



**SAINT MARY UNIVERSITY SCHOOL OF GRADUATE
STUDIES SCHOOL OF BUSINESS**

**ASSESSMENT OF THE LEADERSHIP STYLE AND
EMPLOYEE PERFORMANCE:
THE CASE OF MINAYE PACKAGING PLC**

BY

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**Assessment of Leadership Style and Employee Performance: The Case
of Minaye packaging PLC**

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Acronyms

EP: Employee performance

HR: Human Resource

HRM: Human Resource Manager

LS: Leadership Style

LSC: Leadership Style Construct

MLQ: Multifactor Leadership Questionnaire

Abstract

The purpose of this study is to explore the relation of leadership style with employee performance. A sample size of 73 was used from one private organization in Ethiopia, Minaye Packing plc. The study used descriptive and explanatory research approach, and multifactor leadership questionnaire developed by Bass and Avolio (1995) was adopted. The first objective of the study was to show the relation of leadership style and employee performance and the second objective was to show dominant leadership practiced in the company. A five-point Likert scale questionnaire was used to determine the relation of leadership style with employee performance. Descriptive tools were used to analyze the collected data. Descriptive statistics show that the relatively significant value associated with employee performance is transactional leadership style followed by transformational leadership style. Correlation result shows that transactional and transformational leadership styles positively correlated to employee performance, whereas laissez faire leadership style inversely correlated to employee performance. To enhance perceived leadership influence on employee performance, shared visions and values, participating employees in decision making and problem solving and providing employees learning opportunity to enhance their knowledge's and skills are among the recommendations forwarded.

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

CHAPTER ONE

INTRODUCTION

The main purpose of this research is to explore the readership style and employee performance in Minaye Packing plc. Accordingly, this chapter is dedicated to present the research background, statement of the problem, research questions, and objectives of the study, significance of the study, scope of the study, definitions of key terms and organization of the study.

1.1 Background of the study

Most of the organizations sought to adopt appropriate leadership style in order to compete in the business market. It is clear that until today many organizations are continuously looking for new ways and methods of development, especially in the administrative aspects, which can assist in achieving effectiveness and efficiency of organizational goals. In this regard (Burke, Stagl, Klein, Goodwin, Salas, Halpin & Winer, 2006: 302) pinpoint that In a highly computerized world in which technological advancements have driven the development of dynamic work environments, there is a need for dynamic and visionary leaders who possess leadership skills and are capable of meeting the challenges and opportunities that exist in the modern workplace that is intent on promoting the change necessary for developing and maintaining the competitive edge.

The current organization exhibited the adoption of various leadership styles to realize the sated goals and objectives. (Wammy, 2014) pinpoint that in order to achieve business efficiency and economic development, organizations must adopt various leadership styles which include transformational, laissez faire, autocratic and transactional leadership styles. Indeed, every leadership style has the role of motivating employees, controlling, managing, solving conflicts and influencing employees. The methodology of playing these duties defers from one leadership style and the other style. Most of the researchers in management of organizations point that performance of the particular organization depends on the particular leadership style applied during the entire business activities (Hill, 2008). Furthermore, most of the leadership theories suggest that the leadership style applied has the significant influence on employee performance, satisfaction and motivation and has also a significant influence on the

performance of the organization (Matin&Farjami, 2009).It is further commented that leaders' behavior in leadership affected the quality of the organization outcome (Cordelo, 2003). To this end an effective leadership style is one that diagnoses and adopts appropriate style of leadership in order to meet the demand of situations in which it operates.

From the above discussion, it can be noted that every leadership style has its significant features. For example, as far as transactional leadership goes it attempts to meet the current needs of their subordinates through organizational targets bargaining(Bass,1985).Transactional leaders have ability to motivate followers to rise above their own personal goals for the better performance of the organization and betterment of subordinates (Bass,1996).

In transformational leadership subordinates work to realize the vision into reality. In other words, transformational process can be seen through a number of characteristics, attributed charisma, idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Avolio, 2003).It is noted that application of transformational leadership style can improve performance because transformational leadership style wants to develop knowledge and employees potential (Yukl, 2007). Leader with transformational leadership have an advantage of providing opportunity and confidence to his subordinates to carry out duties in accordance with his mindset to achieve organizational goals (Butler, 1999).

As far as laissez faire goes, it is influenced by maximum freedom whereby subordinates are allowed to freely perform their duties so as to achieve required goals (Kumar, 2015). They are given freedom in deciding their own policies and methods and to make independent decisions. It is mostly characterized by freedom of subordinates to perform their duties and make decisions on their own. There is no close monitoring of employee performance.Accordingly, this study si conducted to assess the effect of leadership style on employee performance in Minaye Packing plc.

1.2 Statement of the Problem

The relation of leadership style and performance of employees has been a debatable topic among researchers worldwide. As Behn (1995), point out the issues of leadership styles on influencing employee's performance is one of the questions which need to get proper answer in organization management. According to Nuhu (2005), it is propagated that performance in different sectors has been fluctuating depending on the leading individual. The leader may influence subordinates to perform or underperform. However, it is also noted that the performance of the organization does not only depend on the leading leader rather than employee attitude towards work Maxwell (2003). Also various reports show that the performance of employees in many of the organizations in many countries has been fluctuating depending on the type of organization leader in place. While others reports point out that organization performance is not influenced by leadership style practiced in certain organization. Babatunde (2012) propounds that transformational leadership style influences workers performance more than other types of leadership styles. Other reports show that transactional leadership style influences workers performance more than any other leadership style (Patern, 1995).

Furthermore, it is advocated that transformational leadership style generates higher performance than transactional leadership style (Avolio, 1993) and other researchers such as Bass & Avolio (1994); Kotter (1988) and Meyer & Botha (2000) have identified that transactional leadership is the most suitable leadership style for leading modern organizations. Further evidence has been gathered from various originations including industries, public sectors, nonpublic sectors, retail and manufacturing sectors worldwide which involve the armed forces of the United States of America, China, India, Canada, Africa and Germany that transactional leaders have more effects on their subordinates in comparison with transformational leaders (Brand, Heyl & Maritz, 2000). Additionally, in the Canadian financial industry it was found that transformational leadership was more strongly correlated with many employee satisfaction and employee performance than transactional leadership (Meyer & Botha, 2000). On the other hand, it has also been argued that Laissez Faire leadership style since sets employees to decide on their own, it motivates them to perform better than any other leadership style hence influences them to perform better than any other leadership style

(Crome, 1994). It is contrary denoted that Laissez Faire leadership style is one of the worst leadership styles in influencing employee performance as leaders let things go without monitoring performance of employees hence leading to less performance (Yukl, 2007). The two researchers have no common agreement on the influence of laissez Faire leadership style where in one perspective it is seen that it can influence employee performance while on the other perspective it cannot influence employee performance.

Maxwell (2015) noted that transactional leadership is the one which highly motivates employees than transformational leadership. It is also expressed that transactional leadership style is able to move subordinates beyond their normal level of performance to higher level of performance than any other leadership style (Bass, 1985). However, a positive relationship between transformational leadership and employee performance has been found in both practical perspectives (Howell & Frost, 1989). Bass (1985) studied on leadership styles and its impact on employee's performance in health sector of Pakistan and concluded that transformational leadership styles have negative effect on employee performance than transactional leadership. Pradeep and Prabhu (2011) identified that employee performance is positively influenced by both transformational leadership behaviors and transactional contingent reward leadership behaviors. These three researchers bring the hot debate on the influence of leadership style as they don't have the common agreement.

With these conflicting views and experiences on the relation on different leadership styles with employee performance, moreover based preliminary observation which indicates fluctuation in productivity and less management-employee relationship this study is conducted to investigate the relationship of leadership style with employee performance in the Minaye Packing Plc.

1.3 Research questions

The research seeks answers to the following research questions:

1. What are the most dominant leadership styles (transformational, transactional, and laissez-faire) practiced by the Minaye Packing Plc.?
2. What relationship exists between leadership styles and employee performance?

1.4 Objectives of the research

The research has the following general and specific objectives:

1.4.1. General objectives

The general objective of the research is assessing the relationship between leadership style on employee performance in Minaye Packing Plc.

1.4.2 Specific objectives

1. To determine the most dominant leadership styles practiced in Minaye Packing Plc
2. To assess the relationship of the leadership styles with employee satisfaction
3. To assess the relationship of the leadership styles with employee extra effort
4. To assess the relationship of the leadership styles effect on employee effectiveness
5. To determine the extent of relationship between leadership styles and employee performance

1.5 Significance the study

The research work is expected to have the following operational and academic significances.

The finding of the research help Minaye Packing Plc to understand the most dominant leadership styles exhibited in the company and to know the extent of leadership styles effectiveness in achieving the company stipulated goals and objectives. Moreover, the study will enable the company to strike a balance between the different leadership styles to fit in to the existing situation so as to boost employee performance.

The research is expected to have academic significance as well, the fact that it contributes something to the body of knowledge in the field. To this end, the research findings and arguments made can provide valuable insights that ignite further academic debates and discussion on the matter. Moreover the research work can bridge literature gap in the field through serving as a reference material for future researchers in the area.

The last but the list, the research endeavor is significant in developing the researcher knowledge and skill that are useful for future carrier development.

1.6 Scope of the study

There is no doubt in that the research findings would have shown a better picture if the study was carried out by taking two or more private packing companies. However, this become difficult due to time and cost constraints. There for this research is limited to investigate the effect of leadership on employee performance of Minaye Packing plc.

Although there other factors that affect employee productivity like compensation and rewards, employee training, working conditions There is geographic factor to collect the data and also company procedures to show there secondary data for the study etc. this research is dedicated to determine the effect of leadership style on employee performance only.

1.7 Organization of the study

This research is organized in to five chapters. The first chapter introductory part, which contains back ground of the study, statement of the problem, research questions, and objectives of the study, significant of the study, scope and organization of the study. The second chapter deals with literature review, in which critical review of scholars“ work in the research topic will be presenting. The third chapter deals with on methodology and research design that is using to undertake the research, in this chapter the researcher tries to design the study, sample size, source and tools of data collection are presenting. Chapter four is deals with the finding of the study data collection, analysis, results, interpretation, and discussion. The last chapter five is summary, conclusion, recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical literature review

2.1.1 Leadership over view

Leadership has been well researched over the years by many researchers, but there is still lack of a definition that is universally accepted. The following are a few examples of such definition. Leadership is wide spread process, which calls for authority, responsibility and delegation of power (Talat, 2015). Leaders help to direct, guide and help their followers (employees) towards achieving their personal and organizational goals and objectives for the organizational and personal benefits. Thus, leadership styles cover all aspects of dealing within and outside of an organization, handling or dealing with conflicts, cancelling, motivating, helping and guiding employees to achieve and accomplish their tasks and working as the role model. Leadership is a process of interaction between leaders and followers where the leader attempts to influence followers to achieve a common goal (Northouse, 2010).

In another perspective, leadership is defined as a process by which a person influences others to accomplish an objective and directs the organization in a way that makes it more cohesive and coherent (Kumar, 2014). These objectives are accomplished through the application of leadership attributes, such as beliefs, values, ethics, character, knowledge, and skills. It is further noted that leadership is the integrated sharing of vision, mission, core values, and resources in order to accomplish the desired goals (Wammy, 2007). It is also perceived that leadership is the ability to build up confidence among people and to create an urge in them to be led. Leadership is a social influence process in which the leader seeks the voluntary participation of subordinates in an effort to reach organization goals and therefore a leader is a person who delegates or influences others to carry out specified objectives (Swammy, 2014). Leadership is the process by which an individual influences the thoughts, attitudes and behaviors of others by taking responsibility for setting direction for the firm, others to see and visualize what lies ahead and figure out how to archive it (Memon, 2014). It was also emphasizes in the literature that leadership is the ability to influence people to willingly follow

one's guidance or adhere to one's decisions (Leslie, 2013). It was also believed that leadership is the ability to convince and mobilize others to work together as a team in order to achieve a certain goal (Sundi, 2013). In another context leadership is defined as the influencing process of leaders and followers to achieve organizational objectives through change according to (Achua, 2009). Leadership is the process of motivating, influencing and directing others in the organization to work productively in the pursuit of organization goals (Hill, 2008). It is also believed that leadership is the ability to persuade others willingly to behave differently for achieving the task set for them with the help of the group (Armstrong, 2003). Leadership is about listening to people, supporting and encouraging them and involving them in the decision-making and problem-solving process (Crom, 1994).

2.1.2 Leadership theories and styles

Globally, leadership has become the most widely studied aspect of organizational behavior and a number of theories have emerged focusing on the strategies, traits, styles and the situational approach to leadership. Due to ever-growing interest in the field of leadership, researchers, behavioral scientists and sociologists began to analyze the possible consequences of leadership behaviors and the variables that are used to predict the leader's behaviors. Here below are some of the theories related to leadership.

2.1.2.1 Traits theory and leadership styles

Many of the leadership researchers in 1920's to 1940's were focused on differentiating leaders and non-leaders. Trait theory was developed which based on the content theory that leaders are born with certain distinguished personality traits which include social, personal and physical characteristics. Researchers discussed on the physical traits which involved leaders being energetic, tall, young to middle aged, handsome and beautiful. Social background traits were also discussed as the distinguishing characteristic of leaders which included being educated at the prominent schools and colleges and being socially prominent. Personality traits included emotionally stable, adaptable and self-confident. Social characteristics traits included the following, being charming, popular, influential, cooperative and charismatic. Task oriented characteristics include having positive initiatives, Being team worker, driven to excel and

accepting of responsibilities. Many numbers of studies argue that traits do matter in prediction of leadership effectiveness (Judge, 2002, Owen, 2013, Zaccoro, 2004).

It was also discovered that some of the traits features contributed much to successful leaders and some of successful leaders had some unique features deferent from others. Roderic (2009) is one of the researchers who researched on military leadership. It was noted that there is the relationship between successes of generals in the famous battles and investigated from international historical data that taller generals over six feet were more successful than any other (Roderic, 2011). Basing on these findings he stated that there was the direct relationship between successful General battle leaders and height. On the other hand, Stogdill (1998) survey on leadership literature and came up with the idea that leadership varies significantly with respect to behavior of an individual hence brought the idea of behavior theory.

2.1.2.2 Behavioral theory

This theory suggests that good leaders are trained rather than being born (Anderson & Bower, 1973). There are the set of programs which impart the skills which are believed to impart the good skills to shape the good leader. This theory suggests that trained leaders are better than born leaders hence contradicting to trait theory which suggests that born leaders are better than trained leaders. People do not work in isolation they always observe the conduct of others and observe the occasions on which it is rewarded or punished. They can therefore benefit from observed consequences and sometimes from their own experiences (Bandura, 1971)

2.1.2.3 Theory X and theory Y

Douglas (2013) pointed out that in theory X employees are mainly motivated by receiving monetary gifts like money and other fringe benefits (Douglas, 2013). It was further pointed that many of human beings prefer to be directed and avoid responsibilities but prefer to have security. Due to this unsatisfactory attitude most employees' characteristics should be controlled and directed through punishments in order to sensitize them to have the habit of achieving organizational objectives. Generally, theory X is much associated with management styles but not leadership styles known as scientific management (Ford, 2010) It was also pointed in theory Y that managers believe that employees are cooperative, self-motivated, hardworking and good attitude towards accomplishments of various organizational

assignments (Douglas, 2013). Workers have positive contributions towards achieving organizational goals and targets. In this theory it is believed that external controls and threat of punishments are not the good means of controlling employees' characteristics. Employees always learn under proper conditions, under the condition of modern industrial life and the intellectual potentialities of the average human being are partially utilized. The main purpose of theory Y is to encourage integration, create situation in which an employee can achieve organizational goals. It deliberately attempts to link improvement in managerial competence with the satisfaction of higher level ego, self esteem and self actualization needs. Theory Y leads to creation of an environment which will encourage commitment to achieve organizational goals. Theory Y is mostly associated with humanistic relations approach (Mayo, 2009).

2.1.2.4 Contingency theory

Contingency is the one through which the leader competence is determined by the interaction between the leader's personal characteristics and aspects of the situation. Contingency theories are based on the assumption that leadership style depends on the prevailing organization situation (Cheng and Chan, 2002). It was pointed in contingency theory that there no best way for leaders to lead but it depend on the situation (Fiedler, 2009). The particular situation will determine the type of leadership style that can lead to the positive expected results. One leadership style may fit to particular situation but may not result to desired results in the other particular situation. It was further pointed out that success of leader and employees depends upon a good number of factors, including the leader's preferred leading style, the capabilities and behaviors of the subordinates and situational characteristics (Cheng,2002). Effective leadership requires adapting one's style of leadership to situational factors, and control is conditional on three factors namely, the relationship between the leader and subordinates, the degree of the task structure and the leaders' authority and power.

2.1.2.5 Transformational leadership

Transformational leadership style is considered to be people-oriented. The transformational leadership style is expected to bring about higher-order changes within organizations as the production of higher order changes is the nature of this leadership style (Bass & Riggio,

2006:6). One of the definitions of transformational leadership is that it motivates people (followers, colleagues, clients and supervisors) to perform better than intended, and this is said to be related to the genuineness of their leader (Avolio & Bass, 1998: 394). Transformational leadership can/may use one or more of the following five components discussed below for the achievement of superior results (Bass & Avolio, 2005:4; Stone, 1991:52).

i. Idealised attribute: This component expresses the way in which a leader behaves to become a role model for his/ her followers as a result of which such a leader gains respect, admiration and trust from his/ her followers (Bass & Riggio, 2006:7). The leader's behaviour is characterized by the following variables: personal needs, risk sharing, consistency, ethical and moral conduct. Such a leader uses his/ her power only when needed. He/ she refrains from using power for his/ her personal benefit as the result of which followers' moral development and self-esteem increase. This, again, results in the increased loyalty of his/ her followers. (Bass & Avolio, 2005:4). It is to be noted at this juncture that idealised attribute is also part and parcel of charismatic leadership (Gill, 2010: 53).

ii. Idealized behavior: This refers to leaders who concentrate on talking about values and beliefs which are of vital importance. They also pay attention to the ethical consequences of decisions (Bass & Avolio, 2004: 8). For them, strong morals and the value-driven behaviour of leaders as well as highly valued behaviours are important. For such leaders, examples of highly valued behaviors are dominance, consciousness, self-control, optimism and self-efficiency. They exhibit an inspiring vision and also take the moral consequences of their actions into account. Hence, they are role models and attempt to enthuse their teams (Gill, 2010: 53).

iii. Inspirational motivation: This refers to behavior that motivates and inspires followers. Team spirit on the part of followers is enhanced by the stimulation of their interest and confidence. This is achieved on the part of the leader by giving meaning to the work of followers. Here the leader is observed to be committed to the shared vision and to be communicating specific goals and expectations. Emotional appeal, vivid and persuasive images and other examples are used by the leader (Bass & Riggio, 2006: 6).

iv. Intellectual stimulation: Under intellectual stimulation, innovation and creativity are encouraged and this is done through questioning of assumptions, reframing of problems and

using new approaches. The organization's opportunities, threats, strengths and weaknesses are articulated by such a leader. The involvement of followers in problem-solving is encouraged. Mistakes committed either by the leaders or followers are not criticized in public. As the result of this, followers are encouraged to recognize problems and try to identify solutions of good quality (Sarros&Santora, 2001:246; Ahanger, 2009:357).

v. Individualized consideration: The nucleus of this component is the need for achievement and the improvement of the knowledge and experience of individual members of an organization. Here, the leader acts as a mentor and coach encouraging followers to maximize their potential. This is achieved by creating learning opportunities and a supportive environment, delegating tasks and giving other responsibilities. Here the acknowledgment and acceptance of individual differences and needs are also observed. The personalisation of interactions between leaders and followers as well as the encouragement of communication by the leaders are included in this component. This means that moving from transactional to transformational leadership depends upon the construct of individualised consideration. It involves such means as changing followers' motives to not only consider their self-interest but also the moral and ethical consequences of their actions (Beugre, Acar& Braun, 2006:55; Kirkbride, 2006: 25).

2.1.2.6 Transactional leadership

Transactional leadership is a process of social exchange where the leaders clearly state what followers should do. Here, tasks should be completed successfully either to receive reward or avoid punishment. Successful accomplishment of a given task by workers satisfies the leaders' needs (Van Eeden et al., 2008:255). This indicates two key variables. First, transactional leadership is an exchange process. Secondly, workers exert themselves either to receive rewards or avoid punishment.

The definition given above for this style of leadership matches with that of task orientation (Blake &McCanse, 1991:29). Transactional leadership is frequently positioned as a less efficient one than transformational leadership although each one is complementary to the other (Northouse, 2012:11).

Furthermore, a transactional leadership style is a directive leadership style where leaders indicate the rules to be applied by their subordinates (Gill, 2010:51; Hytter, 2014:4). Such

leaders do not use any form of consultative/ participative/ delegative leadership. Consequently, the transactional leadership style is often seen as poor and dictatorial leadership (Gill, 2010:51). However, according to Avolio (2010: 49), transformational leaders will not succeed without using a form of transactional leadership as expectations and goals need to be set and performance needs to be controlled. Besides, the goal of structuring for the achievement of tasks must be realized (Bass & Avolio, 2005:12). The two transactional factors are contingent reward and management-by-exception active. These are discussed in detail next.

i. The contingent reward

In their work, Van Eeden et al. (2008:256) articulate that one of the core types of transactional leadership is the contingent reward in which workers are immediately rewarded for successfully accomplishing specific tasks given to them. To give an example of this in an industrial setting, a worker's annual raise or quarterly bonus may depend on production rate. This creates a direct correlation between performance by workers and the expected reward. In a school setting, this may be characterized by rewarding better academic achievement.

Contingent reward is linked with the expectancy theory of motivation. Both share the existence of conditions that allow individuals to make conscious preferences (Vroom, 1964:70; Schuler, 1975:684; Sims & Szilagyi, 1975:195). To be clearer, contingent reward states that if employees recognize the existence of a correlation between task performance, and rewards sufficient to satisfy the desired need of employees, employees will then be motivated to fulfill the demands of the leader (Vroom, 1964:72; Lawler, 1998:9). Valence (a sufficient reward is offered to motivate followers), expectancy (employees believe that they can do what is required) and instrumentality (followers expect that managers will provide the promised reward if they deliver) are part and parcel of the beliefs of this component (Vroom, 1964:7; Bass, 1990:48; Burns, 1978:18 ; Sims & Manz, 1996:63). The elements mentioned above are essential for employees to ensure the success of contingent rewards. In the absence of these, employees may not be motivated to finish tasks in spite of rewards promised to them.

To sum up, the contingent reward is a basic element of transactional leadership behaviour (Muenjohn & Armstrong, 2008:8). Here, the leader promises to deliver rewards when the follower reaches predefined goals.

ii. Management-by-exception active and passive

This component of the transactional leadership style leads to checking for the prevention of final mistakes and deviations, and that rules and procedures are reinforced. It is often considered to be more managers in nature rather than a leadership style for the reason that it is believed to produce changes in the organization's processes. However, it is doubtful whether or not it brings about lasting or permanent changes in the members of an organization (Limsila&Ogunlana, 2008:162).

Van Eeden et al. (2008:255) state that the characteristics of management-by-exception active help identify which leaders work hard to rid an organisation of failures. These characteristics are a degree of task orientation, and the need for structure that requires directives. Such leadership is indicated to focus on the accomplishment of work followed by its successful result. It also indicates how such leaders are extremely strict on how rules and regulations are put into effect to reach the expected achievement (Avolio, 2010: 49).

For Bass and Riggio (2006:9), a transactional leadership style is considered to be an appropriate style with specific guidelines. However, they do not mean to say that it is the only leadership style to be used within an educational setting. It better contributes in situations where the roads to success that already exist are either identified by MBEA or when the organization is in need of urgent and direct guidance. In corrective transactional leadership the leader actively searches for when norms and standards are not met and takes action (Bass &Riggio, 2006:7; Williams, 2001:165). Accordingly, the leader monitors performance of employees and acts on deviations before they can evolve into more serious problems.

Management-by-exception passive refers that the leader waits for problems to surface and become serious before reacting and taking action. They stick to the idea "If it ain't broke, don't fix it" (Avolio, 2010:64; Gill, 2010:51). These leaders rather wait and intervene only when unavoidable, such as when problems occur (Avolio& Bass, 1998:396).

2.1.2.7 Laissez-faire leadership

This is also referred to as passive leadership in contrast to active leadership. It implies an absence of leadership. The laissez-faire leader does not set clear goals nor does he/she

participate in decision-making; instead he/she makes followers responsible for the work. In addition, he/she makes no attempt to influence followers and even does not provide support for them. Laissez-faire leadership is different from democratic and participating styles as democratic and participating leadership styles allow autonomy, delegation and intervention when standards are not met (Bass & Avolio, 1993:121; Hamidifar, 2010:47).

It is hardly possible to say that this leadership style is effective. In terms of this leadership style, the reaction of followers may include conflict where the leader may not be seen as credible, and therefore followers take the role of leader in the place of their leader. Accordingly, a less active leadership style might result in follower empowerment. It is only on the basis of the characteristics of the organizational tasks and its followers that highly active leadership might be necessary (Murugan, 2005:335; Yurk, 2010:264).

These theories focus on the roles played by supervisors, roles played by organization and group performance and they categorized leadership on a system of rewards and punishments for meeting particular objectives. In Transactional theory, rewarding or punishing the subordinate depends on the performance of the employee. Transactional theory based on contingent rewards, use of punishments, action focused; make promise for outcomes (Bass, 1985). Transactional leaders attempt to meet the current needs of their subordinates through bargaining and exchanging. Both leaders and followers focus on achieving the negotiated performance level. Transformational theories focus upon the connections formed between leaders and followers. Transformational leadership is the leader's ability to motivate followers to rise above their own personal goals for the greater good of the organization (Drodge, 2004).

2.1.2.8 Great man theories

In this theory it is assumed that the capacity for leadership is inherent – that great leaders are born not made (Maxwell, 2009). These theories tend to describe great leaders as heroic, mythic, and designed to rise to leadership when needed. The term “Great Man” was used because, at the time, leadership was thought of primarily as a male quality, especially in terms of military leadership (Babatunde, 1999).

2.1.2.9 Situational Theories

Situational theories propose that leaders choose the best course of action based upon certain situation (Botha, 2000). Different styles of leadership may be more appropriate for certain types of decision-making. In this theory instead of using just one style, successful leaders should use the type of leadership basing on the maturity of the people and details of job description (Kotter, 1988).

2.1.2.10 Participative Theories

Participative leadership theories suggest that the ideal leadership style is one that takes the input of others into account (Prabhu, 2011). These leaders encourage participation and contributions from group members and help group members feel more relevant and committed to the decision-making process. In participative theories, however, the leader retains the right to allow the input of others (Bass, 1985).

2.1.3 Employee performance

Organizations are in need of achieving the planned goals in order to survive in business (Armstrong, 2003). Performance is a multidimensional construct and an extremely vital criterion that determines organizational successes or failures. Many researchers have attempted to define performance. It was further noted that performance is the attained outcome of actions with skills of employees (Prasetya, 2011). It was also noted that performance of an employee is his/her resultant behavior on a task which can be observed and evaluated (Pattanayak, 2005). It is further explained that employee performance is the contribution made by an individual in the accomplishment of organizational goals. Here employee performance is simply the result of patterns of action carried out to satisfy an objective according to some standards. This means employee performance is a behavior which consists of directly observable actions of an employee, and also mental actions or products such as answers or decisions, which result in organizational outcomes in the form of attainment of goals. Performance is considered as an important activity that provides both the goals and methods to achieve the organizational goals and also provide the achievement level in term of out-put (Ibrahim, 2004).

Bass and Avolio (1997) assert that the outcome of leadership and the leader's success are related to followers' perceptions of the leader. Bass and Avolio state that this perception is

determined by: (1) how often the followers perceive their leader as elevating them to higher levels of extra effort, (2) how the followers perceive their leader as being effective, and (3) how satisfied the followers are with the way their leader works with others. These indicators are discussed below.

i. Extra effort

The effectiveness among transformational leaders is measured by the effect of leaders' behavior on followers. Transformational leaders verbalize feelings of admiration, respect, trust and gratitude towards their subordinates as a result of which such subordinates become motivated to put in an extra effort (Bass, 1985:8). Moreover, such leaders are able to increase the motivation to put in an extra effort by their followers. This is because they can/may motivate followers to higher levels of personal expectations and commitment. Followers identify strongly with their transformational leaders; so, it is highly probable for them to become willing to put in extra effort for the sake of such leaders. Several studies have documented a high positive correlation between transformational leadership and perceived effectiveness of leaders and completed work units and extra effort from followers. The impact of transformational leadership on follower effort and performance will be enhanced if followers hold personal values that are compatible with their leaders' values.

ii. Effectiveness

Leadership effectiveness is crucial for success in any organization and is dependent on the outcomes of the leaders' activities for followers and the organization (Yukl, 2010:61). Leadership effectiveness is assessed by the extent to which the organization performs its task and then achieves its goals (Erkutlu, 2008:716). Leadership effectiveness is impacted strongly by appropriate leadership style (Hur et al., 2011:598; Hogg, Martin, Epitropaki, Mankad, Svensson&Weeden, 2005:998; Bruno & Lay, 2006:119) and good relationships with their followers which enhance followers' well-being and their performance. Good relationships may also bind workers closely to the group through loyalty, gratitude and a feeling of inclusion (Hogg et al., 2005:997).

iii. Employee satisfaction

Laohavichien, Fredendall and Cantrell (2009:17) point out that both transactional and transformational leadership have received considerable attention from many scholars. Some studies indicate that transformational leadership has had a bigger influence on followers' performance and innovation than transactional leaders have had (Boerner, Eisenbeiss&Griesser, 2007:18).

Because of their high communication skills transformational leaders show more commitment to the goals of the organization (Berson&Avolio, 2004:629). They of their own free will assist their employees and prevent the occurrence of job-related problems as a result of which the job satisfaction of employees is enhanced (Scandura& Williams, 2004:460; Nemanich& Keller, 2007:57). Lastly, transformational leaders become more committed and have a lower staff turnover (Rafferty & Griffin, 2004:348). The above point towards more job satisfaction associated with transformational leadership.

Performance can be discussed in various aspects. It can be discussed in relation to various leadership styles as it will be discussed in the coming subtopic.

2.1.3.1 Transactional leadership and employee performance

Transactional leadership incorporates some of trait and behavior theories. Avolio (2003) suggested that characteristics of transactional leadership consist of two aspects, namely contingent reward and exception management. Transactional leadership is the one where by the leaders and the subordinates agree on the targets to be met and the measurement metrics performance. There are mutual agreement on rewards and punishments if one successfully meets organizational goals or fails to meet organizational goals. It is pointed out that transactional leadership style is one leadership style that emphasizes on transaction between leaders and subordinates (Yulk, 2007). Transactional leadership motivates and influencing subordinates by exchanging reward with a particular performance. In a transaction the leaders promise to give rewards when subordinate are able to complete their duties in accordance with agreements. This is to say that subordinates are motivated to work so as to reach the organization goals. Transactional leadership styles can affect positively or negatively on performance. It depends on employee assessment and agreements upon those assessments.

Positive effect can occur when employees assess transactional leadership positively and a negative effect can occur if employees consider that transactional leadership styles cannot be trusted because they do not keep their promises, dishonest or not transparent. Mutual trust between employees and leaders on transactional leadership is very important so as to reach the desired positive results. Most of the organizations set key performance indicators (KPI) which help to lead consensus when evaluating employee performance hence avoiding biasness when evaluating employee performance hence create transparency in the whole business. It was also noted from Posner (1995), Burns (1978) and Avolio (1999) that transactional leadership does not encourage creativity among employees, it does not enhance accountability among employees hence it cannot improve performance of an organization.

2.1.3.2 Transformational leadership and employee performance

This seeks to transform of visionary leadership. It becomes collective vision where subordinates work to realize the vision into reality. In other words, transformational process can be seen through a number of transformational leadership behaviors as: attributed charisma, idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass, 2003). Transformational leadership style can improve performance because transformational leadership style wants to develop knowledge and employees potential (Yukl, 2007). The Leader with transformational leadership provides opportunity and confidence to his subordinates to carry out duties in accordance with his mindset to achieve organizational goals. It is pointed that a transformational leader encourages subordinates to have vision, mission and organization goals, encouraging and motivating to show maximum performance, stimulates subordinates to act critically and to solve problems in new ways and treat employees individually (Butler, 1999). On the other hand, it is noted that transformational leadership does not promote organizational learning (Senge, 1990). Since it does not promote organizational learning organizations experiencing transactional leadership style cannot promote good performance to organization (Bryant, 2003)

2.1.3.3 Laissez faire leadership and employee performance

The leader's ability to lead is depending upon various situational factors, including the leader's preferred style of leadership. Contingency theories support a great deal of empirical freedom to leadership, (laissez-faire style) (North house, 2001). Many researchers have tested it and have found it to be valid and reliable to explaining how effective leadership can be achieved. It stresses the importance of focusing on inter personal relationships between the leader's style and the demands of various situations and employees. Under this type of leadership maximum freedom is allowed to subordinates to perform their duties so as to reach the required goals (Kumar, 2015). Employees are given freehand in deciding their own policies and methods and to make independent decisions. Leaders carry the belief that the most effective leadership style depends on the ability to allow some degree of freedom to employees in administering any leadership style. This study aimed to investigate further how laissez-faire may contribute to employee performance. On the other hand, much has been written in regard to the relation of positive self and effective management. Kerns (2004) discussed the relationship of values to organizational leadership and his study was hugely in support of the laissez-faire style in bridging the gap between the employer and employee where his concern was solely on the fact that laissez-faire would create a positive environment through which employees and employers felt like a family regardless of their positions. Armstrong (1999), found that organizations led by laissez fare leaders their employees tend not to feel responsibility, misuse of rules and no initiatives to perform better. Hence he concluded that laissez fare leadership style influences employees to poorly perform.

2.1.3.4 Autocratic leadership and employee performance

Autocratic leaders are leaders who believe on always being right in their decisions. They can damage organization goals, strategies and future since they force their followers to execute strategies and orders they think success can come from. Autocratic leadership lacks shared vision, motivation, creativity, teamwork, commitment and innovation. Autocratic leaders are described as leaders building total organization failure (Michael,2010).Nevertheless, it is noted that autocratic leadership may be very inevitable and helpful where quick decision needs to be done without consulting large group of people (Hampton, 1973).

2.2 Empirical literature review

It was noted from various studies and researches that leaders and their leadership styles is one of the mostly researched topics in the recently. A number of studies have been conducted on the effects of leadership styles on employee performance. Some of these studies are discussed under here.

Rassol (2015) who studied leadership styles and its impact on employee's performance in health sector of Pakistan and concluded that transformational leadership styles have more positive effect on employee performance than transactional leadership.

Raja (2015), research result shows that there is the effect of leadership styles on employee performance in public sector and private sector in India. This study identifies that from 43 middle-level managers and 156subordinates, the study results clearly indicate sufficient evidence that 5% level of significance, that there is a linear positive relationship between transformational leadership and employee performance; there is a significant positive relationship between transactional leadership and employee performance.

In India the study done by Prabhu (2011) identified that leadership is positively linked with employee performance for both transformational leadership behaviors and transactional contingent reward leadership behaviors. The researcher identified that employee performance is influenced by both transactional and Transformational leadership style but they didn't identify whether there is positive relationship or negative relationship between transactional and Transformational leadership styles.

In Libya study by Aboshaiqah (2015) who studied on nurses' perception of managers' leadership styles and their associated outcomes, demonstrated that nurses of various levels from low levels, middle management nurses and top management nurses perceived that transformational leadership has more influence in performance to workers more than transactional and laissez-faire leadership styles, further analysis showed that there was positive correlation between outcome factors (effectiveness, extra efforts and satisfaction, meeting targets) in transformational and transactional leadership styles and negative correlation with laissez-faire leadership style in managing employees. This study clearly has shown that there is

positive correlation between outcome factors of using transformational leadership style and using transactional leadership style and negative correlation in using laissez faire leadership style in health sector. They concluded that a combination of transformational leadership styles and behaviors/factors contributed to an increase in extra effort, satisfaction and overall employee performance and perceived leader effectiveness among nurses.

Further study on influence of leadership styles on performance of employees in Malaysia was conducted on the hotel industry by Ipas (2012). Ipas (2012) researched on the influence of leadership styles on the performance of employees to meet the desired results in hotel industry; he found that autocratic leadership style is perceived as being the most used style by the managers and is the one which positively influences employees' performance. Many of the employees were very much satisfied with autocratic leadership which influenced them to work very diligently in order to meet the organization needed results. They also stressed the fact that managers must find the good solution in order to help the employees to increase their individual performance.

In Nigeria Osabiya (2009) researched on the impact of leadership style on employee performance in an organization. This study found that the application of both Transformational and transactional leadership style in leading organizations influences employees' performance. In Transformational leadership many of the employees find their leaders as the role models and leading them visionary in order to reach the required organizational goals. In this type of leadership employees are self-motivated, result oriented and motivated most especially with the performance of their leaders which brings trust among the employees and the leaders.

Another study was done in energy industry; this study was conducted by Banjo (2014) in South Africa. This study was about the influence of leadership styles on the performance of employees in order to meet the desired results in their organization. This study was conducted on the department of petroleum resources. The results of their study were that "transformational leadership style exerts effective results in employee's performance because it motivates employees to go beyond ordinary expectations with high morale and reach planned goals very easily.

FasikaYalew (2016) conducted a research to examine the effect of leadership styles on job satisfaction of employees working in the Program for Appropriate Technology in Health (PATH) Ethiopia. The study uncovered that leadership styles were fundamentally related with job satisfaction. The findings of the study demonstrated that there was a huge relationship amongst transactional and transformational leadership style and employees' job satisfaction. The discoveries likewise uncovered that employees favored transformational leadership style over transactional leadership style subsequently the most astounding mean score of the worker job satisfaction measurement went to transformational leadership style.

MesfinMolla(2017) conducted study to evaluates the perceived effectiveness of the leadership styles of deans in Ethiopian governmental Technical and Vocational Education and Training (TVET) colleges. Findings indicated that the transformational and transactional leadership styles were observed far more frequently than the laissez-faire style. Perceptions regarding the effectiveness of deans, teachers' job satisfaction and teachers' willingness to make an extra effort were positively and statistically significantly influenced by the presence of both the transformational and the transactional leadership styles and to a slight extent, influenced negatively by the interaction effect of the two styles.

2.3 Research gaps

The literature on the influence of leadership style on employee performance shows that there is no common agreement on which type of the leadership styles influence employee performance and how each influence performance does. In most of the literature reviewed there are inconsistencies showing that there is the positive relation of employee performance with Transformational leadership and positive relation with transactional leadership on performance of employees. This shows that the evidence on the relation of leadership style with employee performance still has no common agreement among researchers.

Furthermore, the literature review also shows that not all industries were covered by the researchers on the same topic. It is therefore noted that neither all industries nor countries are covered in the literature. This also reveals that researchers in Ethiopia have not researched on the topic in all industries and those who have done in other countries have not come up with common agreement on the influence of leadership styles on employee performance. Therefore

this research is conducted to fill the knowledge and literature gaps observed in leadership styles effect on employee performance.

2.4 Research conceptual framework

The conceptual framework that could be developed to study the effect of leadership style on employee performance is based on the review of the literature. The framework interlinks independent and dependent variables as depicted below.

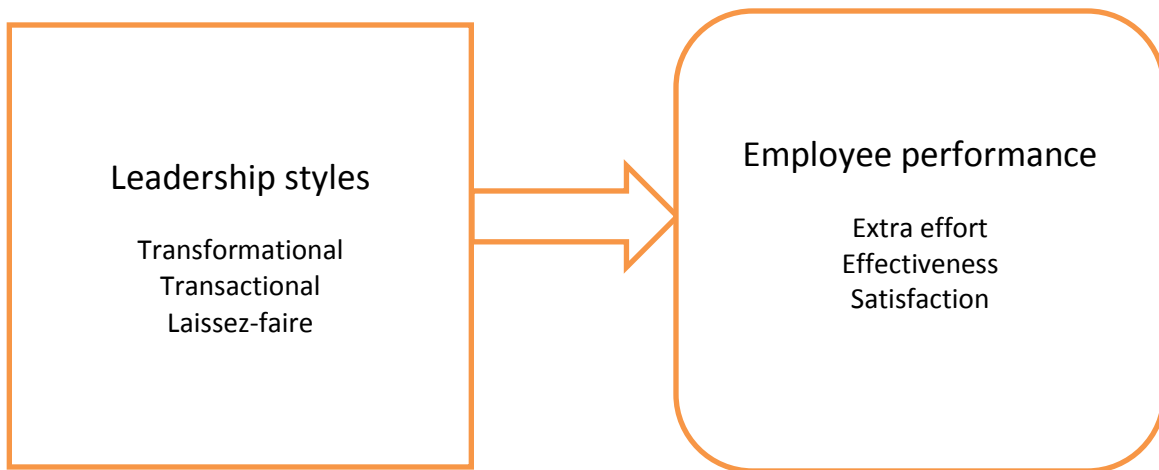
The independent variables include transformational, transactional and laissez fair leadership styles demonstrate the leadership styles practiced that have a bearing on the employee performance (dependent variable).

The dependent variable satisfaction, extra effort, effectiveness attempts to depict the likely effect on employee performance from practiced leadership styles (independent variables).

Figure1: research conceptual framework

Independent variable

Dependent variable



Source: Bass &Avolio: (2000)

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter presents a description of the methodology that is employed in the study. It spells out the techniques and methods of sampling, data collection, processing, and analysis

3.1 Research design and approach

The three approach that were commonly implemented in a research are quantitative, qualitative and mixed, where one of them is not better than the others, all of this depends on how the researcher want to do a research of study (Creswell, 2005). Creswell (2005) asserted that quantitative research is a type of educational research in which the researcher decides what to study, asks specific, narrow questions, and collects numeric (numbered) data from participants, analyzes these numbers using statistics, and conducts the inquiry in an unbiased, objective manner.

Qualitative research helps to obtain the insights about the phenomena in question and is flexible in the sense that it helps in identifying the missing part of what is unknown or partially known, Ghauri&Grønhaug (2005,). Further still, qualitative research is said to be more relevant in the context of discovery and thus be able to get access to what was never known before. Therefore, in terms of approach, this research employed quantitative approach while conducting the study. This approach preferred because employing the quantitative approach help to converge or confirm findings from different data sources Creswell, (2005).

This study investigates the relation of leadership style with employee performance in Minaye Packing plc. This study is conducted using both descriptive and inferential statistics research design as the study needs to investigate the relation of leadership styles with performance of employees.

3.2 Populations, Sample Size And Sampling Techniques

The total populations considered in this study was employees working in Minaye Packing plc. Accordingly, the total populations for the study are 73 employees currently working in Minaye Packing plc. Among which 73 of them are non-managers and 8 are managers.

With regard to selecting respondents for the research census sampling method adopted as the total number of employees in Minaye Packing plc is 73 and it is quite manageable. Thus all employees working Minaye Packing plc were participated in providing the required information for the study.

3.3 Source of data and data collection instrument

Data required for this study obtained from primary and secondary sources. Primary data was gathered from employees of the company, whereas secondary data collected from the company documents.

The Multifactor Leadership Questionnaire MLQ (5X-Short Form) used in this study was developed and refined by Bass and Avolio (1995). The MLQ (5X-Short Form) evaluates transformational, transactional and laissez faire leadership styles. It is a 360 degree tool that helps to gather information from different angles, and as indicated above, the tool has a self-report version as well as a version for other raters. Raters of a leader (and therefore leadership styles) can be selected from a higher level in the organization, the same level, or employees that report directly to the leader being assessed (Bass &Riggio, 2006).

The MLQ (5X-Short Form), contains 46 descriptive items. These items are utilized to measure the nine leadership components (Bass &Avolio: 2000). These components include idealized attributes, idealized behaviors, inspirational motivation, intellectual stimulation, individualized consideration, contingent reward, management-by-exception (active), managementby-exception (passive) and laissez-faire. The components of intellectual stimulation, individualized influence (behavior), inspirational motivation, individualized influence (attributed) and individualized consideration evaluate transformational leadership traits and the three other components (contingent reward, management-by-exception active, and management-by-exception passive) evaluate transactional leadership traits, while the remaining one component evaluates laissez-faire leadership traits.

Moreover, nine questionnaire statements (items) measure the perceived relation (outcomes of leadership) of the specific leadership style with employee's performance. The nine questions queried three aspects of leadership effect, namely satisfaction, extra effort and effectiveness of

the leaders. Extra effort focuses on the relation of leaders' efforts to motivate their staff to deliver an extraordinary achievement. Effectiveness refers to the leaders' successful achievements and realization of staff needs. Satisfaction refers to a leader's ability to generate satisfaction in their followers (Bass & Avolio 1997: 13; Bass & Avolio, 2005).

Therefore, each component is evaluated by a subset of four questionnaire statements (transformational, transactional and laissez-faire) and the outcomes of leadership are evaluated by a subset of three question statements (extra effort), four question statements (effectiveness) and three question statements (satisfaction), which respondents rate on a five point Likert rating scale (0 = "Never"; 1 = "Very seldom"; 2 = "Sometimes"; 3 = "fairly often"; 4 = "Always"). The data needed for this study also collected from secondary sources through reviewing different relevant company documents.

Questionnaire layout regarding leadership components, styles and perceived relation of styles

Leadership styles and leadership outcome	Leadership components	Questionnaire number
Transformational leadership	Idealized attribute	1,2,3,4
	Idealized behavior	5,6,7,8
	Inspirational motivation	9,10,11,12
	Intellectual stimulation	13,14,15,16
	Individualized consideration	17,18,19,20
Transactional leadership	Contingent reward	21,22,23,24
	Management by exception (active)	25,26,27,28
	Management by exception (passive)	29,30,31,32
Laissez-faire		33,34,35,36
Leadership outcomes	Extra effort	37,38,39
	Leadership style effectiveness	40,41,42,43
	Satisfaction with leadership style	44,45,46

3.4 Methods of data analysis

Data collected through questionnaire in the form of lickert scale ranging from 0-4 has a quantitative nature. Accordingly, quantitative data analysis (descriptive and inferential statistics tools) was used. The collected data presented on tables and frequency distribution and mean value is computed for descriptive analysis. To determine the relationship between the dependent variable (employee performance) and independent variable (leadership styles).

3.5 Reliability and validity of the research

3.5.1 Reliability

Reliability pertains to the extent to which results are consistent over time and an accurate representation of the total population under study. Moreover, it refers to the instrument's ability to measure consistently and accurately if applied to the same population repeatedly. Therefore, reliability indicates whether or not an instrument consistently yields the same result (Joppa, 2000:1048).

Various forms of reliability are defined and measured (Cohen et al., 2007:133). Internal consistency reliability represents one of these forms and is of relevance to this study. This form of reliability measures whether all the items in a subset of questionnaire items contribute jointly towards describing a particular construct accurately and reliably. A coefficient referred to as the Cronbach alpha coefficient acts as an indicator of internal consistency reliability. A Cronbach alpha value in the region of 0.70 or greater is regarded as a sufficient measure of consistency reliability (Gliner, Morgan & Harmon, 2000: 1568-1570).

The MLQ5X questionnaire has been used extensively in more than 200 studies in recent years, and excellent consistency reliability has been reported in these studies. Internal consistency reliability of each leadership component and job-related element of the MLQ (5X-Short Form) questionnaire was verified by Avolio and Bass in a comprehensive study involving 2000 respondents and reported excellent Cronbach alpha coefficients on each of the nine leadership constructs and three job-related satisfaction constructs of the questionnaire (Bass & Avolio, 2000:13).

In an independent study reported by Muenjohn and Armstrong (2008:9) for example, the coefficient alpha of the MLQ was found to be 0.93. The consistency reliability of the nine leadership construct scales of the MLQ varied between 0.74 and 0.94. The researcher, therefore, felt confident that the reliability of the measuring instrument could be guaranteed.

3.5.2 Validity

Validity refers to the extent of accuracy of the results of the study. Validity of the results can either be internal or external. Internal validity refers to the analysis of the accuracy of the results obtained. External validity refers to the analysis of the findings with regards to whether they can be generalized (Ghauri&Grønhaug 2005).

The researcher selected the MLQ (5X-Short Form) to measure transformational, transactional and laissez-faire leadership styles (Bass &Avolio, 2004:14), because it has been validated in many respects: it has been used in many studies across the world representing a range of cultures (Kirkbride, 2006:30) and Hartog, Muijen and Kolopman (1997:27), for example, attest to the validity of the MLQ (5XShort Form).

Since the population of Ethiopia is Amharic speaking, and very few are proficient in English, translation of the questionnaire to Amharic is deemed essential. To ensure validity, the translation of the MLQ 5X to Amharic was carried out by language experts. The translated Amharic version was piloted to check its content validity in the context of Ethiopian culture. Once verified, the questionnaire was translated back to English by translators who were expert in English. The original English version was then compared with the back translated version to verify that the meaning of questionnaire statements is not compromised by the translation process in any way.

3.6 Ethical considerations

In undertaking the research, the necessary approval and permission letter was obtained from the University. Every person involved in the study was entitled to the right of privacy and dignity of treatment, and Information obtained held in strict confidentiality by the researcher. All assistance, collaboration of others and sources from which information are drawn were acknowledged.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

Introduction

This study aimed to examine the relation of leadership style with employee performance in Menaye plc. In line with this, the findings of the study are presented and discussed in this chapter. The questionnaire were developed in likeret scales ranging from zero t0 four value where: 0= never, 1= very seldom, 2= sometimes, 3=fairly often and 4= always.

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

A total of 73 questionnaires were distributed to employees and out of which 70 questionnaires were properly filled and returned while 3 questioners returned un-responded. Thus analysis made based on 70 questionnaire responses and the response rate is 96%.

Part one: Descriptive analysis

4.1 Response rate

Gender	Frequency
0	Never
1	Very seldom
2	Sometimes
3	Fairly often
4	Always

4.2 Demographic characteristics of respondents

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

Table1.Respondent’s demographic characteristics

Gender	Frequency	Percentages
Male	38	54%
female	32	46%
Total	70	100%
Age		
18-25	14	20%
26-35	47	67%
36-40	6	9%
Above 40	3	4%
Total	70	100%
Education		
Certificate	19	27%
Diploma	20	28%
Degree	22	32%
Masters	9	13%
Above Masters	0	
Total	70	100%
Work experience		
<2 years	7	10%
2-4 years	21	30%
4-6 years	25	35%
Above 6	17	25%
Total	70	100%

Source: Own Survey 2019

Table above depicts the demographic characteristics of respondents. Gender wise 38(54%) are male and 32(46%) are female. In terms of age 14(20%) are 18-25, 47(67%) are 26-35) years old, 6(9%) are 36-40 years old and 3(4%) are above 40 years old. Concerning to level of education, certificate 19(27%), 20(28%) achieved diploma, 22(32%) are first degree holder and 9(13%) have master’s degree. With regard to work experience, 7(10%) 0-2 year experience, 21(30%) are 2-4 year experience, 25(35%) have 4-6 year experience and 17(25%) have above 6 year experience. To this end, respondents fairly represent both genders as well as their level of education and work experience enables them to understand data collection instruments as well as to provide their opinion to the questions asked to them.

4.3 Analysis of the perceived leadership styles in Minaye plc. Staffs

4.3.1. Transformational leadership style

Table2. Transformational leadership style: Idealized attribute

Statement	Frequency of occurrence					Row total
	Never	Very seldom	Sometimes	Fairly often	Always	
Instills pride in others for being associated with him/her.	5 7.14	25 35.71	20 28.57	10 14.28	10 14.28	70
Goes beyond self-interest for the good of the group.	7 10.00	19 27.14	25 35.71	8 11.43	11 15.71	70
Acts in ways that build others' respect for him/her	8 11.43	23 32.86	15 21.43	10 14.28	14 20.00	70
Displays a sense of power and confidence.	4 5.71	21 30.00	10 14.28	16 22.86	19 27.14	70
Totals	24 8.57	88 31.43	70 25.00	44 15.71	54 19.29	280

Source: Own survey 2019

The idealized component of transformational leader express the way in which a leader behaves to become a role model for his/her followers as a result of which the leader gains respect, admiration, trust and loyalty from his/her followers. To this end the perceived idealized attribute of leadership is rated by respondents as 8.57 % never, 31.43% very seldom, 25% sometimes, 15.71% fairly often and 19.29% always. Thus leaders rarely becoming a role to their employee as majority 31.43% replied very seldom.

Table3. Transformational leadership style: Idealized behavior

Statement	Frequency of occurrence					Row total
	Never	Very seldom	Sometimes	Fairly often	Always	
Talks about his/her most important values and beliefs.	0	22 31.43	20 28.57	15 21.43	13 18.57	70
Specifies the importance of having a strong sense of purpose	2 2.86	16 22.83	26 37.14	11 15.71	15 21.43	70
Considers the moral and ethical consequences of decisions	3 4.29	13 18.57	22 31.43	16 22.83	16 22.83	70
Emphasizes the importance of having a collective sense of mission	1 1.43	16 22.83	19 27.14	23 32.86	11 15.71	70
Totals	6 2.14	67 23.93	87 31.07	65 23.21	55 19.65	280

Source: Own survey 2019

This components of transformational leader refers leaders who concentrate on talking about values and beliefs which are of vital importance to their followers, hence they exhibit an inspiring vision to enthuse their followers. Accordingly respondents rated the leaders idealized behavior as never 2.14%, very seldom 23.93%, sometimes 31.07%, fairly often 23.21% and always 19.65%%. This indicates that leaders sometimes display idealized behavior as witnessed by the majority 31.07% of respondents.

Table4. Transformational leader: Inspirational motivation

Statement	Frequency of occurrence					Row total
	Never	Very seldom	Sometimes	Fairly often	Always	
Talks optimistically about the future.	5 7.14	18 25.71	26 37.14	10 14.29	11 15.71	70
Talks enthusiastically about what needs to be accomplished.	6 8.57	20 28.57	24 34.29	9 12.86	11 15.71	70
Articulates a compelling vision of the future.	3 4.23	19 27.14	23 32.86	13 18.57	12 17.14	70
Expresses confidence that goals will be achieved.	0 0	25 35.71	21 30.00	15 21.43	9 12.86	70
Totals	14 5.00	82 29.29	94 33.57	47 16.80	43 15.34	280

Source: Own survey 2019

Inspirational motivation refers leader is observed to be committed to the shared vision and communicating specific goals and expectations to its followers to motivate and inspire them. Respondents rated the leader's inspirational motivation as 5% never, 29.29% very seldom, 33.57% sometimes, 16.80% fairly often and 15.34% always. Thus leaders show occasionally commitment to shared vision and communicating specific goals and expectations so as to motivate and inspire employee as confirmed by the majority 33.57% respondent's response.

Table5. Transformational leader: Intellectual stimulation

Statement	Frequency of occurrence					Row total
	Never	Very seldom	Sometimes	Fairly often	Always	
Re-examines critical assumptions to question whether they are appropriate.	10 14.29	17 24.29	22 31.43	10 14.29	11 15.71	70
Seeks different perspectives when solving problems	7 10.00	20 28.57	23 32.86	11 15.71	9 12.86	70
Gets others to look at problems from many different angles.	4 5.71	24 34.29	22 31.43	8 11.43	12 17.14	70
Suggests new ways of looking at how to complete assignments.	3 4.29	21 30.00	26 37.14	12 17.14	8 11.43	70
Totals	24 8.57	82 29.29	93 33.21	41 14.64	40 14.29	280

Source: Own survey 2019

Under intellectual stimulation employee innovation, creativity and involvement in decision making is encouraged as result employees can recognize problems and try to identify workable solutions. As depicted in the table above, respondent's response for this component is: never 8.57%, very seldom 29.29, sometimes 33.21%, fairly often 14.64% and always 14.29%. Thus leaders perceived as occasionally encouraging employee creativity and involvement in decision making as witnessed by majority of respondents.

Table6. Transformational leader: Individualized consideration

Statement	Frequency of occurrence					Row total
	Never	Very seldom	Sometimes	Fairly often	Always	
Spends time teaching and coaching.	0 0	19 27.14	27 38.57	14 20.00	10 14.29	70
Treats others as individuals rather than just as a member of a group.	1 1.42	22 31.43	25 35.71	14 20.00	8 11.43	70
Considers an individual as having different needs, abilities, and aspirations from others.	0 0	23 32.86	23 32.86	11 15.71	13 18.57	70
Helps others to develop their strengths.	4 5.71	18 25.71	29 41.43	7 10.00	12 17.14	70
Totals	5 1.78	82 29.29	104 37.14	46 16.43	43 15.36	280

Source: Own survey 2019

Individualized consideration refers leaders concern of improving employee knowledge and experience through creating learning opportunities, supportive environment, delegating tasks and giving other responsibilities. Leader's individualized consideration is rated as never

1.78%, very seldom 29.29%, sometimes 37.14%, fairly often 16.43 and always 15.36%. This indicates that leaders sometimes provide employee the opportunity to enhance their knowledge and experience as witnessed by majority of respondents.

4.3.2 Transactional leadership

Transactional leadership is the one where by the leaders and the subordinates agree on the targets to be met and the measurement metrics performance. There are mutual agreement on rewards and punishments if one successfully meets organizational goals or fails to meet organizational goals. The transactional factors are contingent reward, management-by-exception active and management-by-exception passive. Employee's perception towards the three forms of transactional leader is presented here under.

Table7. Transactional leader: contingent reward

Statement	Frequency of occurrence					Row total
	Never	Very seldom	Sometimes	Fairly often	Always	
Provides others with assistance in exchange for their efforts .	0 0	11 15.71	17 24.29	21 30.00	21 30.00	70
Discusses in specific terms who is responsible for achieving performance targets.	0 0	14 20.00	14 20.00	23 32.86	19 27.14	70
Makes clear what one can expect to receive when performance goals are achieved	0 0	10 14.29	18 25.71	19 27.14	23 32.86	70
Expresses satisfaction when others meet expectations	0 0	13 18.57	20 28.57	18 25.71	19 27.14	70
Totals	0 0	48 17.14	69 24.64	81 28.93	82 29.29	280

Source: Own survey 2019

Under the contingent reward leaders clearly state what followers should do. Here, tasks should be completed successfully either to receive reward or avoid punishment. Successful accomplishment of a given task by workers satisfies the leaders' needs (Van Eeden et al., 2008:255). In line with this, respondents rated leaders as never 0%, very seldom 17.14, sometimes 24.64, fairly often 28.93 and always 29.29%. Thus, employees perceived their leaders exhibiting contingent reward transactional leader style as confirmed by the majority response.

Table 8. Transactional leader: Management by exception (active)

Statement	Frequency of occurrence					Row total
	Never	Very seldom	Sometimes	Fairly often	Always	
Focuses attention on irregularities, mistakes, exceptions, and deviations from standards.	2 2.86	10 14.26	20 28.57	17 24.29	21 30.00	70
Concentrates his/her full attention on dealing with mistakes, complaints, and failures.	1 1.43	15 21.43	16 22.86	20 28.57	18 25.71	70
Keeps track of all mistakes.	3 4.29	12 17.14	17 24.29	18 25.71	20 28.57	70
Directs his/her attention toward failures to meet standards	0 0	9 12.86	19 27.14	22 31.43	20 28.57	70
Totals	6 2.14	46 16.43	72 25.71	77 27.50	79 28.22	280

Source: Own survey 2019

This component of the transactional leadership style leads to checking for the prevention of final mistakes and deviations, and that rules and procedures are reinforced. Employees perception that leaders exhibiting management by exception active is rated as never 2.14%, very seldom 16.43%, sometimes 25.71%, fairly often 27.50% and always 28.22%. This indicates that leader's continuously checking employee work progress so as to prevent final mistakes and deviation through reinforcing employees to follow rules and procedures while accomplishing tasks.

Table9. Transactional leader: Management by exception passive

Statement	Frequency of occurrence					Row total
	Never	Very seldom	Sometimes	Fairly often	Always	
Fails to interfere until problems become serious.	13 18.57	20 28.57	18 25.71	10 14.28	9 12.86	70
Waits for things to go wrong before taking action.	15 21.43	17 24.29	19 27.14	8 11.43	11 15.71	70
Shows that he/she is a firm believer in "If it ain't broke, don't fix it."	11 15.71	18 25.71	21 30.00	9 12.86	11 15.71	70
Demonstrates that problems must become chronic before he/she takes action.	12 17.14	19 27.14	19 27.14	11 15.71	9 12.86	70
Totals	51 18.21	74 26.43	77 27.50	38 13.57	40 14.29	280

Source: Own survey 2019

Management-by-exception passive refers that the leader waits for problems to surface and become serious before reacting and taking action. They stick to the idea "If it ain't broke, don't

fix it” (Avolio, 2010:64; Gill, 2010:51). These leaders rather wait and intervene only when unavoidable. Accordingly respondent’s perception towards management by exception passive is never 18.21%, very seldom 26.43%, sometimes 27.50%, fairly often 13.57% and always 14.29%. This indicates that leaders sometimes exhibit management by exception passive as witnessed by majority respondents.

4.3.3 Laissez-faire leader

The laissez-faire leader does not set clear goals nor does he/she participate in decision making; instead he/she makes followers responsible for the work. In addition, he/she makes no attempt to influence followers and even does not provide support for them. It implies an absence of leadership.

Table10. Laissez-faire leadership

Statement	Frequency of occurrence					Row total
	Never	Very seldom	Sometimes	Fairly often	Always	
Avoids getting involved when important issues arise	20 28.71	28 40.00	12 17.14	5 7.14	5 7.14	70
Is absent when needed.	16 22.86	31 44.29	13 18.57	7 10.00	3 4.29	70
Avoids making decisions	12 17.14	35 50.00	14 20.00	5 7.14	4 5.71	70
Delays responding to urgent questions	16 22.86	30 42.86	16 22.86	3 4.29	5 7.14	70
Totals	64 22.86	124 44.29	55 19.64	20 7.14	17 6.07	280

Source: Own survey 2019

As depicted in the table above, the perceived laissez-faire leadership exhibited by leaders is rated as never 22.86%, very seldom 44.29%, sometimes 19.64%, fairly often 7.14% and always 6.07%. Thus this style of leadership is exhibited by leaders very rarely as majority 44.29% of respondents confirmed in their response.

Table11. The means of the perception scores for the various components of leadership style

Leadership constructs	Mean	Standard deviation
Transformational leadership		
Idealized attribute	2.11	0.01
Idealized behavior	2.34	0.16
Inspirational motivation	2.08	0.02
Intellectual stimulation	1.97	0.09
Individualized consideration	2.14	0.02
Transactional leadership		
Contingent reward	2.70	0.42
Management by exception active	2.63	0.37
Management by exception passive	1.79	0.23
Laissez-faire	1.29	0.58

Source: Own survey 2019

The first objective of this study is to determine the most dominant leadership style exercised by the company leaders. As shown in the above table the leadership constructs transformational leadership mean value is 2.13, transactional leadership mean value is 2.43 and laissez faire leadership style mean value is 1.29. Therefore there is low exercise of leadership styles but relatively dominant leadership style exhibited by the Menaye Company is transactional leadership style.

4.4 Employee performance: Results of analyses performed on the employee performance scores of extra effort, effectiveness and job satisfaction

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

Table12. Employee performance: Extra effort

Statement	Frequency of occurrence					Row total
	Never	Very seldom	Sometimes	Fairly often	Always	
Gets others to do more than they are expected to do.	7 10.00	19 27.14	22 31.43	8 11.43	14 20.00	70
Heightens others' desire to succeed.	6 8.57	16 22.86	27 38.57	10 14.29	11 15.71	70
Increases others' willingness to try harder.	4 5.71	15 21.43	31 44.26	8 11.43	12 17.14	70
Totals	17 8.09	50 23.81	80 38.09	26 12.38	37 17.63	210

Source: Own survey 2019

One of the leader influences is to induce employees to make extra effort. In other words employees go beyond the contractual agreement as a result of leader’s inspirational motivation and intellectual stimulation. As indicated table above, extra effort is rated never 8.09%, very seldom 23.81%, sometimes 38.09%, fairly often 12.38% and always 17.63%. To this end leaders occasionally induced employees to make extra effort the fact that extra effort is an outcome of transformational leader. In other words since transactional leadership style is the most dominant leadership style employees are expected to do what is assigned to them by the leader.

Table13. Employee performance: Effectiveness

Statement	Frequency of occurrence					Row total
	Never	Very seldom	Sometimes	Fairly often	Always	
Is effective in meeting job-related needs.	0 0	5 7.14	14 20.00	24 34.29	27 38.57	70
Is effective in representing others to higher authority.	0 0	8 11.43	19 27.14	21 30.00	22 31.43	70
Is effective in meeting organizational requirements.	0 0	11 15.71	15 21.43	20 28.57	24 34.29	70
Leads a group that is effective	0 0	8 11.43	18 25.71	25 35.71	19 27.14	210
Totals	0 0	32 11.43	66 23.57	90 32.14	92 32.86	280

Source: Own survey 2019

In this leadership influence leader’s effectiveness is measured in terms of clearly defining individual responsibilities and setting declines and communicating them to employees. Here leaders also influence employees to meet deadlines and doing things as per the pre-established procedures and rules to meet organization requirements. Accordingly respondents responded as never 0%, very seldom 11.43, sometimes 23.57, fairly often 32.14 and always 32.86. This indicates leadership effectiveness in the company the fact that under transactional leadership employees strive to be punctual and meet deadlines so as to obtain reward by fulfilling their obligation or to avoid punishment that arises from failing to accomplish assigned task. Thus, employees perceived that the current leadership style is influencing them to become effective in their job as well as to deliver what is expected from them timely.

Table14. Employee performance: Satisfaction with the leadership style

Statement	Frequency of occurrence					Row total
	Never	Very seldom	Sometimes	Fairly often	Always	
Uses methods of leadership that are satisfying.	2 2.86	6 8.57	13 18.57	23 32.86	26 37.14	70
Recognize for work accomplished	0 0	9 12.86	16 22.86	24 34.29	21 30.00	70
Express his satisfaction when expectations are meet	0 0	7 10.00	18 25.71	20 28.57	25 35.71	70
Totals	2 0.09	22 10.48	47 22.38	67 31.90	72 34.29	210

Source: Own survey 2019

In this leadership outcome leaders use a leadership method that is acceptable, recognize individual effort and express his satisfaction when employees meet what is expected from them. To this outcomes of leaders respondents replied that never 0.09%, very seldom 10.48%, sometimes 22.38%, fairly often 31.90 and always 34.29%. This indicates employee’s satisfaction with the leadership style in the company as majority 34.29% confirmed in their response. Leader’s provision of the perceived reward and disclosing his satisfaction when employees deliver what is expected from them results in employee satisfaction.

Part two: correlation analysis of leadership style and employee Performance

4.5 Correlation analysis

Correlations are the measure of the linear relationship between two variables. A correlation coefficient has a value ranging from -1 to 1. Values that are closer to the absolute value of 1 indicate that there is a strong relationship between the variables being correlated whereas values closer to 0 indicates that there is little or no linear relationship.

In this section, correlation analysis conducted in the light of each research questions. The relationship between leadership style and employee performance is investigated using correlation analysis. The correlation Coefficients indicates the strength and direction of relationship and the p-value are also indicates the probability of this relationship’s significance.

Table 15 Transformational leadership correlation with extra effort, effectiveness and satisfaction

	Extra effort	Effectiveness	Satisfaction
Transformational leadership	0.94	0.44	0.37
No. 70 Correlation is significant at 0.05 level (1- tailed)			

Source: Survey 2019

As shown table above the correlation between transformational leadership style with extra effort, effectiveness and satisfaction is 0.94, 0.44 and 0.37 respectively. This implies that transformational leadership style and extra effort has a strong positive correlation with employee extra effort, while employees effectiveness and satisfaction have positive but low correlation with transformational leadership style.

Table 16 Transactional leadership style correlation with employees extra effort, effectiveness and satisfaction

	Extra effort	Effectiveness	Satisfaction
Transactional leadership	0.64	0.87	0.83
No. 70 Correlation is significant at 0.05 level (1- tailed)			

Source: survey 2019

The transactional leadership style with relationship with employee extra effort, effectiveness and satisfaction is 0.64, 0.87 and 0.83 respectively. This indicates that transactional leadership style and employee extra effort are fairly positively related. While, transformational leadership style has positive and significant correlation with employee's effectiveness and satisfaction

Table 17-Laissez faire leadership style correlation with employees extra efforts, effectiveness and satisfaction

	Extra effort	Effectiveness	Satisfaction
Laissez fair leadership	0.25	-0.68	-0.72
No. 70 Correlation is significant at 0.05 level (1- tailed)			

Source survey 2019

Laissez-faire leadership style correlation with extra effort, effectiveness and satisfaction is 0.25, -0.68 and -0.72 respectively. This indicates that laissez faire leadership style has a positive but low relationship with extra effort, while it is negatively correlated with employee effectiveness and satisfaction.

Correlation matrix is used to see whether there is significant relations exist between independent variable (leadership style) and dependent variable (employee performance). As depicted in the above table the transactional and transformational leadership styles are fairly positively correlated as indicated by r coefficient 0.626 and this indicates that the two leadership styles supplementary. However laissez faire leadership style inversely correlated to transactional leadership style with a coefficient of -0.288 and positively correlated to transformational leadership style with the coefficient of 0.367.

As it is shown in the table above, transformational leadership is positively related to employee performance with a Pearson correlation coefficient of 0.543 and significance value is less than 0.01. This significance tells that there is genuine relationship between transformational leadership style and employee performance.

The table indicates that transactional leadership style is positively correlated to employee performance with a Pearson correlation coefficient of 0.956 and significance value is less than 0.01. This shows that transactional leadership style has genuine relationship with employee performance.

The table also indicated that laissez faire leadership style inversely correlated with employee performance with a Pearson correlation coefficient of -0.546 and significance value is less than 0.01. This significance tells that there is inverse relationship between laissez faire leadership style and employee performance.

Summary of the relationship between leadership style and employee performance presented in the table below to provide a better picture of the correlation between the dependent and independent variables.

Table18. Correlation between leadership styles constructs (LSC) and employee performance (EP)

		LSC	EP
LSC	Pearson Correlation	1	0.590**
	Sig. (2-Tailed)		.00001
	N	70	70
EP	Pearson Correlation	0.590**	1
	Sig. (2-Tailed)	.00001	
	N	70	77
**. Correlation Is Significant At The 0.01 Level (2-Tailed).			

Source: Own survey 2019

Pearson correlation test was conducted between the leadership style and employee performance. As it is shown in the table, there is significantly positive correlation between leadership style and employee performance. In other words leadership styles and employee performance have positive relationship with correlation coefficient of 0.590 ($r=0.590$) at significance value less than 0.01.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Summary of major findings

The general objective of this research was to examine the relation of leadership style with the employees' performance in Minaye plc. This chapter summarizes the major findings and results that have emerged from the data analysis presented in chapter four. The major findings from the study are summarized as follows.

- Respondents Fairley represent both gender even though the proportions of male respondents are slightly higher than female respondents.
- Ade wise majority 67% of respondents are 26-35 years old and this indicates that they are in their productive age
- Concerning respondents level of education majority 32% are first degree holders, thus they can understand data collection instrument
- Work experience wise most of the respondents have above five years' experience in the company and this enables them to provide information required in the study
- Transformational leader idealized attribute component is rated as very seldom (31.43%) and this indicates that leaders are rarely becoming a role model for their employees
- Transformational leader exhibiting sometimes idealized behavior as confirmed by 31.07% of respondents. Thus leaders occasionally talking about values and beliefs which are of vital importance to their followers.
- Leader's inspirational motivation is rated as sometimes as witnessed by the majority 33.57%. Thus leaders show occasionally commitment to shared vision and communicating specific goals and expectations so as to motivate and inspire employee.
- Transformational leader intellectual stimulation is rated as sometimes. Thus leaders perceived as occasionally encouraging employee creativity and involvement in decision making as witnessed by majority of respondents.
- Individualized considerations of transformational leader also rated sometimes. This indicates that leaders occasionally provide employee opportunity to enhance their knowledge and experience as witnessed by majority of respondents.

- Transactional leadership exhibition of contingent reward is rated as always (29.29%). Thus, leaders clearly state what followers should do and rewarded or punished employees based on their level of accomplishment.
- Management by exception active is also rated as always (28.22 %). This indicates that leaders reinforce strict adherence of work procedures and rules by employees to avoid final mistakes and deviations.
- Management by exception passive is exhibited by leaders sometimes as witnessed by majority response (27.50%)
- Laissez faire leadership style is found practiced very seldom as confirmed by 44.29% respondents
- Low practice of leadership style but relatively dominant leadership style exhibited by the Minaye Company is transactional leadership style as indicated by a mean value of 2.43
- Employees sometimes made extra effort because of the relation of the perceived leadership style
- Employees witnessed leadership effectiveness in the company as the perceived leadership style relate them to become effective in accomplishing tasks effectively and timely
- Employees are satisfied with the company overall leadership style as confirmed by 34.29% of respondents response.
- Correlation analysis result indicates positive correlation between transformational leadership style and transactional leadership style with employee performance. Whereas laissez fair leadership style is inversely correlated to employee performance.

5.2. Conclusion

The purpose of this study is to investigate the relation of leadership style with employee performance in Minaye Company focusing on determining the most dominant leadership style in the company and evaluating its perceived relation on employee performance.

The study shown that the relatively dominant leadership style practiced by the Minaye Company is transactional leadership style although this leadership style is complemented by transformational leadership style as one leadership style cannot fit for all situations. Therefore leadership style flexibility in the company is encouraging as this enables leaders to behave differently in different situations.

The dominant transactional leadership style practiced in the company is perceived by employees as effective. The fact that, leader used a combination of contingent reward and management by exception active transactional leadership style. Under the contingent reward employees strive to accomplish the assigned task successfully and meet deadlines to receive the perceived reward as well as to avoid punishment resulting from failure of delivering what is expected from them. On the other hand management by exception active behavior of transactional leader relating employees to follow strictly work procedure and rule while accomplishing tasks so as to prevent mistakes and deviations. In general the transactional leadership style practiced in Minaye Company influencing employees to become effective in meeting deadlines.

Even though the transactional leadership style practiced by the company is considered as effective in getting things done right, there are weaknesses associated with it. The first problem is that as leaders engaged in exchange with employees, leaders influence on employee performance depend on the attractiveness and provision of the perceived reward. Thus, when reward is less attractive or leaders fail to offer the agreed reward will affect adversely employee performance as well as their trust on leader.

Another problem associated with the company leadership style is that sharing company vision and values to employee is found less practiced. In this case as employees are less owning the company vision and value their inspirational motivation will go down and in turn this situation

hamper their initiation to make extra effort, thus leaders should improve this practice so as to create engaged employees.

Employee involvement and participation in decision making is still another problem observed in the company leadership. In the company employees participation in decision making and problem solving is low and this situation leads to low employee motivation as they lack a sense of belongingness

Enhancing employee knowledge and employee creativity is also a problem in the company as leaders provide low learning opportunity and supportive environment to increase employee knowledge. In addition there is little delegation of tasks to employees in the company and creativity is less encouraged. Thus, this situations adversely affecting employee performance and confidence that also calls for improvement.

5.3. Recommendation

Leaders need to share the company vision and value to employees so as to create a sense of ownership and employee commitment in the company. This sense of ownership and commitment results in employee higher performance and ignites employee's motive to go extra miles beyond the contractual agreement. Company can share its vision and values with employees through arranging meetings and conference and can be posted in the organization compound and offices to promote employee familiarity with company vision and value.

Company leader needs to encourage employee participation and involvement in decision making and problem solving in order to develop employees sense of ownership and belongingness. This situation coupled with shared vision and value creates an engaged employee in the company and in turn increase the firm competitiveness.

Leaders of the company need to adopt a learning organization culture that promotes the knowledge and skills of employees so as to increase employee morale and confidence. Moreover, employee's creativity and innovation should be encouraged in the company to get the best out of its employees and to achieve a competitive advantage.

As one leadership style cannot fit for all situations, the company needs to continue its leadership style flexibility by using both transactional and transformational leadership styles that complement each other to respond to differently in different circumstances as well as to take advantages of the synergy resulting from the two leadership styles.

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APPENDIX
ST MARY UNIVERSITY
SCHOOL OF GRADUATES STUDIES

Questionnaire to be filled by employees of Minaye Packing plc

This questionnaire is prepared to produce a paper entitle the Assessment of leadership style and employee performance in case of Minaye packaging which is a requirement for fulfillment of Masters degree in Business Administration.

I want to assure you that this research is only for academic purpose. Thus, your ideas and comments are highly honored and kept confidential. To create a Conducive environment for your free and genuine responses, you are not required to write your name.

Dear Respondent, I would like to express my sincere appreciation and deepest thanks in advance for your generous time and frank and prompt responses.

Contact Address: If you have any query, please do not hesitate to contact me and I am available at your convenience time on Tel 0913128445 or e-mail your questions to natiprincesecond@gmail.com

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

Section A: personal information

1. Gender: A. Male B. Female
2. Your age in years. A. 18-28 years B. 29-39years C.40-50 years D. above 51 years
3. Your level of education. A. Below Diploma B. Diploma C. BA/BSc Degree
D. Master's Degree E. Above Masters Degree
4. How long have you been working in Minaye Packing plc? A. Below 1 year B. 1-5 years
C.6-10 years D. 11-15 years E. above 15 years

Section B: Leadership Attributes: in the tables below, lists of descriptive statements are given. Please judge how frequently each of the items fits your supervisor’s leadership style as you perceive it.

Key:

(0 = “never”; 1 = “once in a while”; 2 = “sometimes”; 3 = “fairly often”; 4 = “frequently, if not always”).

	Questions	(0)	(1)	(2)	(3)	(4)
Transformational leader						
1	Instills pride in others for being associated with him/her.					
2	do you Goes beyond self-interest for the good of the group.					
3	Do you Acts in ways that build others’ respect for him/her					
4	Displays a sense of power and confidence.					
5	What do you Talks about his/her most important values and beliefs.					
6	Do you Specifies the importance of having a strong sense of purpose					
7	Do you Considers the moral and ethical consequences of decisions					
8	Do you Emphasizes the importance of having a collective sense of mission					
9	Do you Talks optimistically about the future.					
10	Do you Talks enthusiastically about what needs to be accomplished.					
11	Do you Articulates a compelling vision of the future.					
12	Do you Expresses confidence that goals will be achieved.					
13	do you Re-examines critical assumptions to question whether they are appropriate.					
14	Do you Seeks different perspectives when solving problems					
15	What do you Gets others to look at problems from many different angles.					
16	Do you Suggests new ways of looking at how to complete assignments.					
17	Do you Spends time teaching and coaching.					
18	Do you Treats others as individuals rather than just as a member of a group.					
19	Do you Considers an individual as having different needs, abilities, and aspirations from others.					
20	Do you Helps others to develop their strengths.					

Transactional leader						
21	Do you Provides others with assistance in exchange for their efforts .					
22	Do you Discusses in specific terms who is responsible for achieving performance targets.					
23	Do you Makes clear what one can expect to receive when performance goals are achieved					
24	Do you Expresses satisfaction when others meet expectations					
25	Do you Focuses attention on irregularities, mistakes, exceptions, and deviations from standards.					
26	Do you Concentrates his/her full attention on dealing with mistakes, complaints, and failures.					
27	Do you Keeps track of all mistakes.					
28	Do you Directs his/her attention toward failures to meet standards					
29	Do you Fails to interfere until problems become serious.					
30	Do you Waits for things to go wrong before taking action.					
31	Do you Shows that he/she is a firm believer in “If it ain’t broke, don’t fix it.”					
32	Do you Demonstrates that problems must become chronic before he/she takes action.					
Laissez-faire leader						
33	Do you Avoids getting involved when important issues arise					
34	Do you absent when needed.					
35	Do you Avoids making decisions					
36	Do you Delays responding to urgent questions					
Section C: Outcomes of Leadership: please judge how frequently each of the items fits your supervisor’s leadership style result as you perceive it. You are requested to rate your perception according to the frequency legend supplied below.						
		Not at all (0)	Once in a while (1)	Sometimes (2)	Fairly often (3)	Frequently if not always (4)
Extra effort						
37	Do you Gets others to do more than they are expected to do.					
38	Do you Heightens others’ desire to succeed.					
39	Do you Increases others’ willingness to try harder.					
Leadership style effectiveness						
40	Is your boss effective in meeting others’ job-related needs.					
41	Is your boss effective in representing others to higher authority.					

42	Is your boss effective in meeting organizational requirements.					
43	Is your boss Leads a group to become effective					
Satisfaction with leadership style						
44	Is your boss Uses methods of leadership that are satisfying.					
45	Is your boss Recognize for work accomplished					
46	Is your leader Encourage the use of own skills and talents					

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

1. How would you describe the leadership style of your company?

2. In your opinion, what are the factors that affect the style of leadership in your company context?

3. Why do you think that this is the best kind of leadership style that should be used?

4. How does the supervisor's leadership impact the effectiveness of the company?

5. What leadership challenges does your company face?

DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of **Dr. Mesfin Tesfaye** . All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Nathnael
Gebeyehu

St. Mary's University, Addis Ababa

June , 2019

