

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



**LEADERSHIP STYLES AND ITS EFFECT ON
ORGANIZATIONAL PERFORMANCE: THE CASE OF
COOPERATIVE BANK OF OROMYIA**

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Declaration

I, **Lidya Endedlu**, the under signed, declare that this thesis is my original work. I have undertaken the research work independently with the guidance and support of the research advisor. This study has not been submitted for any degree or diploma program in this or any other institutions and that all sources of materials used for the thesis have been duly acknowledged.

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ENDORSEMENT

This thesis has been submitted to St. Mary's University College, School of Graduate Studies for examination with my approval as a university advisor.

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This is to certify that the thesis prepared by **Lidya Endedlu** is submitted in partial fulfillment of the requirements for the Degree of Master of Business Administration (MBA). The thesis complies with the regulations of the university and meets the accepted standards with respect to originality and quality.

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ACRONYMS/ABBREVIATIONS

COOP: Cooperative Bank of Oromia

SPSS: Statistical Package for Social Sciences

ANOVA: Analysis of Variance

SD: Standard Deviation

Abstract

One of the most important factors in enhancing a company's performance is leadership. It is assumed that an organization's overall success is influenced by the type of leadership style used. The impact of leadership style on organizational performance at the cooperative bank of Oromia will be investigated in this study. It is quite useful for both practitioners and academics. On the practical side, it aims to inform managers that they can adjust their leadership behaviors or styles to improve subordinates' organizational commitment, work performance, and, as a result, increase a happy working environment. Academically, the study intends to contribute to the future development of this subject area by providing additional insights into the leadership field. The aim of this study was to examine the impact of leadership style on organizational performance at the cooperative bank of Oromia in headquarters and 2 branches around Addis Ababa City. By taking in to account the research objectives and questions, quantitative research approach and, explanatory research design were used. Target population was 55 employees of cooperative bank of oromia which are located at head quarters and branches at sululta and chancho. Quantitative data was collected through structured questionnaires that have been distributed to 55 employees of Cooperative Bank of Oromia. Out of the distributed questionnaires, 48 (87.2%) questionnaires have been returned and used for data analyses. The quantitative data were analyzed by using descriptive and inferential analysis. The findings of descriptive statistics have revealed that the mean score of leadership style variables, that is, transformational, autocratic and democratic was tended to agreement level. All independent variables have significant correlation with the dependent variable, performance where relatively transformational leadership style had a higher strong relationship with performance. Similarly, the result of multiple regressions showed that, predictor variables including transformational, and democratic leadership styles have positive and significant effect on the performance of the bank whereas, autocratic leadership style doesn't. Finally, recommendations were forwarded to the bank to exercise transformational and democratic leadership styles in combination emphasizing more on transformational leadership style.

Key words: Leadership, Leadership Style, Transformational, Autocratic, Democratic, Bank, Performance

CHAPTER ONE

INTRODUCTION

This chapter presents 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

Employees who are satisfied with their jobs are more likely to perform at the maximum level. One of the most effective strategies to boost corporate happiness is to choose a leadership style that benefits both the corporation and its personnel. Some leadership styles exist, and diverse scenarios are prevalent in this context. Some people combine styles to suit their needs. Extensive job descriptions that highlight strategies of achievement are the first step in developing a culture of accountability. According to Thomas (2002) leadership style is the aspect of a leader's personality that inspires subordinates to follow them. In addition, Alexander (2002) explains that leadership styles are specific actions used by a leader to drive subordinates to fulfill the organization goal. Bank supervisors occupy a unique role as theme manager or administrator in change of the bank's resources in order to fulfill banking objectives.

Leadership is a universal human phenomenon. The study of leadership is not a new phenomenon, but it is an ancient art. The old civilizations of Egypt and Rome showed examples of leadership practices. Regardless of the culture, leadership occurs universally among all people (Bass, 2001).

Leadership is one of the most pressing issues and one of the least understood concepts in the corporate world. The history of leadership encompasses through several paradigm shifts and voluminous body of knowledge. As a universal activity, leadership is fundamental for effective organizational and social functioning. The very nature of leadership is its influencing process and its resultant outcomes. Such process is determined by the leaders and followers' characteristics, dispositions, behavior perceptions, attributions and the context wherein the process of influencing occurs. The moral purpose of leadership is to create an empowered follower that leads to moral outcomes that are achieved through moral means.

The importance of leadership refers to the fact that the success of an organization is heavily dependent on the quality of its leaders. These leaders play a major role in making decisions that determine organizational goals and how these goals can be accomplished. Their actions are important in influencing the behavior and potential of the organization members (Williams, 1978). The drive to globalize implies that global organizations need managers with a global outlook.

Leadership style refers to the pattern or constellation of leadership behaviors that characterize a given leader (Williams, 1978, p.217). Effective Leadership Style enhances organizational performance to a greater extent. Kahn (1990) recognizes the impact of management style, suggesting that a supportive management style positively affects level of engagement. Kahn (1990) describes this as a supportive manager as one who allows trial and error and creates varying degrees of organizational performance is mainly defined as a psychological state that binds the individual to the organization. In many organizations there is a growing satisfaction gap – a widening split between the expectations of employers and what workers are prepared to do. There are a number of reasons for this erosion of organizational performance; the most common one being a failure of management in some way or another. To be effective, the skills of committed employee management must be installed in an organization, so they become part of its culture. In this way there will be consistency and equity with respect to how people are managed from the top down to the most junior employee (Allen & Meyer, 1990).

Studies in the management literature suggest that top management commitment may have an even more powerful impact on organizational practices. Top management commitment has been shown to be the main driver behind employee behaviors in the areas of service quality (Babakus et al., 2003). Commitment in the workplace can take various forms and, arguably, have potential to influence organizational effectiveness (Meyer & Herscovitch, 2001).

(McGrath and MacMillan, 2000) report that there is significant relationship between leadership behavior and organizational performance. Effective leadership style is seen as a strong source of management development and sustained competitive advantage, leadership behavior helps organization to achieve their current objectives more efficiently by linking employee performance to valued rewards and by ensuring that employees have the resources needed to get

the job done. Sun (2002) compares leadership behavior with the leadership performance in schools and enterprises, and found that leadership behavior had a significantly positive correlation with the organizational performance in both schools and enterprises. Broadly speaking, leadership performance is identical with organizational performance. Business management attributes their successes to leadership efficiency, that is, the leadership style of administrative supervisors has a considerable effect on the organizational performance (Sun, 2002).

1.2 Statement of the Problem

Leadership style cultivated itself as a significant determinant of workers' organizational performance together with normal skills familiar by supervisors at various level of progressive system. Target reaction of individuals to leaders for the most part is identified with the worker's attributes and leader's qualities and demonstrated skills. Researchers recommended that a quality relationship amongst worker and leader or its nonattendance remarkably affects self-regard of employees in occupation. In like manner leadership styles should be explored to protect the accomplishments of hierarchical objectives regarding satisfaction.

Although correlations between leadership styles and organizational performance has been studied in a wide variety of arenas and in similarly extensive range of situations, few of these studies focus on this relationship in the context of international non-governmental organizations in African context. Most of the studies concentrate on leadership styles and employees' organizational performance. Different from this absorption, this study had looked at the relationship between leadership styles and organizational performance in the context of developing country, Ethiopia with specific concern to Cooperative Bank of Oromia, Ethiopia and discovers the relationship of leadership styles and organizational performance.

Leaders need the ability to lead an organization to achieve the objective set in the given period of time. However, many organizations have immoral and unethical banking practices, high labor turnover and inability to meet basic required obligations. This could be due to a lack of strong leadership. Many organizations' primary goal is to meet their stated goals, necessitating the need for a skilled leader to effectively manage and encourage their employees. Unfortunately, several

businesses are unaware of their managers' leadership styles. Similarly, I observed some Cooperative Banks of Oromia employees are not active enough to serve their customers as they are expected to do. Based on this situation the researcher is motivated to study the reason behind this problem whether the leaders play their roll or not.

1.3 Objective of the Study

1.3.1 General Objective

The main objective of the study was to assess the leadership styles and examine its impact on organizational performance in the case of Cooperative Bank of Oromia.

1.3.2 Specific Objective

As the general objective is mentioned above the specific objectives of the study are forwarded below:

- To identify the preferred leadership style of Cooperative Bank of Oromia in headquarters and branch banks in the case of Cooperative Bank of Oromia.
- To analyze the impact of autocratic leadership style on organizational performance in the case of Cooperative Bank of Oromia.
- To examine the impact of transformational leadership style on organizational performance in the case of Cooperative Bank of Oromia.
- To analyze the impact of democratic leadership style and organizational performance in the case of Cooperative Bank of Oromia.

1.4 Research Questions

1. What are the leadership styles practiced at Cooperative Bank of Oromia?

2. How autocratic leadership styles and organizational performance are related in the case of Cooperative Bank of Oromia?
3. How transformational leadership style and organizational performance are in the case of Cooperative Bank of Oromia?
4. How democratic leadership style and organizational performance are in the case of Cooperative Bank of Oromia?

1.5 Significance of the Study

The study had attempt to demonstrate the current state of the bank's leadership style, which identifies the bank's current strengths and weaknesses, as well as provide recommendations to the bank's management and assist the management in understanding the impact of leadership style on organizational performance. Finally, the study can assist other scholars who are conducting research on the same topic for academic purposes. This study will be beneficial to identify which leadership style is good for employees in terms of satisfaction for the success of their career and achieving their vision. The study can provide information to Cooperative Bank of Oromia on how their leadership style is affecting employees and can help to identify which leadership style will be appropriate to be effective. It can be beneficial for leaders to understand which types of leadership style impacts on organizational performance for a better performance and how employees can also be motivated through proper leadership. It helps as a reference to similar companies in identifying appropriate leadership styles that can improve performance of the company and lead the company to success. Adoption of the appropriate style will help induce trust and loyalty for the organization.

1.6 Scope of the Study

The main focus of this study is analysis of relationship between leadership styles and organizational performance in Cooperative Bank of Oromia. The study was delimited conceptually, geographically as well as methodologically. Conceptually the study was limited to concepts of about leadership style and organizational performance. At the same strengthen, there are various forms of leadership styles. However, for the sake of this study, only three forms of leadership styles (i.e. transformational, autocratic and democratic leadership) were used. The study was geographically delimited to assessing the organizational performance where the sample will be obtained at the headquarters and 2 branches around Addis Ababa only. The 20 study employed explanatory research design. To conduct the study, primary data was used. In order to collect the data, self-administrated questionnaire was employed. The sample population of the study was all the population of the study. At the end, both descriptive and inferential statistics was used for the data analysis purpose.

1.7 Limitations of the Study

The researcher had faced the shortage of sample size to collect data and lack access to data. In addition, the respondents may not give an accurate data to achieve the intended objective of the study.

1.8 Operational Definition of Terms

Leadership; is an important managerial talent that involves motivating a group of people to achieve a common goal (Klein et al., 2013).

Leadership style; is defined as the set of features, traits, and behaviors that he or she employs when interacting with subordinates Mitonga-Monga and Coetzee (2012).

Organizational performance; Organizational performance comprises of the results of an organization or the actual outputs of an organization, which can be measured against intended outputs, goals and objectives (Gavrea, et al., 2011).

1.9 Organization of the Research

The study comprises five main chapters. Chapter one is devoted to the general introduction covering the background of the study, the statement of the problem, the objectives, significance, scope, limitations and how the research was organized. Chapter two is mainly concerned with the review of related literatures and gives a detailed explanation on the issue. Chapter three provides the methodology that was applied to achieve the research objectives including primary data and method of analysis. Chapter four covers the analysis and presentation of data. This chapter discusses the result obtained in accordance with the research questions. Finally Chapter five deals with summary of findings, conclusion and recommendations.

CHAPTER TWO

RELATED LITERATURE REVIEW

2.1 Introduction

In Accordance to the aim of the paper, this chapter is dedicated to present literatures found on the online web system and also some preliminary books as well. This Chapter reviews about organizational performance, the concept of leadership style, different styles of leadership, theories, empirical review and conceptual framework. Encompassing empirical reviews and results of some findings will be presented. Finally, conceptual framework of the study will be offered at the end of the chapter.

2.2 Theoretical Review

2.2.1 Leadership Styles

“Leadership is a social influence process in which a leader seeks out subordinates' voluntary engagement in order to achieve organizational objectives” Mitonga-Monga, J. & Coetzee, M., 2012. Leadership is an important managerial talent that involves motivating a group of people to achieve a common goal. Leadership is concerned with the growth and development of followers, as well as their needs and capacities (Klein et al., 2013). Managers in leadership roles must prioritize the development of employees' value systems, motivational levels, and morality in addition to the development of their talents (Uchenwamgbe, 2013; Ismail et al., 2009). In the workplace, this technique will essentially assist followers in achieving their objectives. According to Khan et al. (2014), followers will be encouraged to be creative in their thinking.

According to Michael (2010), leadership has a direct cause-and-effect relationship with organizational success. Values, culture, change tolerance, and employee motivation are all determined by leaders. They influence institutional initiatives, including how they are implemented and how effective they are. It is important to note that leaders can be found at any level of an organization and are not limited to the top. Successful leaders, on the other hand,

share one trait. They exert influence over others around them in order to maximize the value of the organization's resources, particularly its most valuable and costly human resources and capital. This achievement can only be attained and most likely sustained in organizations that use the right leadership style or styles at the right moment. The employment of non-coercive influence to shape a group is also referred to as leadership. Despite the differences in definitions, these concepts have at least three crucial implications. To begin with, leadership is a process that specific individuals engage in (leaders). It is a continuous activity in a company. Second, it involves other people in the form of subordinates or employees who are influenced by the leader due to their desire. As a result, subordinates solidify the leader's authority by facilitating the leadership process. Finally, the achievement of a goal and objectives is the goal of leadership. There have been a seemingly endless number of definitions produced, but there is one common thread that runs through all of them: the concept of impact. As a result, leaders exert influence over others to aid in the achievement of group and organizational goals. However, it should be noted that using the right leadership style at the right moment is a key factor in achieving organizational success.

“A leadership style is defined as the set of features, traits, and behaviors that he or she employs when interacting with subordinates” Mitonga-Monga and Coetzee (2012), Mitonga-Monga & Coetzee. They define leadership as a pattern of managerial action that is designed to integrate organizational or personal interests and impacts in order to achieve specific objectives. Harris et al. (2007) have proposed that a leader's style might be described as the type of interaction he or she uses to get people to work together toward a common purpose or objective.

The manner in which a leader leads is referred to as his or her leadership style. Some leaders are more concerned with the task at hand than with the people with whom they work, while others are more concerned with their subordinates' relationships than with the task at hand. A leader's style is usually defined by whether he prioritizes work completion or human interactions. According to Thomas (2002), leadership style is the aspect of a leader's personality that inspires subordinates to follow them. On the other hand, according to Alexander (2002), leadership styles are specific actions used by a leader to drive subordinates to fulfill the organization's goals. Bank

supervisors occupy a unique role as theme manager or administrator in charge of the bank's resources in order to fulfill banking objectives.

Formulating goals and objectives, developing structures, managing and motivating workers, and giving leadership are just a few of them. Mr. Maxwell (2007) Marily, on the other hand, believes that delivering leadership is a critical aspect of a leader's job. The leadership style that leaders use to fulfill the above duties will decide whether or not they are able to complete the task at hand and achieve long-term organizational goals, as well as whether or not they are able to build and maintain strong relationships with their employees. Leadership styles can be classified into the following categories, according to modern leadership styles: Harris et al. (2007) provide examples of leadership styles:(1)Transformational leadership, (2) Transactional leadership (3) Democratic leadership, (4) Laissez faire leadership and (5) Autocratic leadership.

2.2.1.1. Transformational Leadership Styles

The focus of transformational leadership is on the growth of followers as much as the development of the organization. With the preamble of their talents, managers with transformational leadership styles focuses on the growth and development of employees' value systems, inspirational levels, and moralities. The goal of transformational leadership, according to Bass, is to "transform" people and organizations in the literal sense—to change them in mind and heart, enlarge vision, insight, and understanding, clarify reasons, align behavior with values and concepts, and bring about changes that are permanent, self-perpetuating, and momentum-building. According to Bass and Avolio, transformational leadership occurs when a leader becomes broader and upholds the interests of the employees, when they generate awareness and acceptance for the group's purpose and assignment, and when they blend employees to appear beyond their own self-interest for the good of the group.

Transformational leaders, according to Bass and Avolio, enable followers to see challenges in new ways and provide support and encouragement. It communicates a vision, encourages movement, and allows for identification. According to Bruce et al., transformational leaders can establish and convey a vision for their organizations, and their leadership style can affect or "transform" individual-level factors like motivation as well as organizational-level variables like

mediating conflict across groups or teams. Transformational leadership, according to Podsakoff et al., has a direct impact on individual and organizational outcomes such as employee happiness and performance. Group potency was found to be connected with higher degrees of transformative leadership.

2.2.1. 2. Autocratic Leadership style

An autocratic leader is frequently portrayed as someone who is well aware of his position and has little faith or trust in his or her employees. In nature, autocratic dictators are regal and domineering. Those in charge require their subordinates to carry out their orders (Al Khajeh, 2018). Autocratic authorities reserve the authority to make judgments in general (Longe, 2014). The autocratic ruler believes that providing an advanced salary for completed labor is a fair exchange and that an employee can only be motivated by money.

Personal control over all team members' decisions and limited feedback characterize this leadership style. These leaders place a premium on loyalty and commitment and are known for making their own decisions and demanding rigorous adherence to rules. The decision-making process is centralized, and autocratic rulers accept complete responsibility for making decisions and overseeing their subjects' performance. In autocratic rule, followers' praise and criticism are extremely significant. Autocratic leaders frequently make judgments based on their own thoughts and perceptions, never taking into account the suggestions of their followers. Autocratic leadership necessitates total, dictatorial control over a group.

Longe (2015) suggests that authoritarian leadership may be beneficial in emergency situations involving a homogeneous workforce and a leader who is clever, sensible, and has a thorough awareness of the situation.

In these scenarios, extra caution may be required to avoid a potential incident. The refusal of subordinates to cultivate achievement satisfaction, the rejection of individual development and self-actualization gratification, as well as antagonizing people and wiping out the organization of lifelong devotion and collaboration, are all faults of authoritarian leadership. In other instances, though, a dictatorial attitude is permissible. It is critical when the organization is confronted with

a crisis or when an urgent issue necessitates immediate action (Bhargavi & Yaseen, 2016). In addition to the bullying, there is no unifying purpose and no encouragement. Autocratic leadership is known to reduce participation, innovation, and creativity (Al Khajeh, 2018). Nonetheless, the majority of autocratic leaders' supporters can be portrayed as biding their time and waiting.

2.2.1.3 Democratic Leadership style

Democratic leadership, also known as participatory leadership, is a type of leadership in which group members have an active role in decision-making. This leadership style is concerned with achievement and people (Bhargavi & Yaseen, 2016). Democratic leadership encourages employees to participate in decision-making within the organization (Nwokocha & Iheriohanma, 2015). The democratic leader facilitates decision-making collaboration between the leader and the team. Arguments and compliments are critically presented, and a sense of responsibility is developed within the community. The leader talks with subordinates until he or she issues broad or particular directives via which they feel free to act (Bhargavi & Yaseen, 2016). The boss urges the subordinates to use their initiative and keep contributing. The bosses even give their subordinates advice on how to accomplish their jobs.

Democratic leadership is characterized by the premise that team members are able to exchange ideas and opinions while the leader retains final decision-making authority. Group members feel more involved in the process, and creativity is encouraged and rewarded. Democratic leadership has a number of advantages. Subordinates are encouraged to share their experiences, which can lead to more innovative problem solving and better ideas (Sadia & Aman, 2018). Staff will be more involved and committed to projects, making them more likely to be concerned about the present end result. Democratic leadership is thought to result in higher productivity among group members. Democratic leadership thrives in situations like this.

Democratic leadership thrives in environments where people are well-informed and willing to share their knowledge. It's also critical that there's enough time for individuals to input, construct a plan, and then decide on the best course of action.

2.2.2. Organizational Performance

Organizational Performance is a complex and multidimensional phenomenon in the business literature. Organizational performance comprises of the results of an organization or the actual outputs of an organization, which can be measured against intended outputs, goals and objectives. The organizational performance involves three areas associated with the organization –financial performance (return on investments, profits etc.), shareholder return (economic value added, total shareholder etc.) And the product/service market performance (market share, sales etc.) (Gavrea, et al., 2011).

Ireland, Cantens & Yasui (2011) explained performance as a dynamic, requiring judgment and interpretation illustrated by using a causal model that describes how current actions may affect future results. Performance measurement is basic to companies' improvement as its measurements are used to control and keep track of how the company is performing and whether objectives are met. In fact, performance may be understood differently depend on the person involved in the assessment of the performance. Fu-Jin Wang et al. (2010) illustrates that both financial and non-financial factor of performance need to be considered at the same time while measurement because non-financial aspects such as employee morale and product quality are very important for its long term operation. Hofman cited in Fu-Jin Wang et al. (2010) also stressed nonfinancial performance measures like customer satisfaction, product quality or employee turnover are too relevant as they indicate the entity's durable performance. Therefore, in this study, the performance of the Bank was measured in terms of non financial performance measures such as employee job satisfaction, innovation and technology, learning and development, and employee turnover. These non-financial performance measures are discussed in the following section.

Employee Job satisfaction; According to Kaliski as cited in Brikend Aziri (2011), job satisfaction is a worker's sense of achievement and success on the job. In a general word it can be perceived to have direct linkage with productivity and personal well-being. Job satisfaction implies doing a job one enjoys, doing it well and being rewarded for one's efforts. Further implication of job satisfaction goes to enthusiasm and happiness and accordingly job satisfaction

is the key ingredient that leads to recognition, income, promotion, and the achievement of other goals that in turns lead to organizational achievement. Job satisfaction represents an amalgamation of positive or negative feelings that workers have towards their work. Meanwhile, when a worker employed in a company, brings with it the needs, desires and experiences which determinates expectations that he has dismissed. Job satisfaction represents the extent to which expectations are and match the real awards. Job satisfaction is closely linked to that individual's behavior in the work place Davis et al. (1985) cited in (Brikend Aziri, 2011).

Innovation and Technology; Innovation is a new work design in which efficiency can be increased by redesigning work processes, using new technology and coordinating activities to avoid wastage. These determinants are important when defective products and unreliable process affect the wellbeing of staff and financial loss occurred (Mesfin & Deres, 2018). The effectiveness of the organization also depends on responding in appropriate ways to external threats and opportunities in such a way that when change in the external environment affects the capacity of the organization to carry out its mission, successful adaptation on new technology requires of the threats and opportunities and willingness to make changes in the processes, products, services, or the competitive strategy of the organization. Innovative change is important when external environment is uncertain, in situations of fast technology alteration, political and economic disorder and threats from competitors (Yukl, 2006). Mesfin & Deres (2018) stated that adaptation of innovation and technology need true version of information about environment, collective learning, knowledge management, flexible work process, innovations in products/services and availability of optional resources.

Learning and Development; Dutra cited in Maria Aparecida (2017) describes performance as the set of deliverables and results generated by the development, effort and behavior of the employee in the organization. The level of development of the employee is related to his/her maturity and autonomy of action, and determines the organization's expectation about his/her performance. Dutra confirmed that the effort, however, differs from the level of development due to the quality of the value added to the organization. Effort, in a sense, is a contingency and is linked to the motivation of the individual and the favorable conditions offered by the organization.

Employee turnover; A productivity measure is a measure of the efficiency of an operation; it is also referred to as resource utilization. The most productive operation is the production of maximum output for any specified set of resource inputs uses the minimum inputs for any given quantity/quality of output Chris U. Abeh Ukaidi (2016). To do so, it is compulsory to maintain existing employees and attract the new ones to ensure the absence of employee turnover. Ann Gichinri (2015) also emphasized that employees are highly important asset for achieving promoting and achieving organizational goals. Thus, organizations need to have efficient leaders to lead and motivate their employees in their daily operation so that they can achieve set goals.

2.2.3. Leadership Styles and Organizational Performance

There is a considerable impact of the leadership styles on organizational performance. The leadership style influences the culture of the organization which, in turn, influences the organizational performance. Klien et al (2013) proved this fact by using four factor theory of leadership along with the data collected from 2,662 employees working in 311 organizations. The organizational culture and performance are related to the type of leadership style (Klein, et al., 2013).

The leadership of a company is certainly considered to have a strong impact on its success, employee satisfaction, and employee engagement. Some researchers have concluded that by using effective leadership styles, leaders inspire and enable their staff to be successful (Bhargavi & Yaseen, 2016). Leaders must use effective leadership styles to encourage levels of performance in the professional growth of company employees. Leadership styles and organizational efficiency are strongly related. Effective leadership style is seen as a strong source of sustainable competitive advantage and growth management. Style of leadership allows the company accomplish its current goals more effectively by connecting employee performance to expected incentives and ensuring that staff have the tools for doing the task. Without leadership there is an increase in the probability of errors happening with more and more reduction in prospects for success. Among this way, leadership, along with stimulants and opportunities, fosters the desire of individuals to accomplish objectives, playing a significant role in the processes of creating, communicating and transforming organizational culture.

Considering the nature of leadership is power, the art of mobilizing another to battle for common interests could be commonly viewed as leadership. Leadership has everything to do with outcomes. Leaders face a tough challenge in today's globalized economy, with businesses facing constantly changing environments.

2.2.4. Leadership Skills

Three measurable criteria determine the effectiveness of a leader:

- (1) **Productivity;** It reflects the effectiveness of the leader in attaining organizational goals.
- (2) **Satisfaction;** reflects the extent to which subordinates are satisfied with their leader's behavior and the leader collaborates effectively with others.
- (3) **Extra Effort;** reflects the extent to which the leader can increase subordinates' desire to succeed and subordinates exert effort at a higher rate than usual.

2.2.5. Organizational Commitment

Porter et al. (1974) defined "commitment" as the degree to which an individual identifies with and participates in a particular organization. They explained that there are three fundamental components to commitment: a strong belief in and acceptance of the organization's goals and ideals; a readiness to put up significant effort on behalf of the organization.

2.2.6. Workplace Productivity

Tukel and Rom (2001); Xiao and Proverbs (2003; Tukel and Rom, 2001; Xiao and Proverbs, 2003). We define success as accomplishing three key objectives: completion on time, completion within budget, and completion at the desired level of quality or technical specification.

The different leadership theories that abound in the literature influence the framework of this investigation. These theories range from trait theories, which emphasize certain personal

qualities and characteristics as the foundation for successful leadership, to style theories, which focus primarily on a leader's behavior at work, to contingency theories, which focus on settings such as employee characteristics, the nature of the task they perform, and organizational characteristics, to the theory of distributed leadership, which emphasizes the distribution of power. The idea claims that leadership is important at all levels and should be derived from rather than contributed to by individuals and groups in organizations. From the foregoing, it is clear that while some scholars believe that leadership improves organizational performance, others disagree. Diverse definitions of leadership have been used in various studies, making direct comparisons nearly impossible.

2.3. Empirical review of related studies

Bushra et al, (2011), done a study on the banking section of Lahore, Pakistan with a statistical population of 133 bank employee's to investigate the relation of leadership style on organizational performance using multivariate regression analysis. the result of the study showed that autocratic leadership has a positive and significant effect on the investigated bank employees and their organizational performance, which in turn creates an organizational commitment.

There is an important association between autocratic leadership style and employees,, organizational performance and this autocratic leadership style is more adopted by the leaders as compared to transformational leadership style. The authors advise the research results to the senior leadership of banks for them to improve their employee's organizational performance. This they offer can be done through training their leading staff in branches to adopt autocratic leadership style. The study involved 230 people working in five selected private banks of four districts of the Punjab province of Pakistan. From the analysis of strong and weak point of these transformational and autocratic leadership styles, it is evident that more empirical work is required to achieve clearer understanding of these two concepts. This study will look at a combination of both and values based leadership style.

Metzler (2006) researched the bond between transformational and autocratic leadership styles and organizational performance by illustration of 251 university students who had work

experience. His research chains the findings of the current study namely, that autocratic leadership positively predicts dedication and absorption. His findings however, also indicate that autocratic leadership positively predicts vigor, which is contrary to this study. Given the fundamental assumption that subordinates work in order to receive compensation, autocratic leaders are able to motivate their employees through the exchange of resources such as contingent rewards.

Obuobisa-Darko (2015) investigated the relationship between leadership styles and organizational performance, specifically focusing on the banking section by taking 150 employees as a sample. Leadership styles investigated in this study included the autocratic and transformational techniques. Findings of the study show that there is a significantly positive relationship between the leadership styles of transformational and autocratic with organizational performance. Also, according to other results of this study, the effect of autocratic leadership on organizational performance has been more successful than the transformational leadership method.

In Ethiopia, there is little empirical literature conducted on the subject area. However, among the research conducted in the Ethiopian context, Mesfin Lemma and Deres Eshete in their study conducted in 2018 on the effects of leadership styles on organizational performance found that there is significant and positive relationship between leadership style and performance. They found that autocratic, democratic and charismatic leadership styles have a positive relation with organizational performances while a laissez-fair leadership style has a negative relation with performance. Transformational that brings changes in working environment by inspiring employees for changes, creation, innovation, to go beyond from what they actually think they can and transactional that reward employees and make recognition in exchange for the work they perform, giving close directions and guidance have positive and significant effect in promoting the performance of the bank (Mesfin and Deres, 2018). Similarly, in the Ethiopian banking sector, transformational leadership which focuses on renovation of organization and individual, and transactional leadership which involves reward and recognition in exchange for the work done and close assistant and guidance are more 4 relevant are positively related to performance (Tariku et al., 2020).

2.4 Conceptual Framework

“A leadership style is defined as the set of features, traits, and behaviors that he or she employs when interacting with subordinates” Mitonga-Monga and Coetzee (2012), Mitonga-Monga & Coetzee. They define leadership as a pattern of managerial activity aimed at integrating organizational or personal interests and affects to achieve defined goals. The conceptual basis for this study is based on Kurt Lewin's autocratic and democratic model's behavioral leadership theory. In autocratic leadership, the leader makes decisions, tells employees what to do, and closely supervises workers, whereas democratic leadership encourages participation in decisions, works with employees to determine what to do, and does not closely supervise workers (Koontz and Donnell (1993).According to Bass (1985), followers of transformational leadership have faith in, appreciate, and respect for the leader, and are inspired to go above and beyond what is asked of them. Organizational performance, according to Koontz and Donnell (1993), is an organization's capacity to meet goals such as high profit, good quality products, and a significant market share.

Based on the objectives of the research and review of existing literature regarding the relationship between leadership style and organizational performance in case of Cooperative Bank of Oromia, the study has developed the following framework that is expected to explain the relationship between leadership style and organizational performance in case of Cooperative Bank of Oromia in the study area. The following figure depicts the relationship between the independent and dependent variables, employee’s satisfaction of the study.

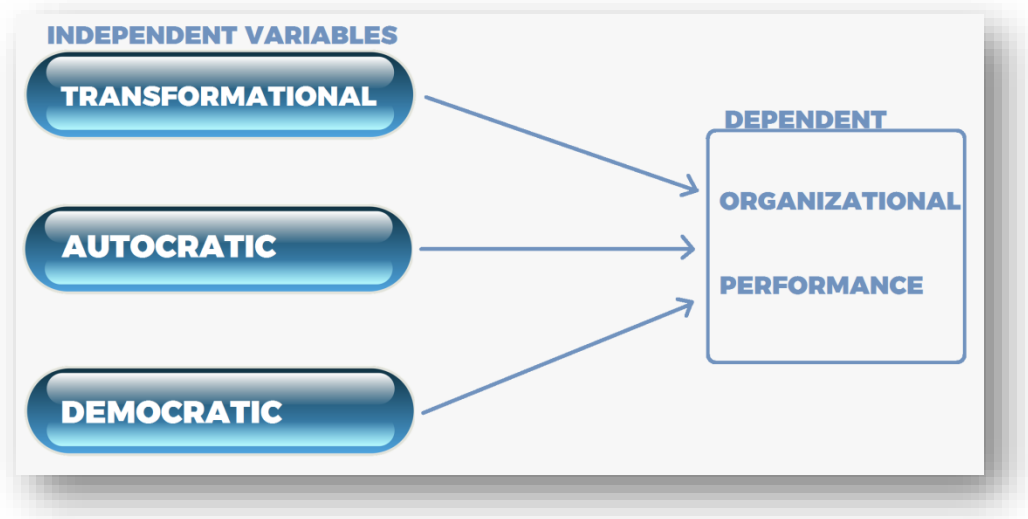


Figure 1: Conceptual Framework
Source: Developed by the Researcher

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The previous chapter clearly identifies the knowledge gap which together with the problem statement shown in chapter one necessitates the conduct of this research. This chapter provides the details of the research methodology. While the study primary aim is to assess leadership style and analyze the impact of leadership style on organizational performance in case of Cooperative Bank of Oromia. The research design and methodology section will clearly define the research design, approaches of the study, population and sampling design, data type and sources, data collection, data analysis methods finally data validity and reliability method will be intensively presented.

3.2 Research Design

A research design is simply the frame work of the study. From different types of research designs explanatory type of research design was employed as a main research design for this study to analyze the impact of leadership style on organizational performance in Cooperative Bank of Oromia in the headquarters and two districts near Addis Ababa City. This study uses explanatory research design to explaining, understanding, predicting and controlling the relationship between variables. By taking cross-section of the population relevant data were collected at one point in time. Then the study determines to what extent leadership style affects organizational performance. All relevant data was collected from a single point in time. Correlation is used to measure the direction of the linear relationship between two variables as well as to measure the strength of association between variables (Tabachnick and Fidell, 2007, p. 56-57).

3.3 Research Approach

Creswell (2003) discussed three research approaches, namely quantitative, qualitative, and mixed research approaches. In this research quantitative research approach were used so the following paragraph is briefly discussing the nature of research approach intend to be use. The study is quantitative in nature which is generally associated with especially since it is used with predetermined and highly structured data collection techniques under this study. Thus, the study used explanatory methods approach as a design in methods in which the researcher collects quantitative data analyzes the results, and then uses the results to find conclusion and recommendation. The study was quantitative where survey research is followed since it provides a quantitative or numeric description of trends, attitudes, or opinions of a population by studying a sample of that population that includes a cross-sectional study using survey questionnaires for data collection with the intent of generalizing from a sample to a population (Fowler, 2008)

3.4 Sampling Design

For the purpose of time and cost saving the primary data was collected from population of headquarters of the Cooperative Bank of Oromiya and Cooperative Bank of Oromiya branches in Sululta and Chanco towns. The researcher believed that all the population were the respondent, since they are small in number which was below one hundred. As a result, the researcher took all 55 employees as respondents to the data collection.

However many sampling designs can be used for such type of research, the researcher took all the population purposefully because it gave equal opportunity to all the respondents as they were small in number to be used for the primary data collection. First, the population were selected in to their respective department and then by educational level. Then, the researcher showed the letter given from university that witnesses the researcher being formally involved in the organizations to collect data. After the researcher was given permission from the organization, the researcher distributed the questionnaire to be filled by the respondents. Finally, the researcher collected all the distributed questionnaires and analyzed the data.

3.4.1 Target population

A population may be described as items with the traits that one desires to study that can be a person, business enterprise, or different that researcher wish to attract medical inferences approximately (Kelley, okay., Clark, B., Brown, V., & Sitzia, J., 2003). The goal populations of the study that I have a look at, turned into 55 managerial and clerical team of workers of Cooperative bank of oromia running at Head quarters, and 2 branches around Addis Ababa. Researcher selected this target population due to their accessibility and excessive confidence of acquiring facts.

3.4.2 Sampling Technique

Sampling technique used for this study was non-random sampling technique. In non-random sampling, the sample choice follows a specific set of conditions and is normally used in studies where in the sample wishes to be collected primarily based on a specific feature of the population.

3.4.3 Sample Size

Sample size can be determined using certain formula in the case of quantitative study, whereas, in qualitative study, determining sample size is entirely a matter of judgment, there are no set rules (Cohen, L. Manion, L. & Morrison, 2000).the sample size of this study is all the population of the study which is 55 in number.

3.5 Data Sources and Collection

3.5.1 Data Source

In regards to the sources of data, the study used both primary and secondary source of data. Based on the nature, scope, objectives and availability of time and resource, the researcher used questionnaires and secondary data sources like books, documents, existing research papers, journals and publication, websites, and other relevant journals.

3.5.2 Data Collection Tools

Primary data was gathered using a structured questionnaire. This method covered some employees of the respected firm. A questionnaire is a type of survey was respondent's writes answers to questions posed by the researcher on a question form. Since, the study mainly focused on assessing the impact of leadership style on organizational performance in Cooperative Bank of Oromia. The researcher proposes that the data to be used based on both primary and secondary data which will help the researchers to provide enough data for investigating questionnaire distributed to collect data from the respondents. The secondary data collected from reports of the Cooperative Banks of Oromia from the selected areas which were legally documented in the office. The questionnaire was prepared to be inclusive of the constructs measured in the study. The questionnaire has two sections. The first section covered the demographic profile of the participants like age, sex, educational level and other background data. The second section is structured on a Likert scale of 1-5 to show their degree of agreement or disagreement to the sentences about the constructs under study.

3.6 Data Analysis Methods

The demographic facts obtained from the respondents were summarized using frequency distribution. Inferential statistical analysis was used. As it is mentioned above, scale type questionnaires were used as a way of data collection tool, then the Scale type questionnaires were analyzed by using descriptive statistics, correlation, and particularly regression and answering the research questions. The data was analyzed using SPSS. This provided the

generalization of the findings on of the data concerned and the standard deviation provides a dispersion of the data according to the variability of the data.

3.7 Reliability and Validity Analysis

Reliability Analysis

Below, Table 1, shows the reliability statistics of the data collected is 0.858. Which is seen as adequate and permitted, for the scale variables?

Table 3.1: Reliability Statistics

| Cronbach's Alpha | N of Items |
|-------------------------|-------------------|
| .858 | 16 |

Source: Own Survey, 2022

| Variables | Cronbach's Alpha for each Items |
|--|--|
| Transformational leadership style | 0.857 |
| Democratic leadership style | 0.859 |
| Autocratic leadership style | 0.856 |
| Organizational performance | 0.860 |

Reliability test was conducted to ensure internal consistency of the research instrument and Cronbach's alpha is used to measure the internal consistency of the measurement items. For this study we used 16 items in measurement of three variables and we came to know that the items in

this study are reliable. The reliability coefficient which is more than or equal to 0.60 should be considered adequate to develop a questionnaire. Therefore, a low coefficient alpha indicates the sample of items perform poorly in capturing the construct motivating the measure. Conversely, a large coefficient alpha implies that the items test correlates with the true scores closely.

Validity analysis

Validity, often called construct validity, refers to the degree in which the test is truly measuring what it is supposed to measure. It states how good a test is for a particular situation. If a test has poor validity then it does not measure the content and competencies it ought to. According to Kothari (2004) content validity is the extent to which a measuring instrument provides adequate coverage of the topic under study. If the instrument contains a representative sample of the universe, the content validity is good. Its determination is primarily judgmental and intuitive. It can also be determined using a panel of persons who shall judge how well the measuring instrument meets the standards, but there is numerical way to express it. Based on this definition the content validity was verified by the advisor of the research, who look into the appropriateness of the questions and the scale of measurement. In addition discussions with Fellow researchers as well as feedback from the pilot survey were another way of checking the appropriateness of the questions. In case of secondary data, only relevant articles and literature from academic, scientific and marketing databases is used for this study.

3.8 Ethical Considerations

It is imperative that ethical issues are considered during the formulation of the evaluation and data collection plan. Considerations include:

- **Confidentiality:** confidentiality means that any identifying information is not made available to or accessed by anyone.
- **Anonymity:** Anonymity is a stricter form of privacy than confidentiality, as the identity of the participant will remain unknown.

This study considered some ethical issues while conducting the research. The participants in this research had the right to choose whether or not to participate. They were also informed of all aspects of a research task. Consumers were also given the right to privacy about the information they provided. The participants name was never mentioned in any of the data presentation and it will remain confidential.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

In this chapter, the data that are collected through the structured questionnaire summarized and analyzed in order to realize the ultimate objective of the study. This chapter contained the data presentation, analysis and discussion of the sample population based on the primary data collected. The demographic facts obtained from the respondents were summarized using frequency distribution. Scale typed questionnaires were analyzed by using descriptive statistics, correlation, and particularly regression is used to test the research concepts and answering the research questions. The data was analyzed using SPSS. Only 87.2% of the total distributed questionnaires were responded back. While a total of 55 questionnaires were distributed, 48 of them were returned back to the researcher.

4.2 Demographic Profile of Respondents

Table 4.1: Respondents Demographic Profile

| Demographic Profile | | Frequency | Percent | Valid | Cumulative |
|---------------------|---------------|-----------|---------|-------|------------|
| Gender | Female | 7 | 14.6 | 14.6 | 14.6 |
| | Male | 41 | 85.4 | 85.4 | 100.0 |
| Age Group | 20 - 29 | 26 | 54.2 | 54.2 | 54.2 |
| | 30 - 39 | 17 | 35.4 | 35.4 | 89.6 |
| | 40 - 49 | 5 | 10.4 | 10.4 | 100.0 |
| Branch | Chancho | 14 | 29.2 | 29.2 | 29.2 |
| | Head Quarters | 16 | 33.3 | 33.3 | 62.5 |
| | Sululta | 18 | 37.5 | 37.5 | 100.0 |
| Years in the | 0 - 3 years | 18 | 37.5 | 37.5 | 37.5 |
| | 3 - 5 years | 8 | 16.7 | 16.7 | 54.2 |

| | | | | | |
|-------------|----------------|----|------|------|-------|
| Bank | 5 - 10 years | 16 | 33.3 | 33.3 | 87.5 |
| | Above 10 years | 6 | 12.5 | 12.5 | 100.0 |

Source: SPSS Output, 2022

The table above shows the descriptive Statistical Analysis of the respondents demography. It displays brief descriptive coefficients that summarize a given data set, which can be either a representation of the entire or a sample of a population. Descriptive statistics are broken down into measures of central tendency and measures of variability (spread). This section presents the descriptive statistics of the data regarded.

4.2.1 Gender Distribution of Respondents

The table above shows the proportions regarding gender. The male respondents constituted the largest share of the gender composition representing 41 (85.4%), while 7 (14.6%) were female, as shown on Table 4.1. This shows the largest number of respondents were male with 85.4%, while female respondents constituted 14.6% of the total respondents.

4.2.2 Age Group Demographic of Respondents

Regarding age distributions, respondents in the age range between 40-49 amounted to only 10% of the total respondents, while the age groups of 30 - 39 years of Age were 35%. Respondents between 20 - 29 years were the most respondent's percentage of the total sample with 54% of the total sample population contribution. The age descriptive frequency is presented in the table above. This implies most of the respondents were between the age of 20 to 39, it constitutes about 90% of the total respondents.

4.2.3 Branch of Respondents

Regarding the branches of respondent employees, 18 respondents are in Sululta branch setting 37.5%. 14 respondents out of the total respondents are from the Chancho branch constituting

29%. Respondents working in Head Quarters were 16; it encompasses 33% of the total respondents.

4.2.4 Years in the Bank

Regarding years in the bank of respondents, respondents less than 0 - 3 years in the bank were 18 constituting 37.5% of the total respondents. The years in the bank between 3 - 5 years amounted to only 17% of the total respondents which is 8 respondents from the total respondents. While the 5 - 10 years in the bank were 16 respondents. It encompassed 33% of the total respondents. Only 6 respondents were above 10 years in the bank, which constitutes 12.5% of the total respondents. This implies most of the respondents worked less than 10 years in the bank; it constitutes about 88% of the total respondents.

4.3 Descriptive Analysis of Independent Variables

The following results are focused on displaying the descriptive statistics of the independent variables that are the styles of leadership, to the queries in the questionnaire.

4.3.1 Autocratic Leadership Style

The following table presents the questionnaire requests regarding Autocratic Leadership Style. As the mean of the result shows, the majority are in level to neutral for the questions asked. Most respondents almost agreed that the leader is the principal judge of the achievements of the team with 4.53. On the contrary, most respondent disagreed that the leader doesn't get too involved with the team and doesn't have conversations with them frequently. The following statements interpret the autocratic leadership related data collected by the researcher.

Respondents gave their response to the following Autocratic Leadership Style related statements on the questions of agreement or disagreement, the mean of the respondent are shown. The detailed data is presented in the table below.

Table 4.2: Autocratic Leadership Style

| Autocratic Leadership Style | N | Mean | Std. Dev. |
|---|----------|-------------|------------------|
| The leader bestowed rewards and gives punishments to motivate employees to achieve organizational objectives. | 48 | 4.27 | .868 |
| The leader makes all the major decisions. | 48 | 4.13 | 1.042 |
| The leader doesn't get too involved with the team and doesn't have conversations with them frequently. | 48 | 2.13 | 1.224 |
| The leader is the principal judge of the achievements of the team. | 48 | 4.53 | 1.042 |
| | | 3.77 | |

Source: SPSS Output, 2022

Most respondents agreed that leader bestowed rewards and gives punishments to motivate employees to achieve organizational objectives. Looking to the standard deviation, .868 implies that the answers of the respondents were narrowly distributed apart from the mean, thus the answers are concentrated around the mean, 4.27. This implies the leaders bestowed rewards and gives punishments to motivate employees to achieve organizational objectives.

Most respondents agreed that the leaders make all the major decisions. The standard deviation, 1.04 implies that the answers of the respondents were distributed moderately with in this value apart from the mean, thus the answers are moderately concentrated around the mean, 4.13. Hence, the leader makes all the major decisions.

As the mean value of 21.13 shows, respondents were in disagreement that leaders doesn't get too involved with the team and doesn't have conversations with them frequently. Looking to the standard deviations, 1.22 implies that the answers of the respondents were widely deviated from

the mean, thus the answers are not concentrated around disagreement. This implies it cannot be concluded that all respondents have answered with disagreement.

As the mean value of 4.53 shows, respondents were in slight agreement that leader is the principal judge of the achievements of the team. Looking to the standard deviations, 1.04 implies that the answers of the respondents were moderately distributed from the mean, thus the answers are smoothly concentrated around the mean. Hence, leader is the principal judge of the achievements of the team.

4.3.2 Transformational Leadership Style

Table 4.3 shows, the data collected by questionnaire requests regarding Transformational Leadership Style. The mean of the result shows, the majority are of the respondents are neutral for Transformational Leadership Style for the questions asked. While almost all statements are responded with agreement, the statement "The leader considers the moral and ethical consequences of decision" got most respondents to neutrality with the statement. The following statements interpret the transformational leadership related data collected by the researcher.

Respondents gave their response to the following Transformational Leadership Style related statements on the questions for agreement or disagreement, the mean of the respondent are shown. The detailed data is in the table below.

Table 4.3: Transformational Leadership Style

| Transformational Leadership Style | N | Mean | Std. Dev |
|--|----------|-------------|-----------------|
| The leader considers the moral and ethical consequences of decision. | 48 | 4.47 | .629 |
| The leader expresses confidence that goals was achieved. | 48 | 3.47 | 1.479 |

| | | | |
|---|----|-------------|------|
| The leader Seeks different perspectives when solving problems. | 48 | 4.00 | .983 |
| The leader Treats employees as an individual rather than just as a member of group. | 48 | 4.20 | .847 |
| | | 4.04 | |

Source: SPSS Output, 2022

The mean value 4.47 showed the respondents agreed that the leader considers the moral and ethical consequences of decision. The standard deviation .629 shows that the responses of the respondents were narrowly deviated from the mean. This implies that the leader considers the moral and ethical consequences of decision.

As the mean value 3.47 showed the respondents slightly agreed that the leader expresses confidence that goals will be achieved. The standard deviation 1.479 shows that the responses of the respondents were widely deviated from the mean. Hence, this implies it cannot be thoroughly concluded that the leader expresses confidence that goals will be achieved.

The mean value 4.00 showed the respondents agreed that the leader seeks different perspectives when solving problems. The standard deviation .983 shows that the responses of the respondents were narrowly deviated from the mean. This implies that the leader seeks different perspectives when solving problems.

As the mean value 4.20 showed the respondents agreed that the leader treats employees as an individual rather than just as a member of group. The standard deviation .847 shows that the responses of the respondents were narrowly deviated from the mean. Hence, this implies that the leader treats employees as an individual rather than just as a member of group.

4.3.3 Democratic Leadership Style

The following table presents the questionnaire requests democratic Leadership Style related queries. As the mean of the result show, the majority of the respondents are neutral to democratic Leadership Style related questions asked. Respondents highly agreed that they receive advice from the leader on what to do and how. They also agreed the leader encourages creativity and

people are frequently largely engaged in systems and decisions. Respondents showed neutrality to the statement which states that “the leader encourages group conversations.”

Table 4.4: Democratic Leadership Style

| Democratic Leadership Style | N | Mean | Std. Dev |
|--|----------|-------------|-----------------|
| You receive advice from the leader on what to do and how. | 48 | 4.60 | .498 |
| The leader encourages creativity and people are frequently largely engaged in systems and decisions. | 48 | 4.40 | .621 |
| The leader encourages group conversations. | 48 | 4.40 | .814 |
| There’s frequent and supportive communication from the leader to the rest of the staff. | 48 | 4.33 | 1.028 |
| | | 3.14 | |

Source: SPSS Output, 2022

Most of the respondents strongly agreed with the statement they received advice from the leader on what to do and how. The mean value 4.60 showed the respondents agreed that employees receive advice from the leader on what to do and how. The standard deviation .498 shows that the responses of the respondents were very narrowly deviated from the mean. This implies that they received advice from the leader on what to do and how.

As the mean value 4.40 showed the respondents agreed that the leader encourages creativity and people are frequently largely engaged in systems and decisions. The standard deviation 0.621 shows that the responses of the respondents were narrowly deviated from the mean. Hence, this implies the leader encourages creativity and people are frequently largely engaged in systems and decisions.

The mean value 4.40 showed the respondents agreed that the leader encourages group conversations. The standard deviation .814 shows that the responses of the respondents were not much deviated from the mean. This implies that the leader encourages group conversations.

As the mean value 4.33 showed the respondents agreed that there's frequent and supportive communication from the leader to the rest of the staff. The standard deviation 1.02 shows that the responses of the respondents were moderately deviated from the mean. Hence, this implies that there's frequent and supportive communication from the leader to the rest of the staff.

4.4 Correlation Analysis

Correlation analysis is a statistical method used to evaluate the strength of relationship between two quantitative variables. A high correlation means that two or more variables have a strong relationship with each other, while a weak correlation means that the variables are hardly related. In other words, it is the process of studying the strength of that relationship with available statistical data. This technique is strictly connected to the linear regression analysis that is a statistical approach for modeling the association between a dependent variable, called response, and one or more explanatory or independent variables.

Table 4.5: Correlation

| | | TRF | ATC | DEMO | ORG. PER. |
|----------------------|-----------------|------------|------------|-------------|------------------|
| T R F | Correlation | 1 | .685** | .408 | .800** |
| | Sig. (2-tailed) | | .000 | .059 | .000 |
| | N | 48 | 48 | 48 | 48 |
| A T C | Correlation | .685** | 1 | .727** | .642* |
| | Sig. (2-tailed) | .000 | | .000 | .000 |
| | N | 48 | 48 | 48 | 48 |
| D E M | Correlation | .408 | .7327** | 1 | .712** |
| | Sig. (2-tailed) | .059 | .000 | | .000 |
| | N | 48 | 48 | 48 | 48 |
| P E R | Correlation | .800** | .642* | .712** | 1 |
| | Sig. (2-tailed) | .000 | .000 | .000 | |
| | N | 48 | 48 | 48 | 48 |

****.** Correlation is significant at the 0.01 level (2-tailed).

*****. Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS Output

Like the demographic factors, the scale typed questionnaire data is entered to the SPSS software version to process correlation analysis. Based on the questionnaire which was filled, the following correlation analysis was made. Pearson correlation test was conducted to know the degree of relationship between the independent variables and the dependent variable i.e. organizational performance. The results of the correlation between these variables are shown in table 4.5.

A correlation coefficient is a numerical measure of some type of correlation, meaning a statistical relationship between two variables. As it is indicated in the table there is positive relation between independent variables and Organizational performance with p value of less than 0.01 ($P < 0.01$), showing the results are significant at a significance level of 0.01. It also observed that all the correlations are positive (> 0). In other words:

- Above all measurements of leadership styles independent variables, Transformational leadership style has a very strong positive significant relationship with organizational performance in the case of Cooperative Bank of Oromia ($r = 0.800$),
- Lower than the other independent variables correlation coefficient, Autocratic leadership style has a moderate positive significant relationship with Organizational performance in the case of Cooperative Bank of Oromia ($r = 0.642$), and
- It is observed that democratic leadership style also has a strong relationship with organizational performance in the case of Cooperative Bank of Oromia ($r = 0.712$).

4.5 Regression Analysis

4.5.1 Linear Regression Model Assumptions

When someone choose to analyze the data using linear regression, part of the process involves checking to make sure that the data that one wants to analyze can actually be analyzed using linear regression. Therefore, it is needed to do this because it is only appropriate to use linear regression if the required data "passes" four assumptions that are required for linear regression to give a valid result. Let us look at whether the following assumptions are met or not. These assumptions are multi-collinearity, linearity, homecedasticity, and normality. The assumptions are checked using SPSS software.

Multi-Collinearity

The researcher has checked if multicollinearity problem exist or not before running the regression. Multicollinearity refers to the situation in which the independent/predictor variables are highly correlated. When independent variables are multicollinear, there is “overlap” or sharing of predictive power. Multicollinearity can be checked using the tolerance and variance inflation factors (VIF) which are the two Collinearity diagnostics factors.

Table 4.6: Collinearity Statistics

| Model | | Collinearity Statistics | |
|-------|-----------------------------------|-------------------------|-------|
| | | Tolerance | VIF |
| 1 | (Constant) | | |
| | Transformational Leadership Style | .758 | 1.319 |
| | Autocratic Leadership Style | .704 | 1.421 |
| | Democratic Leadership Style | .669 | 1.495 |
| | Organizational Performance | .751 | 1.332 |

Source: SPSS output, 2022

Tolerance is an indicator of how much of the variability of the specified independent variable is not explained by the other independent variables in the model and is calculated for each variable. If this value is very small (less than 0.10), it indicates that the multiple correlation with other variables is very high, suggesting the possibility of multi collinearity. Accordingly, the tolerance value for all independent variables is greater than 0.1, which implies that there is no multi collinairity problem in connection with tolerance. Variance Inflation Factor (VIF) which calculates the influence of correlations among independent variables on the precision of regression estimates. The VIF factor should not exceed 10, and should ideally be close to one. As per the above table for all independent variables VIF value is less than 10 and literally closer to one, which implies there is no multi collinearity problem.

Linearity

Linearity test aims to determine the relationship between independent variables and the dependent variable is linear or not. The test is a requirement in the correlation and regression analysis. Good research in the regression model there should be a linear relationship between the free variable and dependent variable. If the value sig. deviation from linearity > 0.05 , then the relationship between the independent variable are linearly dependent. The primary supposition states that the middling value of the errors should be zero. As Sekeran, U. (2003) if the regression equation includes a constant term, this pre-assumption will never be violated. Therefore, since from the regression result table the constant term (i.e. β_0 or α) was included in the regression equation; this assumption seizes fine fit for the model.

Table 4.7:Residuals Statistics

| | Minimum | Maximum | Mean | Std. Deviation | N |
|-------------------------------|---------|---------|--------|-------------------|----|
| Predicted Value | 1.8319 | 5.0633 | 3.2029 | .52545 | 48 |
| Std. Predicted Value | -2.609 | 3.540 | .000 | 1.000 | 48 |
| Std. Error of Predicted Value | .040 | .163 | .078 | .025 | 48 |
| Adjusted Predicted Value | 1.8105 | 5.0959 | 3.2046 | .52653 | 48 |

Homoscedasticity

A sequence of random variables is homoscedasticity. If all its random variables have the same finite variance. This is also known as homogeneity of variance. The complementary notion is called heteroscedasticity. The misconception with the ambiguousness with homoscedasticity and heteroscedasticity results in unbiased but inefficient point estimates and in biased estimates of standard errors and may result in overestimating the goodness fit as measured by Pearson correlation coefficient. Heteroscedasticity is an organized blueprint in the errors where the variances of the errors are not constant. When the variance of the residuals is constant it is explained as homoscedasticity, which is desirable. To test for the absence of heteroscedasticity scatter plot test was used. In this test, if the scatter plot output spot appears diffused and distributed, it can be concluded that the model doesn't occur to have heteroscedasticity problem. As presented below, based on the scatterplot output above, it appears that the spots are diffused and do not form a clear specific pattern. This leads to a conclusion that the regression model doesn't have heteroscedasticity problem.

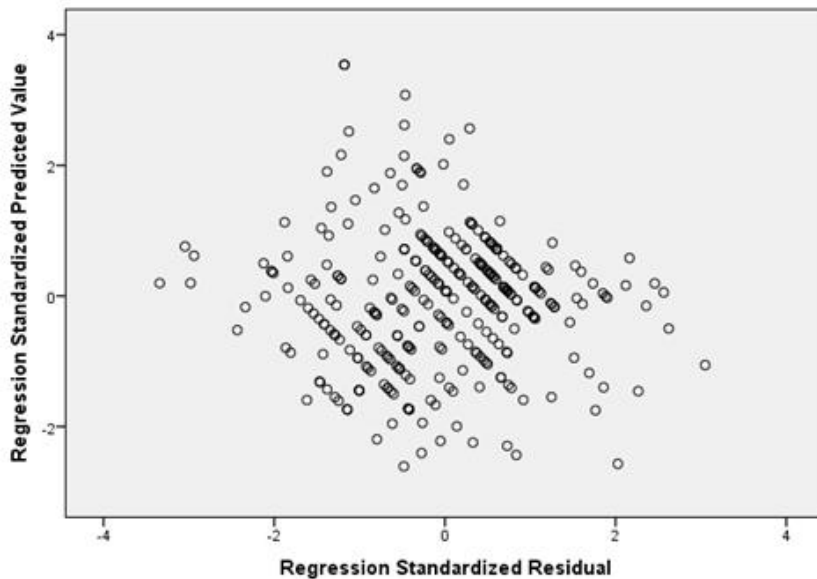


Figure 2: Scatter plot

Normality

An assessment of the normality of data is a prerequisite for many statistical tests as normal data is an underlying assumption in parametric testing. There are two main methods of assessing normality - graphically and numerically. Statistical tests have the advantage of making objective judgments of normality. Skewness and Kurtosis descriptive statistics is one of the numerical tests used to check normality. The value of asymmetry and kurtosis between -2 and +2 are considered as acceptable in order to prove normal distribution. Hence, as it is depicted in skewness and kurtosis statistics are within the range of -2 and +2, so that the assumption of normal distribution is met (George & Marllery, 2010).

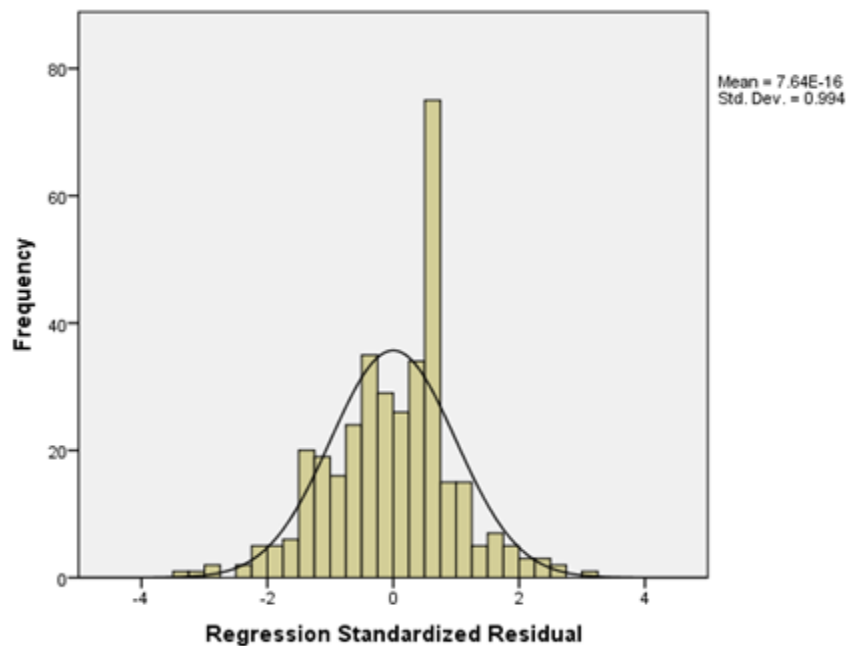


Figure 3: Histogram

Source: SPSS Output, 2022

The normality of the study is supplemented by the histogram above and the histogram of standardized residual shows a roughly normal curve when the assumption of regression and most

technique met that error terms are normally distributed. The histogram showed that the assumption of normally distributed error is met.

4.5.2 Regression Analysis

Regression is a model for the relationship between a dependent variable and a collection of independent variables. It also used to model the value of a dependent scale variable based on its linear relationship or “straight line” relationship to one or more predictors. The researcher determines the relationship between a dependent variable and multiple independent variables using multiple regression analysis.

From the table below, the SPSS output shows independent variables of the study entered into the Statistical Software. The table further shows that there is no variable removed into the data entry database. The method used is also shown to be by entering the collected data.

Table 4.8: Variables Entered

| Model | Variables Entered | Variables Removed | Method |
|---|---|-------------------|---------|
| 1 | Autocratic Leadership Style Transformational Leadership Style Democratic Leadership Style | - | Entered |
| a. Dependent Variable: Organizational performance | | | |

Source: SPSS Output, 2022

Model Summary and ANOVA

The model summary, in the table below which reports the strength of relationship between the independent variables and the dependent variable. R is a Pearson correlation between predicted values and actual values of dependent variable, with a value of 0.904, which is a very high value. While, R² is multiple correlation coefficients that represent the amount of variance of dependent variable explained by the combination of three independent variables. According to different

scholars, the R square above 0.6 is accepted, conventionally. In this study, the R square resulted is 0.845, which shows the model is so fit, and then it is highly accepted.

Table 4.9: Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .904 ^a | .845 | .819 | .28498 |

Source: SPSS Output, 2022

The ANOVA tells us whether the model, overall, results is a significantly good degree of prediction of the outcome variable (Field, 2005). F-ratio is the test statistic used to decide whether the model as a whole has statistically significant predictive capability, considering the number of variables needed to achieve it. Since, the significance result on the ANOVA table is 0.001 which is $p < 0.01$ and the regression mean square is greater than residual mean square with F value 22.722, the regression model fit to a very good degree of prediction.

Table 4.10: ANOVA

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|---------------------|----------------|----|-------------|--------|-------------------|
| 1 Regression | 7.973 | 45 | 2.658 | 22.722 | .001 ^b |
| Residual | 1.462 | 3 | .081 | | |
| Total | 9.435 | 48 | | | |

Source: SPSS Output, 2022

Regression coefficients are estimates of the unknown population parameters and describe the relationship between a predictor variable and the response. In linear regression, coefficients are the values that multiply the predictor values. The following table shows the regression coefficients of the study.

Table 4.11: Regression Coefficients

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|------------------|-----------------------------|-----------|---------------------------|-------|------|
| | B | Std. Err. | Beta | | |
| 1 (Constant) | .092 | .307 | | 2.288 | .034 |
| Transformational | .715 | .114 | .769 | 3.625 | .001 |
| Autocratic | .114 | .121 | .102 | 1.765 | .095 |
| Democratic | .641 | .109 | .603 | 2.218 | .022 |

Source: SPSS Output, 2022

From the table we can say that α is 0.092, and this can be interpreted as meaning that if all the independent variables were to be zero, the model predicts that there can only be 9.2% of employees satisfaction. We can also read off the value of β from the table and this value represents the slope of the regression line. It is 0.114 for autocratic leadership style and although this value is slope of the regression associated with a unit change in the outcome associated with a unit change in the predictor. Therefore, if autocratic leadership style variable is increased by one unit, then the model predicts that 11.4% extra additional value on organizational performance was experienced.

The same is true for Transformational (71.5%) and Democratic leadership styles (64.1%), for which an increase in one unit of these respective variables can result in an increase in organizational performance by the percentage shown. This implies that the leadership style followed by an organization has a magnificent effect on organizational performance as their percentage indicated above.

On the other hand, the significance level in the table shows the significance level of the independent variable. Where ever the p value is above 0.05, the variable is considered to have insignificant effect on the dependent variable.

From the regression analysis table of the study, it is observable that:

- **Autocratic Leadership Style:** with p value of 0.095, it can be easily observed that it is greater than 0.05. This implies that autocratic leadership style have a insignificant impact on organizational performance.
- **Transformational Leadership Style:** has a p value 0.001 which is lesser than 0.05, this implies that Transformational Leadership Style has a positive significant impact on organizational performance.
- **Democratic Leadership Style:** with p value of 0.022, it can be easily observed that it is lesser than 0.05. This implies that, again, democratic leadership style has a positive significant impact on organizational performance.

4.6 Discussion

The finding shows that there is a direct relationship between transformational leadership style and organizational performance and also between democratic leadership style and organizational performance. But the relationship is insignificant between autocratic leadership style and organizational performance. When the researcher stated democratic and transformational leadership style has a direct relationship, it means that employees prefer it and when it stated autocratic leadership style has an insignificant relationship it means that most employees didn't prefer it and organizational performance are not still fine with it. Direct (positive) relationship doesn't necessarily mean all employees prefer it, it means employees who want a leader who inspires, motivates and being a role model to them. And inverse (negative) relationship doesn't necessarily mean all employees doesn't prefer it, it just mean employees who prefer this leadership style are employees who are very experienced, know their work very well and doesn't want support from the leader and the reverse is true.

The study also found that there is a positive relationship between leadership style and organizational performance as mentioned in the correlation matrix. A correlation coefficient between transformational leadership and organizational performance has a positive correlation, but they are statistically insignificant at 0.01 level. Also, the regression result shows that the

transformational leadership has a positive relationship with the dependent variable organizational performance.

Several researchers argued that transformational leadership has a positive insignificant impact on organizational performance (Li, Chiaburu, Kirkman, & Xie, 2013; Northouse 2013; Pieterse et al., 2010; Wang & Howell, 2010). And Contrary to the findings, other scholars' research concluded that the effectiveness of transformational leadership has significant effect on satisfaction in certain conditions (Bass, 2009; Li & Hung, 2009; Pereira & Gomes, 2012; Pieterse, van Knippenberg, Schippers, & Stam, 2010). As the study finds there are positive and negative outcomes. Particularly as some scholars found transformational leadership has some criticisms like; conceptual clarity is vague because of the wide range of characteristics, the measurement of transformational leadership using the MLQ compels researchers to question whether the four components correlated with autocratic and democratic factors. Transformational leadership approaches leadership as a trait rather than a learned behavior, studies have not established a causal relationship that transformational leaders caused the transformation of employees and organizations, a perception existed that transformational leaders are elitist, the leader's success was independent of follower's action.

Many scholars found results contrary to the above critiques which is transformational leadership has its own strengths like; there are extensive research conducted on transformational leadership utilizing qualitative methodologies and that 34% of articles in one leadership journal focused on the transformational leadership style, The principle of transformational leadership is consistent with the needs and modern belief that leaders should advocate on behalf of followers, transformational leadership researchers approach leadership as a process between followers and leaders that care for the needs of others, transformational leadership extends beyond performance and rewards focuses on followers' needs, and growth, transformational leaders are morally uplifting, interested in moving employees to higher moral responsibilities, and encourages followers to transcend beyond self-interests.

Transformational leadership occurs when leaders inspire followers to make a commitment to a shared vision and goals. As the researcher conducted a quantitative study to explore the effect of transformational leadership styles on career satisfaction found that transformational leadership

has a strong relationship with organizational performance. A correlation coefficient between transformational leadership and organizational performance is a positive correlation. They are statistically significant at 0.01 level. Also the regression result shows that the transformational leadership shows the result of 0.255 it means that the independent variable has a positive relationship with the dependent variable organizational performance.

The findings of the study revealed that employees were more motivated with a transformational leader in contrast to an autocratic leader. In fact, the banking industry experienced a low turnover rate under the transformational leadership style. Transformational leaders focused more on job success rather than organizational performance (Riaz&Haider, 2010). For example, the transformational leader concentrated on supplying employees with resources to increase productivity and to accomplish shared goals. Additionally, transformational leaders were more concerned with meeting the lower level of Maslow's (1970) hierarchy of needs, specifically physiological and safety needs. The reward dimension of transformational leadership style has the potential to contribute to organizational performance. Democratic leadership is not close to the autocratic leadership spectrum and represents the absence of leadership. According to Northouse (2013), a supervisor who does not engage in meetings, pursues little to no contact with employees, and has no visions to share with subordinates is an example of a democratic leader. As per the findings of this specific research the correlation coefficient between democratic leadership and organizational performance have a positive correlation, so they are statistically significant at 0.05 level. And the regression result shows that the democratic leadership shows the result of -0.009 it means that the independent variable has an inverse relationship with the dependent variable organizational performance.

Several studies revealed democratic leaders may be appropriate for the type of work environment where workers receive minimal feedback to achieve organizational performance. In fact, Sadeghi and Pihie confirmed from a quantitative study (2012) that a positive relationship with democratic leadership and organizational performance involving academic deans because the workers desired to operate with autocraticnomy. The findings that democratic leadership style had no significant relationship with organizational performance (Bass, 2009; Chaudhry & Husnain, 2012; Ghorbanian, et al., 2012; Sadeghi & Pihie, 2012). The study included more than

400 professionals from eight industries. Based on data collection analysis, there was a negative relationship between democratic leaders and self leadership. The inference from the results suggested that one must be in control of one's self before leading others. As previously noted, employees involved with high emotional labor do not prefer transformational leadership (Liu et al., 2011).

In relation to autocratic leadership style, the study found that the leader bestowed rewards and gives punishments to motivate employees to achieve organizational objectives. The leader makes all the major decisions. The leader gets too involved with the team and doesn't have conversations with them frequently. The leader is the principal judge of the achievements of the team.

Considering transformational leadership style, the study found that the leader expresses confidence that goals will be achieved. It is strongly agreed that, the leader considers the moral and ethical consequences of decision. The leader seeks different perspectives when solving problems and the leader treats employees as an individual rather than just as a member of group.

Regarding democratic leadership style, the study found that most of the respondents strongly agreed with the statement they received advice from the leader on what to do and how. Most respondents agreed for the reflections on leader encourages creativity and people are frequently largely engaged in systems and decisions, and leader encourages group conversations, and there's frequent and supportive communication from the leader to the rest of the staff.

CHAPTER FIVE

SUMMARY OF MAJOR FINDINGS, CONCLUSION AND RECOMMENDATION

This chapter briefly presents summary of the objectives, research methodology, key findings of the model, conclusion and suggests useful recommendations.

5.1 Summary of Major Findings

The research was undertaken generally to examine the relationship between the leadership styles practiced and its impact on organizational performance in Ethiopian banking industry in the case of Cooperative Bank of Oromia. The study is designed to assess the leadership styles practiced at COOP, analyzing the impact of autocratic leadership style and organizational performance in the case of COOP, analyzing the impact of transformational leadership style and organizational performance in the case of COOP, and analyzing the impact of democratic leadership style and organizational performance in the case of COOP.

Considering the three common leadership styles, the researcher selected to conduct the study on autocratic, transformational and democratic styles. The main focus of this study is analysis of the impact of the leadership styles and organizational performance in COOP. Conceptually the study was limited to concepts of about leadership style and organizational performance. At the same strengthen, there are various forms of leadership styles. However, for the sake of time, resource and practiced leadership styles in the company the study scoped to use only the three major forms of leadership styles (i.e., transformational, autocratic and democratic leadership) were used.

The population 55 was taken with reasonable format indicated. The paper adopted quantitative research strategy and used self-administered questionnaire to collect data from the employees. Out of the total questionnaires 48 were returned back, which is about 87.2% of the total distributed.

The respondent's proportion shows the largest number of respondents were male respondents. They constituted the largest share of the gender composition representing 41 (85.4%), while 7 (14.6%) were female. Considering age group and work experience, respondents in the age range between 40-49 amounted to only 10% of the total respondents, while the age groups of 30 - 39 years of Age were 35%. Respondents between 20 - 29 years were the most respondent's percentage of the total sample with 54% of the total sample population contribution. The age descriptive frequency is presented in the table above. Respondents less than 0 - 3 years in the bank were 18 constituting 37.5% of the total respondents. The years in the bank between 3 - 5 years amounted to only 17% of the total respondents which is 8 respondents from the total respondents. While the 5 - 10 years in the bank were 16 respondents. It encompassed 33% of the total respondents. Only 6 respondents were above 10 years in the bank, which constitutes 12.5% of the total respondents. This implies most of the respondents worked less than 10 years in the bank; it constitutes about 88% of the total respondents and most of the respondents were between the age of 20 to 39, it constitutes about 90% of the total respondents.

After dealing with descriptive statistics of the data collected to measure the independent variables. Pearson correlation test was conducted to know the degree of relationship between the independent variables and the dependent variable. The results of the correlation showed that above all styles of leadership, Transformational leadership style has a very strong positive significant relationship with organizational performance. It is also observed that democratic leadership style also has a strong relationship with organizational performance. Lower than the other independent variables correlation coefficient, Autocratic leadership style has a moderate positive significant relationship with Organizational performance in the case of Cooperative Bank of Oromia.

Based on analysis of regression, the R is a Pearson correlation between predicted values and actual values of dependent variable, with a value of 0.904, which is very high. While, R^2 is multiple correlation coefficients that represent the amount of variance of dependent variable explained by the combination of four independent variables. In the study, the R square resulted is 0.845, which implies it is accepted. Also, the ANOVA shows the regression model fit to be a very good degree of prediction.

In relation to autocratic leadership style, the study found that the leader bestowed rewards and gives punishments to motivate employees to achieve organizational objectives. The leader makes all the major decisions. The leader gets too involved with the team and doesn't have conversations with them frequently. The leader is the principal judge of the achievements of the team.

Considering transformational leadership style, the study found that the leader expresses confidence that goals will be achieved. It is strongly agreed that, the leader considers the moral and ethical consequences of decision. The leader seeks different perspectives when solving problems and the leader treats employees as an individual rather than just as a member of group.

Regarding democratic leadership style, the study found that most of the respondents strongly agreed with the statement they received advice from the leader on what to do and how. Most respondents agreed for the reflections on leader encourages creativity and people are frequently largely engaged in systems and decisions, and leader encourages group conversations, and there's frequent and supportive communication from the leader to the rest of the staff.

The study also found that transformational leadership style is the most practiced leadership style amongst the other styles. Next to transformational leadership style, autocratic leadership style is practiced in the company. Finally, democratic leadership style was the last to be implemented by leaders.

5.2 Conclusion

In line with those research questions, investigations were made and the conclusions reached are arranged with in this section and these implications are presented below.

Transformational Leadership Style has a positive significant impact on organizational performance. The leader expresses confidence that goals was achieved. It is strongly agreed that, the leader considers the moral and ethical consequences of decision. The leader seeks different perspectives when solving problems, and The leader treats employees as an individual rather than just as a member of group.

From the results of the study it can be concluded that autocratic leadership styles have a insignificant impact on organizational performance. The leader bestowed rewards and gives punishments to motivate employees to achieve organizational objectives. The leader makes all the major decisions. The leader gets too involved with the team and doesn't have conversations with them frequently. The leader is the principal judge of the achievements of the team.

Democratic leadership style has a positive significant impact on organizational performance satisfaction. Most of the respondents strongly agreed with the statement they received advice from the leader on what to do and how. Most respondents agreed for the reflections on leader encourages creativity and people are frequently largely engaged in systems and decisions, and leader encourages group conversations. There's frequent and supportive communication from the leader to the rest of the staff.

5.3 Recommendations

A company in a banking industry a high level of operations and revenue generation it is highly demanded to manage the factors affecting organizational performance. On the basis of the above findings and conclusions, the following recommendations are forwarded:

- It is recommended that managers/leaders at COOP to practice transformational leadership style to have better organizational performance. Since, the research had found, above all measurements of leadership style independent variables, Transformational Leadership Style has a very strong and significant impact on Organizational performance in the case of COOP.
- COOP must avoid autocratic leadership style to practice in the bank. Autocratic leadership style should be avoided at all expenses if the company aimed to enhance the organizational performance of the organization.
- Next to transformational leadership style, democratic leadership style has a medium impact on Organizational performance in the case of COOP. It is also recommended that managers/leaders at COOP to practice democratic leadership style.

- Policy makers at the bank level and/or the national bank level should consider to motivate transformational leadership style, and democratic leadership style in order to enhance organizational performance.

5.4 Direction for Future study

The findings of this study will provide a stage for future researchers. Researchers may consider taking other independent variables that are types of leadership styles, as well as redoing the study on different companies and industries may result a more precise and accurate outcome.

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APPENDIX I: QUESTIONNAIRE

Dear respondent, I am an MBA student at St mary university and I am presently carrying out a research work for my final thesis, on the topic of impact of leadership style on organizational performance, a case study of cooperative Bank of oromia. You have been carefully chosen as one with capacity to help in gathering this information that will contribute to the expected results of this research. All the information provided will be treated with utmost confidentiality it deserves and it will strictly be used for academic research.

Thanks for your anticipated cooperation.

Lidia Endedlu

NB: The information collected is only for academic purpose it could be promised that all information you provide would be strictly confidential.

PART I. PERSONAL DATA

1. Which branch of the banks do you work for? _____
2. Are you a male or female?_____
- 3 . What is your age?_____
4. How long have you been in this bank?_____
5. What is your current grade or level? _____
6. What is your job designation or title? _____

PART II. CLOSE-ENDED QUESTIONNAIRE

1. LEADERSHIP STYLE

| AUTOCRATIC LEADERSHIP STYLE | 1 | 2 | 3 | 4 | 5 |
|------------------------------------|----------|----------|----------|----------|----------|
|------------------------------------|----------|----------|----------|----------|----------|

1 The leader bestowed rewards and gives punishmentsto
motivate employees to achieve organizational
objectives.

2 The leader makes all the major decisions.

3 The leader doesn't get too involved with the team and
doesn't have conversations with them frequently.

4 The leader is the principal judge of the achievements of
the team.

TRANSFORMATIONAL LEADERSHIP STYLE

5 The leader considers the moral and ethical
consequences of decision.

6 The leader expresses confidence that goals will be
achieved.

7 The leader Seeks different perspectives when solving
problems.

8 The leader Treats employees as an individual rather
than just as a member of group.

DEMOCRATIC LEADERSHIP STYLE

9 You receive advice from the leader on what to do and
how.

10 The leader encourages creativity and people are
frequently largely engaged in systems and decisions.

- 11 The leader encourages group conversations.
- 12 There's frequent and supportive communication from the leader to the rest of the staff.

ORGANIZATIONAL PERFORMANCE

- 1 The organizational performance of COOP is excellent
- 2 Leadership style affects organizational performance of COOP
- 3 COOP can be identified as effective organizationally
- 4 COOP can be identified as efficient organizationally