end prize instead of looking at the details required to achieve that goal. Lack of focus also another problem the company leader aim to lead by example and model ideal employee behavior, which may not provide enough structure and guidance for some employees. Even if everyone on the team is united in a common goal, it can be impossible to achieve if they don't know the precise metrics they need to meet and tasks they need to carry out. This lack of focus can lead to internal confusion about who does what and decrease productivity.

One of the biggest weaknesses that many transformational leaders must overcome is their lack of a transactional focus.



### **5.3. Recommendation**

Leaders need to avoid misuse of power as to create a sense of ownership and employee commitment in the company. This sense of ownership and commitment results in employee higher performance and ignites employee's motive to go extra miles beyond the contractual agreement. Leaders ensure that they select people who have a high level of honesty and integrity in their work. Once someone is established in a leadership position, have regular discussions about the motivation of their actions to uphold accountability.

Company leader needs to handle disagreements in a healthy way by providing avenues for people to share ideas and give feedback. Offering employees a structured way to share their concerns and normalizing healthy disagreements in the workplace can help transformational leaders maintain team unity while still being able to understand the risks and drawbacks of their methods.

Leaders of the company should set clear expectations for each person on their team. Good transformational leaders instill internal motivation in their employees and encourage them to set clear, actionable goals each day. By making task-management a part of the company culture, can avoid problems with focus and productivity.

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Appendix

ST MARY UNIVERSITY

SCHOOL OF GRADUATES STUDIES

Questionnaire to be filled by employees of Blu water.

This questionnaire is prepared to produce a paper entitle the effect of leadership style on employee performance in case of blu water which is a requirement for fulfillment of Master’s degree in Business Administration.

I want to reassure you that this study is solely for educational purposes. As a consequence, your opinions and feedback are respected and kept private. You are not allowed to write your name in order to construct a conducive space for your free and genuine answers.

Dear Sir or Madam, I'd like to express my heartfelt gratitude and sincere gratitude in advance for your generous time and candid and timely answers.

Contact Address: Please do not hesitate to contact me if you have any questions; I am available at any time that is convenient for you. E-mail your questions to [sihenbelayhun@gmail.com](mailto:sihenbelayhun@gmail.com)

**Directions: Please select the option that best describes you by putting [X] mark in the box.**

**Section A: personal information**

1. Gender:

A. Male  B. Female

2. Your age in years.

A. 18-28 years  B.29-39years  C.40-50 years  D. above 51 years

3. Your level of education.

A.Below Diploma  B.Diploma  C. BA/BSc Degree

D. Master’s Degree  E. Above Master’s Degree -

4. How long have you been working in blu water?

A. Below 1 year  B. 1-5 years  C.6-10 years  D. 11-15 years

E. above 15 years



**Section B: Leadership Attributes:** lists of descriptive statements are given in the tables below. Please rate how much each of the elements correlates to your supervisor's leadership style.

|                                | <b>Questions</b>   | (0) | (1) | (2) | (3) | (4) |
|--------------------------------|--|-----|-----|-----|-----|-----|
| <b>Transformational leader</b> |  |     |     |     |     |     |
| 1                              | Do you behave in a way that makes people admire you?   |     |     |     |     |     |
| 2                              | What do you believe in? Addresses his or her fundamental values and convictions.                           |     |     |     |     |     |
| 3                              | Do you believe it is important to have a shared sense of purpose?  |     |     |     |     |     |
| 4                              | Do you talk about the future with optimism?  |     |     |     |     |     |
| 5                              | Do you Talks enthusiastically about what needs to be accomplished.   |     |     |     |     |     |
| 6                              | Are you willing to express a convincing future vision?   |     |     |     |     |     |
| 7                              | Do you re-examine important assumptions to see if they are still valid?                                    |     |     |     |     |     |
| 8                              | Do you put the group's needs ahead of your own?  |     |     |     |     |     |
| 9                              | Others take pride in being identified with him/her   |     |     |     |     |     |
| 10                             | Exudes a sense of authority and self-assurance.  |     |     |     |     |     |
| 11                             | Do you Considers the moral and ethical consequences of decisions   |     |     |     |     |     |
| 12                             | Do you have faith in your ability to achieve your goals?   |     |     |     |     |     |
| 13                             | Do you think so? Considers an individual's desires, talents, and goals to be distinct from those of others |     |     |     |     |     |
| 14                             | Do you assist others in maximizing their potential?  |     |     |     |     |     |
| 15                             | If you have any suggestions for new approaches to completing assignments?                                  |     |     |     |     |     |
| 16                             | When it comes to solving problems, do you look for different perspectives?                                 |     |     |     |     |     |
| 17                             | Do you Seeks different perspectives when   |     |     |     |     |     |

|    |  |  |  |  |  |  |
|----|--|--|--|--|--|--|
|    | solving problems.  |  |  |  |  |  |
| 18 | What do you do? You get people to look at issues from a variety of perspectives. |  |  |  |  |  |
| 19 | Do you spend a lot of time coaching and training others?                         |  |  |  |  |  |
| 20 | Do you treat people as individuals rather than members of a group?               |  |  |  |  |  |

|                             | Questions  | (0) | (1) | (2) | (3) | (4) |
|-----------------------------|--|-----|-----|-----|-----|-----|
| <b>Transactional leader</b> |  |     |     |     |     |     |
| 21                          | Do you show that issues must become persistent before action is taken?                   |     |     |     |     |     |
| 22                          | Do you Shows that he/she is a firm believer in "If it ain't broke, don't fix it."        |     |     |     |     |     |
| 23                          | Do you Waits for things to go wrong before taking action.                                |     |     |     |     |     |
| 24                          | Do you wait until an issue becomes serious before intervening?                           |     |     |     |     |     |
| 25                          | Do you draw his or her attention to failures to fulfill expectations?                    |     |     |     |     |     |
| 26                          | Do you keep track of all of your errors?   |     |     |     |     |     |
| 27                          | Do you devote all of your time to coping with errors, grievances, and failures?          |     |     |     |     |     |
| 28                          | Do you pay attention to discrepancies, errors, exceptions, and deviations from the norm? |     |     |     |     |     |
| 29                          | Do you feel satisfied when others meet your expectations?                                |     |     |     |     |     |
| 30                          | Do you make it clear what a person should expect if their performance goals are met?     |     |     |     |     |     |
| 31                          | Do you offer help to others in return for their efforts?                                 |     |     |     |     |     |
| 32                          | Do you talk about who is responsible for meeting success goals in concrete terms?        |     |     |     |     |     |
| <b>Laissez-faire leader</b> |  |     |     |     |     |     |
| 33                          | Do you take a long time to respond to urgent questions?                                  |     |     |     |     |     |

|  |   |                |                     |               |                  |                              |
|--|---|----------------|---------------------|---------------|------------------|------------------------------|
| 34   | Do you find it difficult to make decisions?                               |                |                     |               |                  |                              |
| 35   | When critical problems arise, can you avoid getting involved?             |                |                     |               |                  |                              |
| 36   | When it's necessary, are you absent?                                      |                |                     |               |                  |                              |
| <b>Section C:</b> Employee performance: Please rate how much each of the items corresponds to your supervisor's leadership style result as you understand it. You will be asked to score your perception using the frequency legend given below. |   |                |                     |               |                  |                              |
|  |   | Not at all (0) | Once in a while (1) | Sometimes (2) | Fairly often (3) | Frequently if not always (4) |
| <b>Extra effort</b>  |   |                |                     |               |                  |                              |
| 37   | Do you encourage others to achieve their goals?                           |                |                     |               |                  |                              |
| 38   | Do you encourage others to put in more effort?                            |                |                     |               |                  |                              |
| 39   | Do you persuade someone to go above and beyond what is required of them?  |                |                     |               |                  |                              |
| <b>Leadership style effectiveness</b>  |   |                |                     |               |                  |                              |
| 40   | Is your manager capable of achieving organizational goals?                |                |                     |               |                  |                              |
| 41   | Is your manager capable of leading a team to success?                     |                |                     |               |                  |                              |
| 42   | Is your boss good at satisfying the needs of others at work?              |                |                     |               |                  |                              |
| 43   | Is your manager good at portraying others in front of higher-ups?         |                |                     |               |                  |                              |
| <b>Satisfaction with leadership style</b>  |   |                |                     |               |                  |                              |
| 44   | Is your leader Appreciating the work that has been completed?             |                |                     |               |                  |                              |
| 45   | Is your leader Encourage person to use their own abilities and strengths? |                |                     |               |                  |                              |
| 46   | Is your boss Uses methods of leadership that are satisfying?              |                |                     |               |                  |                              |

**SECTION D: This section has open-ended questions. Please respond as accurately and completely as possible.**

**1. How will you characterize your company's leadership style?**

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**2. What, in your view, are the factors that influence the leadership style in your company?**

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**3. Why do you believe this is the most powerful leadership style?**

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**4. What impact does the supervisor's leadership have on the company's effectiveness?**

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**5. What obstacles does your company face in terms of leadership?**

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