ST.MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

THE EFFECT OF LEADERSHIP STYLES ON THE EMPLOYEE PERFORMANCE: IN CASE OF ARMY FOUNDAION

BY:

HAIMANOT AMARE

August, 2020

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ADDIS ABABA, ETHIOPIA

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DECLARATION

The undersigned, declare that this study entitled: *The effect of leadership style on the employee performance: case of Army Foundation*

This research project is my original work and has not been presented for a degree in any other university and that all sources of materials used for the study have been properly acknowledge

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ABSTRACT

The main purpose of this study was to assess the effects of different leadership styles on employee performance in ARMY foundation located in Addis Ababa. Specific objectives of the study were stated to examine the effects of four leadership styles namely autocratic, democratic, transformational, and transactional leadership styles on employees' perceived job performance. A descriptive survey research design was employed in addressing the study objectives. The data were collected from a randomly selected 62 respondents currently working in Army Foundation. The collected quantitative data were analyzed using descriptive statistics (mean and standard deviation) and inferential statistics (Pearson's correlation and multiple linear regression). Results of data analyses indicated that respondents perceived their leaders as practicing more of autocratic leadership style and the leaders appear to be perceived by respondents as they were practicing less of democratic, transformational, and transactional aspects of leadership approaches. Despite rated below average by respondents, transformational and transactional leadership styles were found to be positively and significantly correlated to improving employee's task accomplishment in their respective work department. Especially, the result of multiple regression analysis indicated that transactional leadership approach was found to be the only significant predictor of employee performance as compared to the other three approaches to leadership involved in this study. On the other hand, despite respondents' rating of autocratic leadership style as more common in their organization, analysis of correlation coefficients did not support significant relationship with improving employee performance. It was also observed from the results of data analysis result that democratic leadership aspects were not significantly related to employee performance. Thus, it appeared that leaders who tend to apply transactional and transformational leadership aspects appear most likely be more effective in enhancing organizational goal accomplishment in that respondents tend to perceive such leadership style as supporting improved work performance. Finally, based on the findings, workable recommendations and implications for further studies were forwarded.

Keywords: employee job performance, leadership styles, military organization

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<center>**CHAPTER ONE**</center>

<center>**1. INTRODUCTION**</center>

1.1 Background of the Study

Leadership Style is a set of behavior patterns that frequently occurs during the constant organizational working and other knows him by it and as manager of the organization are very cooperative with the staff, the leadership style of these managers has a significant impact on staff morale. And constantly the staff morale will affect on their performance (Shirzad, Kebriya, & Zangeneh, 2011).

According to Kim (2004) ,the view that the kind of leadership style exhibited by managers to a large extent influences organizational valued outcomes such as low employee turnover, reduced absenteeism, customer satisfaction, and organizational effectiveness. Similarly, leadership style controls interpersonal, reward, and punishment that shapes employee behavior, motivation, and attitude which impacts on organizational performance.

Employees Job Performance is one of the most important dependent Variables and has been studied for a long decade. Employees 'job performance is one of the performance variables that are important for organizational effectiveness. Thus Employees' job performance refers to behaviors that are directly involved in producing Goods and Services. Employees Performance is the key for organizational objective achievement. Leadership on the other hand, is perhaps the most investigated organizational variable that has a potential impact on employee performance (Kim, 2004).The success and failure of the organization is determined by the leadership style that follows and leaders themselves. If here is effective and efficient leaders that has follows appropriate leadership style for the organization can improve the performance of employee and activities interims of achieving the objective. Employees are the most important asset for an

organization, without those assets the organization cannot perform any function even if cannot exist as an organization (Bass, 1997; Mullins, 1999).

Employee performance is important factor that facilitate the function of organization in a successful manner. It means that the success of organization lies over the effective employee performance whether it is collective effort or individual effort. Performance is major multidimensional construct aimed to achieve result and has a strong link to strategic goal of an organization (Cok, 1997). According to Alln and Myer (1990) leaders have an extreme power in order to influence the performance of followers and built their trust up on ability, honesty, integrity, openness, responsiveness, concern, and kindness.

Leadership as the ability to the employee managerial competency to organized performance process by inspiring motivating team to meet organizational goal (Cok, 1997). Different leadership style are used that benefit employees, based on amount of direction, empowerment and decision making power. As a result employee performance is affected due to lack of proper direction and application of proper strategic style in managing daily duties in any given organization (Ken & Heresy, 2015).

According to Hersey and Blanchard (1984), leadership is the process of influencing the activities of an individual or a group in performance toward a goal achievement in a given situation. Hence, leadership in this study is related to the person performance who is appointed by the organization or owner to follow up the whole or sub activities of the organization.

The school of thought from "Trait theories" to Transformational leadership theories reveals that there is a strong relationship between leadership style and employee performance. Whilst early theories tend to focus up on the characteristics and behavior of successful leaders, later theories begin to consider the role of follower and contextual nature of leadership.

Near the beginning studies categorized leadership style according to the leader's power and behavior as autocratic, democratic, and lassies fair, where style are notable by the influence leaders have on subordinates (Mullins, 1988). In the late 1960s, Hersey and Blanchard situation leadership models categorized leadership style has emerged that shifted emphasis from traditional models of leadership to transformational leadership.

A lot of the studies on leadership style and behaviors have been conducted on the western countries. Hence, there are fewer perceptive on how leaders behave and its relationship with employee performance in developing countries including Africa. Because of this preconception, our thought on leadership has been shaped by the empirical finding and revelation of western scholars, despite the fact that people behavior, values and beliefs are shaped by their culture.

Western countries have rather different management system from less developed countries like Ethiopia due to local culture and norms. Therefore, it is very critical to examine how leaders in the world manipulate the performance if their subordinates in enlightening environment.

In Ethiopia there is limited research conducted about the effect of dominant leadership style on organizational performance. However, the studies conducted in other Africa countries have some significance to Ethiopia because of ordinary surroundings.

According to many researchers the dominant leadership style in Africa is authoritarian, personalized, inflexible, insensitive and conservative. There is also same practice in Ethiopia for a long time. Low level leaders perform authoritatively because many times they preserve the decision authority; ignore employee well-being and emphasis more on task than people. These leaders exercise almost absolute power.

Brownell (2010) explains that leadership is important to hospitality organizations, because they "are profoundly affected by a leader's behaviors and personal characteristics and especially the

manner in which the leader relates to and influences followers" This indicates that there is a need for better leadership and management to realize high employee performance as well as improvement of skills and gearing towards results in an organization.

There were different studies that were made under effect of leadership style on employee's performance. Most of them focused on economic and service organization. There were not much studies focused on protective organization like military and police .this study tries to show the effect of leadership style on employees performance and which leadership style are more dominant in the perspective of diversified experience as military organization.

1.2 Background of the Organization

Army foundation is an organization that cares for its members for the maintenance of a high standard of morale and the fostering of a feeling of pride by providing services and facilities, which are tailored to suit the needs of its members and their dependents; and also for those who are honorably discharged from the regular army service due to the completion of their obligatory service or retirement.

The Foundation objectives are provide services and facilities that could not be provided by the government and required to meet the needs of members of the Army and to improve their quality of life with a view to enabling them to devote their full time and energy in the fulfillment of their mission and thereby maintaining a high standard of morale and the fostering of a feeling of pride in the army strengthening their unity and interaction.

The basic powers and duties of the foundation are   supply basic provisions and services to the Army members and their families through commissaries, undertake the construction of condominium apartments and transfer the same to the Army members, provide different supports

and social services to the Army members, participate in different reliable and profitable investments and engage in any other related activities necessary for the attainment of its objectives.

1.3 statements of the problem

The effect of leadership style on performance of employees has been an arguable theme among researchers worldwide. Behn (1995), the issues of leadership styles on manipulating employee's performance is one of the questions which need to get proper answer in organizations management.

Maxwell (2015) distinguished 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).

Many researchers believe that the Leadership styles can affect the performance of the employees of a company both directly and indirectly. Reports show that transactional leadership style influences workers performance more than any other leadership style (Patern, 1995). Furthermore, it is propounded that transformational leadership style generates higher performance than transactional leadership style (Avolio, 1993). A number of recent studies examined the effect of leadership styles on employees 'performance. Se for example, Rasool, et al. (2015), Pradeep and Prabhu (2011),Aboshaqah et al. (2015), Ipas (2012), Kahinde and Bajo (2014), Gimuguni, et al (2014), Raja and Palanichamy (2015) etc. Rasool et al (2015) examined the health sector in Pakistani and report that both transformational and transactional leadership

styles affect employee performance but the effect of transformation leadership style is higher than that of transactional leadership Raja and Palanichamy (2015) report positive relationship between both transformational and transactional leadership styles but negative relationship between autocratic leadership style and employee performance from a sample of employees in public and private sector enterprises in India.

On the other hand, it has also been argued that democratic 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 Rasool, et al. (2015). It is opposing represented that democratic 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 Kahinde and Bajo (2014).The two researchers have no common agreement on the influence of democratic 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.

As revealed in the above different researcher has shown the effect of the leadership style (autocratic, transactional, transformational and democratic) on employee performance and tries to show whether it has positive or negative relation and effect with performance. But there is no research done before that shows the effect of leadership style on employee performance in the case of Army foundation, especially, in Ethiopian context. Accordingly, this study tries to demonstrate the effects of transactional, transformational, democratic and autocratic leadership style on employee performance of Army Foundation.

1.4 Research question

To assess the above stated problem the study attempt to answer the following basic question.

o What is the effect of transformational leadership style on employee performance in Army Foundation?

o What is the effect of transactional leadership style on employee performance in Army Foundation?

o What is the effect of democratic leadership style on employee performance in Army Foundation?

o What is the effect of autocratic leadership style on employee performance in Army Foundation?

1.5 objective of the study

1.5.1 General objective

The general objective of this study is to identify the effect of leadership style on employee performance in case of Army foundation.

1.5.2 Specific objective

o To examine the effects of transformational leadership on employee performance in Army Foundation?

o To assess the effect of transactional leadership on employee performance in Army Foundation

o To examine the effect of democratic leadership style on employee performance in Army Foundation.

o To assess the effect of autocratic leadership on employee performance in Army Foundation.

1.6 Significance of the study

This study is expected to benefit army foundation in identification and developing better leadership style that improve the employee work performance .in addition the organization would benefit from this studies outcome in the planning of future management development system and assuring the improvement of employee performance by promoting the best leadership style. In other way this study will be helpful for those interested to know the organization leadership style and its effect on the employee performance .furthermore it help the student and others researchers as spring bond and reference.

1.7 Scope of the study

The primary purpose of this study was to examine the effects of leadership style on employees' perceived job performance in one selected military organization – i.e., Army Foundation, located in Addis Ababa. Thus, the data were collected only from employees of Army foundation head office. Of various leadership styles, the current study focused only on four leadership styles: autocratic, democratic, transformational, and transactional leadership effects on employee performance. Data collection was also delimited to closed-ended questionnaire and does not involve qualitative data collection tools.

1.8 Limitation of the study

In this study, the data were collected only from employees of one selected military organization due to the constraint associated to the cost of involving more organizations. Thus, the use of limited sample size in this study would make it difficult to generalize the findings to other similar organizations. On the other hand, the study involved only quantitative data gathered through questionnaire due to the coincidence of COVID-19 pandemic that the researcher was unable to conduct interviews to include qualitative data in this study. Thus, the findings in this

study would have been more substantial, had it been possible to include qualitative data through interviews.

1.9 Organization of the study
This study is organized through five chapters. Chapter one present introduction part which are background of the study ,problem statement, research question, objective of the study, definition of terms, significance of the study, research design and methods, scope of the study and organization of the study. Chapter two provide review of related literature, chapter three present research methodologies, chapter four include data interpretation result and discussion finally chapter five offer summary of findings, conclusion and recommendation.

CHAPTER TWO

Review of Related Literature

2.1. Theoretical Review

2.2.1 The Concept of Leadership

Leadership, as Kotler (1990) argues, is more of establishing direction, aligning people, and motivating and inspiring others. Leadership is concerned with long-term outcomes and future goals of the organizations. Leadership is more about people and less about tasks. Leaders often put many of these skills and interests to good use but often to better effect because they focus on areas such as discovering solutions (not problems), managing changing, excelling in spite of organizational structure, and inspiring personnel to achieve their goals.

Leadership has become the crux of issues in the corporate world of today. This is because it is responsible for the harmonization and integration of both human and material resources to produce the output or services for which the body is created. Leadership is a process of influencing others commitment towards realizing their full potentials in achieving a value added, shared vision with passion and integrity. An important factor in the leadership process is the relationship that a leader has with individual followers (Obasan Hassan 2014).

In the view of Eze (1982), he sees Leadership as a relational concept involving both the influencing agent and the person being influenced. This he claimed means that without followers there can be no Leader. He further indicated that the factor which interact to produce an effective leader include not only the abilities and characteristics of the group he is leading, but also the characteristics of the situation in which his leadership takes place. He, posited further that leadership particularly in the public sector becomes the 'cradle of influence to rule

enforcement and productivity, shoddiness and inefficiency, double standards, lack of seriousness and indiscipline.

Leadership can be defined as a complex social process, rooted in aspects of values, skills, knowledge as well as ways of thinking of both leaders and followers. Thus, it is all about the continuous process of establishing and maintaining a connection between who aspire to lead and those who are willing to follow (Hersey and Blanchard 1984). Furthermore, it has been the focal point of many academic research projects and of more than dozen journals in the market. Many academicians and researchers have made vital contributions in the different theories as well as practices of leadership, and after of extensive research, the subject of leadership has emerged as a legitimate discipline. However, there is still agreement about what leadership actually is. Many of scholars and researchers agreed that leadership is a combination of skills and behavior which exhibits those skills (Bass et al. 2003; Bolden et al 2003; James and Collins 2008). Bass (1990) characterized leadership as a procedure of connection among people and gatherings that incorporates an organized or rebuilt circumstance, individuals' desires and recognitions. Leadership can be clarified as the capacity of a person to have power that spotlights on the best way to set up bearings by adjusting strengths (Go et al., 1996). As indicated by Northouse (2010) and Yukl (2005) leadership exemplify as a method where leaders impact their employees to accomplish organizational targets. Diverse leadership styles have been distinguished by Chen and Chen (2008) that organizations adjust. Having particular leadership style is a key component that effects worker's job satisfaction which prompts hierarchical achievement. Early on, leadership definitions had the tendency to view the leader as the center or the focus of a group activity. The leader restructures the problems, offers solutions to the problems, establishes priorities and initiates developmental operations (Bass B, 1990).

Leadership was associated with strength of personality (Bass 1990; Bowden, 1926). A leader was seen as a person with many popular traits of personality and character (Bass, 1990; Bingham, 1927). The current descriptions of leadership no longer regard only individual characteristics or differences (Avolio 2007; Yukl 2006).

In (Bass's 1998) current definition, leadership is an interaction between one or more members of a group. In another more recent definition, leadership is a relationship between leaders and followers where they influence each other and they intend real changes and outcomes that reflect their shared purposes (Daft, 2005). According to (Northouse2007) leadership as a process means that, as mentioned earlier, it is not a characteristic someone is born with, it is an interaction between leaders and their 9 followers. The leaders influence and are influenced by their followers Leadership is available to everyone; it is not limited to the person in power (Northouse, 2007).

"Leadership is a process whereby an individual influences a group of individuals to achieve common goals (Northouse, 2007). Leadership style is the combination of attitude and behavior of a leader, which leads to certain patterns in dealing with the followers (Dubrin 2004). It is the result of the philosophy, personality and experience of the leader. There are several leadership styles such as: autocratic, bureaucratic, charismatic, democratic, participative, situational, transformational, and transactional and laissez faire leadership (Mosadeghrad, 2003a). Leadership style has been the deciding factor of more than one facet of employee behavior in organizations.

2.2.2 Leadership Theories

2.2.2.1 Great-Man Theory

The effort toward explorations for common traits of leadership is protracted over centuries as most cultures need heroes to define their successes and to justify their failures. In (1847, Thomas Carlyle) stated in the best interests of the heroes "universal history, the history of what man has accomplished in this world, is at the bottom of the history of the great men who have worked here". Carlyle claimed in his "great man theory" that leaders are born and that only those men who are endowed with heroic potentials could ever become the leaders. He opined great men were born, not made. An American philosopher, Sidney Hook, further expanded Carlyle perspective highlighting the impact which could be made by the eventful man vs. the event-making man (Dobbins &Platz, 1986).

He proposed that the eventful man remained complex in a historic situation, but did not really determine its course. On the other hand, he maintained that the actions of the event-making man influenced the Course of events, which could have been much different, had he not been involved in the process. The event making man's role based on "the consequences of outstanding capacities of intelligence will and character rather than the actions of distinction". However, subsequent events unfolded that this concept of leadership was morally flawed, as was the case with Hitler, Napoleon, and the like, thereby challenging the credibility of the Great Man theory. These great men became irrelevant and consequently growth of the organizations, stifled (MacGregor, 2003). "The passing years have given the coup de grace to another force the great man who with Brilliance and farsightedness could preside with dictatorial powers as the head of a growing organization but in the process retarded democratization". Leadership theory then

progressed from dogma that leaders are born or are destined by nature to be in their role at a particular time to a reflection of certain traits that envisage a potential for leadership.

2.2.2.2 Trait Theory

The early theorists opined that born leaders were endowed with certain physical traits and personality characteristics, which distinguished them from non-leaders. Trait theories ignored the assumptions about whether leadership traits were genetic or acquired. Jenkins identified two traits; emergent traits (those which are heavily dependent upon heredity) as height, intelligence, attractiveness, and self-confidence and effectiveness traits (based on experience or learning), including charisma, as fundamental component of leadership (Ekvall&Arvonen, 1991).

Max Weber termed charisma as "the greatest revolutionary force, capable of producing a completely new orientation through followers and complete personal devotion to leaders they perceived as endowed with almost magical supernatural, superhuman qualities and powers "This initial focus on intellectual, physical and personality traits that distinguished non-leaders from leaders portended a research that maintained that only Min or variances exist between followers and leaders (Burns, 2003). The failure in detecting the traits, which every single effective leader had in common, resulted in development of trait theory, as an inaccessible component, falling into disfavor. In the late 1940s, scholars studied the traits of military and non-military leaders respectively and exposed the significance of certain traits developing at certain times. The trait approach is challenged by the researcher that questioned the universality of leadership traits. Stogdill(1948) suggested that no consistent set of trait differentiated leaders from non-leaders across a variety of situations. An individual with leadership traits who was a leader in one situation might not be a leader in another situations rather than being a quality those individual possess. Leadership was understood as a relationship between people in social situations.

Personal factors related to leadership would be important, but researchers contended that these factors would be as relative to the requirement of the situations.

As a result, it's difficult to identify universal set of leadership in separate from the context in which leadership occurs since traits approach has failed to take a situation in to account.

2.2.2.3 Contingency Theories

The theories of contingency recommend that no leadership style is precise as a stand-alone as the leadership style used is reliant upon the factors such as the quality, situation of the followers or a number of other variables. "According to this theory, there is no single right way to lead because the internal and external dimensions of the environment require the leader to adapt to that particular situation". In most cases, leaders do not change only the dynamics and environment, employees within the organization change. In a common sense, the theories of contingency are a category of behavioral theory that challenges that there is no one finest way of Leading/organizing and that the style of leadership that is operative in some circumstances may not be effective in others (Greenleaf, 1977). Contingency theorists assumed that the leader was the focus of leader-subordinate relationship; situational theorists opined that the subordinates played a pivotal role in defining the relationship. However, the situational leadership stays to emphasis mostly upon the leader; it creates the significance of the focus into group dynamic. These studies of the relationships between groups and their leaders have led to some of our modern theories of group dynamics and leadership".

Fiedler's contingency theory emphasized the leader's personality, or psychological disposition, is a main   variable in her/his ability lead, and said that how the group receives the leader, the task 9 Involved, and whether the leader can actually exert control over the group are the three principle factors that determine how successful the leader-led arrangement will be. Thus, the values from

the least preferred co-worker (LPC) are added and then averaged to produce the score. A high LPC score, as can be seen from the example, exhibits a positive orientation towards human relations. She /he gets along with people. The nature of the task is less important and issues in doing it may be compensated for with good human relations. When the environment is such that each group member is independent, such as in a scientific setting, tasks may not be all that well defined, and a leader must rely more on her or his personality to accomplish goals.

The theory of situational leadership proposes that style of leadership should be accorded with the maturity of the subordinates (Bass, 1997). "The situational leadership model, first introduced in 1969, theorized that there was no incomparable way to lead and those leaders, to be effective, must be able to adapt to the situation and transform their leadership style between task-oriented and relationship oriented.

2.2.2.4. Behavioral theory

The Behavior Theory acknowledges the significance of certain necessary leadership skills that serve as enabler for a leader who performs an act while drawing its parallel with previous capacity of the leader, prior to that particular act while suggesting that each individual has a distinct style of leadership with which he/she feels most contented. Like one that does not fit all heads, similarly one style cannot be effective in all situations (Yukl1989) introduced three different leadership styles, The employees serving with democratic leaders displayed high degree of satisfaction, creativity, and motivation; working with great enthusiasm and energy irrespective of the presence or absence of the leader; maintaining better connections with the leader, in terms of productivity Whereas, autocratic leaders mainly focused on greater quantity of output. Laissez faire leadership was only considered relevant while leading a team of highly skilled and motivated people who excellent track-record, in the past. (Feidler& House 1994)

identified two additional leadership styles focusing effectiveness of the leadership. These researchers opined that consideration (concern for people and relationship behaviors) and commencing structure (concern for production and task behaviors) were very vital variables.

The main behavioral models include the Lewin, Lippit and White (1939), Mc Gregors theory (1960) the Managerial Grid Model of Blake and Mouton (1964) and the Ohio state university of Michigan models. The leader behavior paradigm provides the basis for new theory but Meta analytic evidence also suggest that leader's behaviors are important predictors of leadership effectiveness.

The limitations of behavioral theories are theories their over sight of situational factor on the level of leader effectiveness. One concern is whether one particular method of leading is appropriate for all situation regardless of the development stage of the organization, the business environment in which its operates or type of people employed by the organization.

The consideration is referred to the amount of confidence and rapport, a leader engenders in their subordinates. Whereas, initiating structure, on the other hand, reflects the extent, to which the leader structures, directs and defines his/her own and the subordinates" roles as they have the participatory role toward organizational performance, profit and accomplishment of the mission.

2.2.2.5 Transactional Theory
The leadership theories, by the late 1970s and early 1980s, activated to diverge from the specific perspectives of the leader, leadership context and the follower and toward practices that concentrated further on the exchanges between the followers and leaders. The transactional leadership was described as that in which leader-follower associations were grounded upon a series of agreements between followers and leaders (House & Shamir, 1993).

The transactional theory was "based on reciprocity where leaders not only influence followers but are under their influence as well". Some studies revealed that transactional leadership show a

discrepancy with regard to the level of leaders" action and the nature of the relations with the followers. Bass and (Avolio1994) observed transactional leadership "as a type of contingent-reward leadership that had active and positive exchange between leaders and followers whereby followers were rewarded or recognized for accomplishing agreed upon objectives "From the leader, these rewards might implicate gratitude for merit increases, bonuses and work achievement. For good work, positive support could be exchanged, merit pay for promotions, increased performance and cooperation for collegiality. The leaders could instead focus on errors, avoid responses and delay decisions. This attitude is stated as the "management-by-exception" and could be categorized as passive or active transactions. The difference between these two types of transactions is predicated on the timing of the leaders" involvement. In the active form, the leader continuously monitors performance and attempts to intervene proactively (Avolio& Bass, 1997).

2.2.2.6. Transformational Theory
Transformational leadership distinguishes itself from the rest of the previous and contemporary theories, based on its position to a greater good as it entails involvement of the followers in processes or activities related to personal factor towards the organization and a course that will yield certain superior social dividend. The transformational leaders raise the motivation and morality of both the follower and the leader (House & Shamir, 1993). It is considered that the transformational leaders "engage in interactions with followers based on common values, beliefs and goals". This affects the performance leading to the attainment of goal. As per Bass, transformational leader, "attempts to induce followers to reorder their needs by transcending self-interests and strive for higher order needs". This theory conform the (Maslow 1954) higher order needs theory transformational leadership is a course that changes and approach targets on beliefs, values and attitudes that enlighten leaders" practices and the capacity to lead change.

The literature suggests that followers and leaders set aside personal interests for the benefit of the group the leader is then asked to focus on followers' needs and input in order to transform everyone into a leader by empowering and motivating them (House &Aditya, 1997). Emphasis from the previously defined leadership theories, the ethical extents of leadership further differentiates the transformational leadership. The transformational leaders are considered by their capability to identify the need for change, gain the agreement and commitment of others, create a vision that guides change and embed the change (MacGregor Bums, 2003). These types of leaders treat subordinates individually and pursue to develop their consciousness, morals and skills by providing significance to their work and challenge. These leaders produce an appearance of convincing and encouraged vision of the future. They are "visionary leaders who seek to appeal to their followers" better nature and move them toward higher and more universal needs this approach views leadership Effectiveness as dependent upon a match between leadership style and the situation. It also focuses on the degree to which the situation gives control and influence to the leaders. The primary thrust was that the qualities of leaders differentiate in various situations and so were those qualities were perhaps appropriate to a particular task and interpersonal context.

Early on, leadership definitions had the tendency to view the leader as the center or the focus of a group activity. The leader restructures the problems, offers solutions to the problems, establishes priorities and initiates developmental operations (Bass B, 1990). Leadership was associated with strength of personality (Bass 1990; Bowden, 1926). A leader was seen as a person with many popular traits of personality and character (Bass, 1990; Bingham, 1927). The current descriptions of leadership no longer regard only individual characteristics or differences (Avolio 2007; Yukl 2006).

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2.2.2 Leadership Styles

There are many kinds of leadership styles. From the styles of Alexander the great, Adolf Hitler and Martin Luther King to Mother Teresa, Steve Jobs and Nelson Mandela, it seems there is countless number of effective ways to lead people towards the achievement of a goal. These are all excellent leaders because they achieved extra ordinary results in whatever objectives they pursued. But they all had different styles. If there is anything these leaders have in common, it is probably Contextual Leadership Intelligence (CLI).CLI is defined as a profound ability to discern trends in the face of complexity and uncertainty as well as

adaptability while still trying to shape events. It allows leaders to adjust their style to the situation and to their followers' needs(Nye, 2013).It is therefore important for a leader to know that there is no "one best way" of leading and adjust his/her style to fit the situation and/or the specific group of followers. Businesspeople and psychologists describe the main styles of leadership as follows:

A. Autocratic Leadership

Autocratic leaders have absolute power over their people. Staff and team members have little opportunity to make suggestions. It is the traditional command and control paradigm that discourages participative decision making, preferring that decisions be made by the leader for the subordinates (Marshal, 2001). This leader determines prescribed policies, procedure, rules and goal. Therefore, the existing leadership literatures in a business world suggest that autocratic leadership is useful in some context and should be avoided in others.

According to Cavanaugh and Ninemeire (2001) Autocratic leader can increase employee performance when he/ she are present. Such leadership style can also increase employee performance relatively on tasks. However, these are a general argument related to public organization leader and their practice of autocratic leadership style. In connection to this public leader to be effective in achieving organizational objectives along with employee better welfare and high standard of motivation there is a need to identify when to use not to use this approaches for better performance.

B. Democratic Leadership

Democratic leaders involve team members in the decision-making process, although the final decision may vary from the leader having the final say - to facilitating consensus in the group. Democratic leaders get result by leading discussions, asking questions to involve others, encourage others to take responsibility, confirming commitments (Roul, 2012). According to

Bass (1981), employees who work for participative leader tend exhibit greater involvement, commitment and loyalty than employees who work under a directive leader. Consequently, employees who are allowed to participate in decision making process are likely to be more committed to that decision implementation and probably better outcome is expected to achieve. The argument that in this feature granting all power to the employee has it is own risks. Even though there is a general believe that democratic leadership style can increase employees' job performance and it has the great value to achieve organizational goals..

C. Transactional Leadership

Transactional Leaders recognize followers' needs and desires and then clarify how those needs and desires will be met in exchange for enactment of the follower's work role (Waldman et al, 1990).This form of leadership depends on the leader's power to reinforce subordinates for their successful completion of the bargain (Bass et al, 1987). Transactional leadership is often used in business; when employees are successful, they are rewarded; when they fail, they are punished. Transactional leadership is based more on "exchanges "between the leader and follower, in which followers are rewarded for meeting specific goals or performance criteria (Trottier et al., 2008; Bass et al., 2003). Rewards and positive reinforcement are provided or mediated by the leader. Thus transactional leadership is more practical in nature because of its emphasis on meeting specific targets or objectives (James & Collins, 2008; Sosik & Dinger, 2007). An effective transactional leader able to recognize and reward followers' accomplishments in a timely way. However, subordinates of transactional leaders are not necessarily expected to think innovatively and may be monitored on the basis of predetermined criteria. Poor transactional leaders may be less likely to anticipate problems and to intervene before problems come to the fore, whereas more effective transactional leaders take appropriate action in a timely manner (Bass et al., 2003).

Transactional leaders display behaviors associated with constructive and corrective transactions. The constructive style is labeled Contingent Reward and the corrective style is labeled Management-by-Exception (active and passive). Transactional leadership defines expectations and promotes performance to achieve these levels. Contingent Reward and Management-by-Exception are two core behaviors associated with 'management' functions in organizations. Full range leaders do this and more (MLQ, undated; Bass et al., 2003; Bolden et al., 2003).

D. Transformational Leadership

Transformational leadership is a process of influencing in which leaders changes their associates' awareness of what is important, and move them to see themselves and the opportunities and challenges of their environment in a new way. Transformational leaders are proactive: they seek to optimize individual, group and organizational development and innovation, not just achieve performance "at expectations". They convince their associates to strive for higher levels of potential as well as higher levels of moral and ethical standards. Transformational leadership does not replace transactional leadership, but augments it in achieving the goals of the group (Bass, 1997; Hall et al., 2002).

Transformational leadership is considered the most effective leadership approach (Bass &Avolio, 2004). Transformational leadership has been observed at all organizational levels in industrial, educational, government, and military settings as the best approach to measure leadership effectiveness (Avolio&Yammarino, 2003; Avolio, Bass, & Jung, 1996; Avolio& Bass, 1998; Bass &Avolio, 1993, 1994; Yammarino, Spangler & Dubinsky, 1998; Yammarino, Spangler & Bass, 1993; Boyd, 1988; Deluga, 1988; Koh, 1990).

According to Bass et al. (2003), transformational leaders will focus on developing their followers by tapping them of their potentials, inspiring them, promoting collaboration, motivating them, and by reinforcing positive behaviors. The employees often develop a high level of trust and

confidence in such a leader. The employees are proud to identify themselves with the leader and develop a strong sense of loyalty to them. Similarly, Bass (1997) argues that transformational leaders are pertinent especially during turbulent times when rapid changes and globalization takes place.

2.2.3 The Concept of Employee Performance

Performance is associated with quantity of output, quality of output, timeliness of output, presence/ attendance on the job, efficiency of the work completed [and] effectiveness of work completed" (Mathis & Jackson 2009).Employee Performance is the successful completion of tasks by a selected individual or individuals, as set and measured by a supervisor or organization, to pre-defined acceptable standards while efficiently and effectively utilizing available resource within a changing environment.

Amos et al. (2004), state that the effective management of employee performance is critical to the execution of strategy and organizational achieving its strategic objectives. Performance cannot be left in anticipation that it will develop naturally, despite the employee`s natural desire to perform and be rewarded for it. This desire needs to be accommodated, facilitated and cultivated Amos et al. (2004).In return for this performance ,organization extend themselves in various forms of acknowledgement.

Employee performance has become a topical issue in today`s business environment, so that organization go to a great lengths to appraise and manage it (Armstrong and Baron, 1998).Furthermore authors agree with the belief that performance is ultimately an individual phenomenon with environmental factors influencing performance primarily through their effect on individual determinants of performance ability and motivation.

2.2 Empirical Review

Many previous researches have studied the effect of various leadership styles on employees' performance. It has been widely accepted that effective organizations require effective leadership and that organizational performance will suffer in direct proportion to the neglect of this (Fiedler and House, 1988). Furthermore, it is generally accepted that the effectiveness of any set of people is largely dependent on the quality of its leadership – effective leader behavior facilitates the attainment of the follower's desires, which then results in effective performance (Fiedler and House, 1988; Maritz, 1995; Ristow, et al., 1999.

Judge and Piccolo (2004) conducted a meta-analysis of 87 studies measuring transformational, transactional, and laissez faire leadership. From the study, the authors found that the Transformational Leadership had shown the highest overall validity, while contingent reward leadership was a close second. The authors found more validity with Transformational Leadership than contingent rewards when looking at leader effectiveness. Contingent reward was found to be more valid for leader performance. The authors found the differences in validity were not significant for follower motivation and group performance. The authors found, through their meta-analysis, Transformational Leadership had a positive relationship with follower job satisfaction, follower leader satisfaction, follower motivation, leader job performance, group performance, rated leader effectiveness.

In a survey conducted by Bono and Judge (2003) as to whether the followers of transformational leaders exhibit higher performance, motivation, job satisfaction, and organizational commitment in service and manufacturing organizations, it was found that Transformational Leadership behaviors, as evaluated by followers, was positively related to followers' job performance.

From the answers given by the employees about the transformational leadership, Nemanich and Keller (2007) concluded that the Transformational Leadership behaviors had a significantly

positive relationship with acquisition acceptance and to be positively related to goal clarity, creative thinking, and follower performance. The authors suggest Transformational Leadership be used to face challenges, such as those encountered during an acquisition.

Many researchers have studied leadership style from different prospective and in different Social political and economic environment. The following ones are very match related and useful for this study: In (Bass's 1998) current definition, leadership is an interaction between one or more members of a group. In another more recent definition, leadership is a relationship between leaders and followers where they influence each other and they intend real changes and outcomes that reflect their shared purposes (Daft, 2005). It means that situations, contexts, culture, working environment, new laws and regulations, information overload, organizational complexities and psycho-socio developments remarkably impact the leadership concept thereby, making it commensurate to the changing organizational dynamics (Amabile, Schatzel, Moneta & Kramer, 2004)The effect of leadership style on corporate profitability has been studied considerably by different researchers(Nicholls, 1988; Simms, 1997). Assuming "the essence of leadership is influence", leadership could broadly be defined as "the art of mobilizing others to want to struggle for shared aspirations" (Kouzes& Posner, 1995).Transformational leaders encourage subordinates to put in extra effort and to go beyond what they (subordinates) expected before (Burns, 1978).

In a similar study of Piccolo and Colquitt (2006) the authors found Leadership Transformational behaviors had a significantly positive relationship with task performance. They also found intrinsic motivation and goal commitment to significantly mediate the relationship between Transformational Leadership behaviors and task performance.

The authors suggested for training and manager development plans for Transformational Leadership. Wang et al. (2005) studied 81 managers enrolled in master of business administration courses at a Chinese university and 162 of their immediate subordinates (68% response) to assess the two way relationship between the leader and follower. Each manager rated task performance and organizational citizenship behavior of his/her followers and each follower rated Transformational Leadership behaviors of the manager and the leader member exchange between them self and the leader. The authors found Transformational Leadership behaviors and the leader member exchange to have significant relationships with task performance and organizational citizenship behavior. The authors also found the leader member exchange to fully mediate the relationship between Transformational Leadership and task performance. The authors believe Transformational Leadership strategies, especially those that enhance the leader member exchange, should be included in management training.

Transformational leadership style emerged as one of the most extensively researched leadership paradigm to date (Bass, 1985). Perhaps the reason that research on transformational leadership has become somewhat self-sustaining is that positive results continue to emerge on effects of transformational leadership (Hatter and Bass, 1988)

Bass (1998) added to the initial concepts of Burns (1978) to help explain how transformational leadership could be measured, as well as how it impacts follower motivation and performance. The extent, to which a leader is transformational, is measured first, in terms of his influence on the followers. The followers of such a leader feel trust, admiration, loyalty and respect for the leader and because of the qualities of the transformational leader are willing to work harder than originally expected. These outcomes occur because the transformational leader offers followers

something more than just working for self-gain; they provide followers with an inspiring mission and vision and give them an identity.

The leader transforms and motivates followers through his or her idealized influence intellectual stimulation and individual consideration. In Contrast to Burns, Bass suggested that leadership can simultaneously display both transformational and transactional leadership. Now 30 years of research and a number of meta-analyses have shown that, transformational and transactional leadership positively predicts a wide variety of performance outcomes including individual, group and organizational.

The research on effect of transformational leadership on performance is proposed by Butler (1999) 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. As a consequence subordinates will reciprocate by showing maximum work. It is similar with Haryadi et.al. (2003) study conclusion that there is a significant relationship between transformational leadership on employee performance. This study results demonstrate that supervisor also more likely to adopt transformational leadership approach, because leader provides good motivation and good example. Similarly, Suharto (2005) suggests that more frequent transformational leadership behaviors implemented will bring significant positive effect to improve psychological empowerment quality of subordinates. Transformational leader that gives attention   to   individual   will capable to direct vision and mission of organization, providing motivational support, and creating new ways to work effectively.

As the performance of an organization is dependent on the quality of the workforce at all levels of the organization (Temple, 2002), it is essential to discuss the concept of individual

performance. (Millcorvich and Bondream1997) define employee performance as the degree to which employees accomplish work requirements. To them employee performance in effect reflects the efficiency of the organization. People are an organization's greatest assets: individuals and organizations have learned about the importance of the role of people in an organization, and how the success of an organization depends on its people (Bartlett and Ghoshal, 1995). The role of human resources is critical in raising performance in an organization (Armstrong and Baron, 1998).Ultimately it is the performance of many individuals, which culminates in the performance of an organization, or the achievement of goals in an organizational context (Armstrong and Baron, 1998). (Amos, et al. 2004) states, "The effective management of individual performance is critical to the execution of strategy and the organization achieving its strategic objectives". Performance cannot be left in anticipation that it will develop naturally, despite the employee's natural desire to perform and be rewarded for it.

It proved instrumental to subordinate psychological empowerment. Suharto (2005) revealed that transformational leadership styles such as charisma, idealistic influence, inspirational motivation, intellectual stimulation and individual consideration have a significant effect on employee performance, because by time is sometimes affected by transformational leadership style. Similarly ,Koh et al. (1995) showed that there was significant relationship between transformational and transactional leadership with performance

Transactional leadership affect on employee performance. This is consistent with Burns in Bass (2005)that exchange relationship in transactional leadership, where subordinate are expected to offer a performance to leader, in this case the form of transaction, employer offers an abstract reward (trust, commitment and respect), and real rewards. It can be interpreted as fee or remuneration. Transaction process between leaders and subordinates directed to produce a

satisfactory performance. It consistent with theory of Bass and Avolio (2003) which says that transactional leadership style affect on employee performance. Transactional leadership styles can affect positively or negatively on performance. It depends on employee assessment. Positive effect can occur when employees assess transactional leadership positively and a negative effect can occur if employee considers that transactional leadership styles cannot be trusted because they do not keep their promises, dishonest or not transparent. Study effect of transactional leadership on performance is conducted by Haryadi (2003), Andarika (2004), and Ahn et.al (2005) which explains that transactional leadership style has positive and significant effect on employee performance.

Durga Devi Pradeep, N.R.V. Prabhu (2011) studied the effect of transformational, transactional and laissez- faire leadership styles on employees' performance on some selected Indian public and private organizations. The Results suggested that Transformational Leadership Style is recommended for both Transformational and Transactional Leadership Styles.

Sundi K (2013) examined the effect of Transformational and Transactional Leadership Styles on employees' performance in Southeast province in India. The Results indicated that the effect of Transformational Leadership Style is positive and more significant than transactional leadership styles. The Study conducted about the effect of Transformational and Transactional leadership Styles on performance of Public Sector Organizations in Pakistan(2010) showed that both leadership Styles have positive impact on employee performance.

Pittaway et al., (1998) provided evidences of transformational leadership being the best theoretical approach to investigate leadership and leadership outcomes in hospitality and tourism. James Edward T AlbertIII (2014) measured the effectiveness of Hospitality and Tourism

Administrators based on transformational Leadership framework and the result showed that transformational leadership behavior increases their effectiveness.

Leadership is one of the most dynamic effects during individual and organization interaction. The ability of management to execute collaborated effort depends on leadership capability. Although the various leadership approaches indicates that the research into leadership has gone through the period of Skepticism, recent interest has focused on the importance of the leadership role to the success of organization.

A relationship between leadership style performances has been reported in both leadership and management literature. Several studies found a positive relationship between two variables. Fiedler (1996), one of the most respected researchers on leadership has provided a recent treatise on the importance of leadership by arguing that the effectiveness of a leader is major determinant of the success of the success or failure of a group, organization, or even an entire country.

Many researcher such as lee and chuang (2009) explain that excellent leader not only inspire subordinates potential to enhance efficiency but also meet their requirement in the process of achieving organizational goals. Various researcher and scholars in the area have defined leadership differently among well-known researchers.

Stogdill(1957), defined leadership as an individual behavior help to guide a group to achieve the common target . Whereas Fry (2003),explains leadership as use of leading strategy to offer inspiring motive and enhance staff potential for growth and development. Several reasons indicate that there should be a relationship between leadership style and organizational performance.

Good leaders understand the importance of employee in achieving the goals of the organization and that motivating employees is paramount importance in achieving these goals. To have an

effective organization the people within the organization need to be inspired to invest themselves in the organization mission: the employee need to be stimulated so that they can be effective: hence effective organization require effective leadership (Wall, Solum and Soboletal 1992).

Fiddler and House (1988) indicated effective organizations require leadership and that organizational performance will suffer in direct proportion to neglect of this. To have an effective of organization, there must be effective and stimulating relations between people involved in the organization. (Paulus, Seta and Baron, 1996). Hence from the finding of many studies it generally accepted that the effectiveness of any set of people is largely dependent on the quality of leadership. Preliminary research undertaken by Booysen and Vanwyk(1994) in South Africa context found that outstanding leaders. In terms of effectiveness, are perceived to show a strong and direct. But democratic and participate leadership style, and are seen as agent of change and visionaries who increase organizational performance.

According to Bass (1997), in the modern business environment much a researcher has provided that leader make a difference in their subordinates, performance, and also make a difference as whether their organization succeed or failed. Kotter(1988) argues for the ever- increasing importance of leadership in organization, because of significant shift in the business environment. Such as the change in competitive intensity and need for more participation of the total workforce.

Other study which examines the link between leadership and performance coincide with the emergence of ' one best way to lead'. Of particular relevance is the resurgence of interest in Charismatic leadership, which is frequently referred to as a transformational leadership (Bass and Avolio, 1993).Conceptually. It is argued that the visionary and inspirational skill of transformational leaders' motives follower's to deliver superior performance (Nicholls 1988).

The Study conducted about the effect of Transformational and Transactional leadership Styles on performance of Public Sector Organizations in Pakistan(2010) showed that both leadership Styles have positive impact on employee performance.

To sum up, there are plenty of literatures or empirical evidence that describes leadership styles and employee performance from a multitude of angles and views. Many articles also repeat the same topics. Many of these studies were generally conducted in business organizations, yet there have been few researches conducted in protective organizations and there is no much research conduct specifically in Ethiopia. Thus, the aim of this research is to determine the relationship between leadership styles and employee performance in **Army foundation** which belongs to military organization.

2.3 Conceptual framework

The study was based on a conceptual construct indicating the effect of different leadership styles such as: Autocratic, Democratic, Transactional and Transformational leadership styles implement by organizational leaders on their cohorts and its result on employee performance in the study area. Hence, the dependent variable in this study was employee performance. According to (Bass and Avolio, 1993), performance was perceived as the ability of employees to meet organizational tasks, requirements and objectives through strategic investment in to organizing, perform and accomplishing rules and duties in the minimum time possible. Consequently, performance was operationally perceived as: executing defined duties, meeting deadline, team input, and achieving departmental goals. The above should guide to efficiency, specialization, effective feedback and good organizational relations. The solidity of both leadership and performance should be manifest through style and approach by managers in the

try to cause efficiency which requires specific leadership move toward to unique performance challenges.

To sum up, there plenty in the literature that describes leadership style and employee performance from a multitude of angles and views .Many articles revealed that there is a strong relationship between leadership style and employee performance

Independent Variables

- Autocratic leadership style

- Democratic leadership style
- Transactional leadership style

- Transformational leadership style
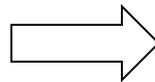
Dependent Variable

- Dependability
- Performing defined duties
- Achieving departmental goals
- Achieve organization goal
- Team input and team work

Team work and Team input
Meeting deadlines
-

CHAPTER THREE

METHODOLOGY

3. Research design and methodologies
This chapter explained the components of the appropriate methods in conducting the study. Thus, the chapter focused on the study area, the research design and methodology, the population and sampling procedures, the instruments of data collection and methods of data analysis.

3.1 Research design**.**
The study utilized descriptive survey research design with giving of effect of leadership variables on employee performance by employing quantitative data collection through questionnaire.

3.2 Population and Sampling

3.2.1 Target population
The target population of the study were the leaders/managers and employees of one selected organization currently operating under the ministry of defense located in Addis Ababa city (i.e., Army Foundation head office).

3.2.2 Procedure of the Sample Technique
The whole staff of Army foundation both military and civil workers formed the population of the study. They compromised employees, directors, team leaders and department heads which counts for 80. Thus census was used as sampling technique because number of population is manageable. Subsequently judgmental technique is use in the study for some leader the reason is that participants in leader positions are assumed to be a major source of information for the data gathering of the study. Likewise, they can positively or negatively affect the overall individual and organization performance in the organization.

3.3 Sources of the Data

The sources of the data for this study involved both primary and secondary sources of information. Primary data were collected by using closed-ended questionnaire as data gathering instrument. The respondents were the employees and leaders/managers of Army foundation. Secondary data which were used to understand and explain the research problem is collected from many sources like library books, articles/journals, and the organization's reports.

3.4 Data Collection Instrument

To obtain reliable and objective information, the data were collected through different data collection methods. Three basic data gathering tools were used in the process of collecting the necessary data for the study. The first part of data gathering questionnaire involved respondent's background information such as sex, age, level of education, work experience, and marital status. A close ended questionnaire were prepared and administered to employees who were selected to participate in the study to examine the effect of leadership styles on employee performance. Observation, in the process of data collection, the researcher observed facilities services available for employees, meeting, and performance report. The observation data was contributed to a more truthful context that made it possible to interpret the meaning of variables indicators analysis in describing context of the study.

3.5. Model Specifications and Methods of Data Analysis

3.5.1. Independent Variables of the Study

The main variables, in this study, are the four leadership styles (i.e., independent variables) and employees' perceived work performance (i.e., the dependent variable). The independent variables involve the four leadership styles identified in the study. These are (1) autocratic leadership style, (2) democratic leadership style, (3) transformational leadership style, and (4) transactional leadership style of the leaders as perceived and rated by sample employee

respondents using a five-point Likert-Scale ranging from 1 (*Strongly Disagree*) to 5 (*Strongly Agree*) for each of the item in the closed-ended questionnaire.

3.5.2. The Dependent Variable of the Study

In this study, employees' perceived level of work performance has been taken as an outcome variable or dependent variable. Perceived work performance has also been measured using a five-point Likert-Scale ranging from 1 (*Strongly Disagree*) to 5 (*Strongly Agree*).

3.5.3. Statistical Model for Data Analysis

The primary purpose of the study was to examine the effects of the four leadership styles on employee performance. Accordingly, both descriptive statistics (such as mean, standard deviation) and inferential statistical methods (such as Pearson's correlation and multiple linear regressions) were used to test the effects of the independent variables on the outcome variable using $SPSS_{20}$ software package. A statistical significance level of alpha ($\alpha = 0.05$) is used in order to test whether the computed correlation and regression coefficients are statistically significant or not.

Particularly, a multiple linear regression statistical model was used to test the total and relative effects of predictor variables (i.e., the four leadership styles – autocratic, democratic, transformational, and transactional) on employee performance (the outcome variable). Thus, the model is specified as follows: $Y = C + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4$

Where: $Y =$ is the estimated independent variable (i.e., perceived work performance);

$X1, X2, X3, X4 =$ represents the independent variables where $X1, X2, X3, and\ X4$ denotes autocratic, democratic, transformational, and transactional leadership styles respectively;

$\beta 1, \beta 2, \beta 3, \beta 4 =$ are the regression coefficients corresponding to $X1, X2, X3, and\ X4$ predictor variables respectively; and

$C =$ denotes the constant (intercept) which also includes the error term in the residual.

Finally, based on the results of data analysis, the findings were discussed; conclusions were drawn; and recommendations for policy and practice as well as suggestions for further study have been forwarded.

CHAPTER FOUR

Presentation, Analyses, and Interpretation of the Data

This part of the study deals with the presentation and analysis of the data collected from sample respondents. The data were collected through closed-ended questionnaire items, which were administered to 80 respondents currently working in Army Foundation located in Addis Ababa city. From these, 7 individuals did not agree to participate saying that they were busy to fill the questionnaire. Again 6 individuals did not return the questionnaire papers back despite frequent reminding by the researcher. Thus, out of the questionnaire papers distributed to 73 respondents, 67 individuals or 92% filled in and returned back the questionnaires though 5 papers were incomplete to be considered for data analysis. Finally, it was found that 62 respondents properly completed the questionnaire papers and used for data analysis in this study. This shows 62 or 85% of response rate, which is acceptable for a study of this kind.

Accordingly, this chapter presents demographic characteristics of the respondents, descriptive statistics for the study variables, and effects of leadership styles on employees' work performance. Finally, interpretation of the results and discussion of the findings were also presented under this chapter of the study.

4.1. Demographic Characteristics of the Respondents

Under this sub-section, demographic characteristics of the respondents were presented in terms of frequency counts and percentage distributions. The variables included under demographic characteristics were age, sex, marital status, attained level of education, and years of work experience of the respondents.

Accordingly, as shown in Table 1, the surveyed respondents were comprised of 40 (65%) female and 22 (35%) male employees. As female respondents comprised nearly two third of the sample, in terms of inclusiveness, the organization appear to have addressed the issue of gender equality in accordance with the current priority for government's policy.

Table 1 : *Distribution of Respondents by Sex, Age, and Marital Status*

S. No.	Demographic Variable	Category	Frequency	Percentage (%)
1	Sex	Male	22	35%
		Female	40	65%
		Total	62	100%
2	Age	20-39 years	31	50%
		40-60 years	31	50%
		Above 60 years	-	-
		Total	62	100%
3	Marital Status	Single	19	31%
		Married	43	69%
		Total	62	100%

In terms of age category, the data depicts that the respondents were equally represented; in which 31 (50%) were aged between 20-39 years and 31 (50%) were in the age category of 40-60 years. On the other hand, as per to the response from the survey, there were no respondents for the age group of 60 and above years. In general, the organization seems to have employees of both young and old ages with balanced numbers. Having employees of different age category will likely foster experience sharing and the continuity of work system in an organization.

The data in Table 1 also shows that more than two third 43 (69%) of the respondents were married and only one third of the respondents reported that they are not married. This also appear

to be an asset for the organization in which employees who have established family are less likely to leave their work thereby contributing to less turnover rate for the organization.

Table 2 presents the distribution of respondents in terms of attained level of education and years of work experience. Accordingly, majority of respondents 45 (73%) were First Degree holders, followed by 12 (19%) were Masters Degree holders and only 5 (8%) of the respondents responded that they have Diploma level of education. In general, more than 92% of the surveyed employees in Army Foundation were found to have university level degree. This implies that the overwhelming majority of the respondents attained the required qualification to be able to accomplish their job.

Table 2 : *Distribution of Respondents by level of education and years of work experience*

S. No.	Demographic Variable	Category	Frequency	Percentage (%)
1	Attained Level of Education	Diploma	5	8%
		First Degree	45	73%
		Masters	12	19%
		Total	62	100%
2	Years of work experience	1-5 years	1	2%
		6-10 years	23	37%
		More than 10 years	38	61%
		Total	62	100%

Again, in terms of years of work experience, more than half of the respondents 38 (61%) reported that they have more than 10 years of work experience. Still 23 (37%) of the surveyed respondents have work experience of 6-10 years and only one respondent reported as having less than five years of work experience. This indicates that nearly all the respondents were having the necessary work experience to be able to perform their job. Having the required work experience

will likely enhance employee's job performance as they are more familiar not only about the task but also with the culture of the organization on how to interact and go along with fellow workers.

4.2. Perceived Level of Work Performance

Under this sub-topic of the chapter, analysis of the data for the perceived level of work performance as reported by the respondents is presented in terms of mean and standard deviation. Thus, Table 3 shows the computed mean and standard deviation for all work performance items along with respective minimum and maximum values as rated by the respondents.

Table 3 : Mean and Standard Deviation for Perceived Employee's Work Performance (N=62)

S. No.	Work Performance Items	Mean	SD	Min	Max
1	I clearly understand the mission, vision, and objectives of my organization.	3.94	0.508	1	5
2	I perform my work with minimal time and effort.	2.95	0.999	1	4
3	I always at work on time.	2.97	1.024	1	5
4	There is team sprite in my department.	3.11	0.889	2	5
5	My performance is evaluated by my supervisor and I receive reward based on result.	2.44	0.952	1	5
6	I am motivated at work.	2.40	0.999	1	4
7	My supervisor supports me to meet the goal.	2.42	0.821	1	5
8	My performance is limited by my supervisor.	4.13	0.665	2	5
9	My performance is encouraged by my supervisor.	2.34	0.745	1	5
10	I am comfortable with the leading style of my supervisor.	2.26	0.788	1	4
11	I feel insecure with the leading style of my supervisor.	3.35	0.956	1	5
	Aggregate score for perceived work performance	2.976	0.489	2.0	3.8

Note: SD=standard deviation, Min=minimum score, Max=maximum score

As shown in Table 3, the mean scores of four items out of eleven were higher as compared to other items. The item with the highest mean score is pertaining to the extent to which the respondents perceive that their performance is limited by their immediate supervisor. In this regard, it appeared from the mean score for Item 8 (*M=4.13, SD=0.665*) that the person providing leadership is limiting their performance in accomplishing the assigned task. Here it is

important to consider the nature of the organization (i.e., a military organization), in which most of the individuals holding leadership positions are military personnel and most of the subordinates are civil workers. This might be due to the difference in preferred leadership style between the military leaders and supportive civil employees in the Army foundation.

On the other hand, the data analysis revealed that the respondents more or less understand the mission, vision, and objectives of the organization (Item 1) with the mean score of ($M=3.94$). It seems that the respondents do have similar rating with smaller ($SD=0.508$) as compared to the other remaining items. However, the respondents feel that they are insecure with the leadership style of their supervisors (Item 11) to be able to accomplish organizational goals effectively as the mean score the item ($M=3.35, SD=0.956$) also appeared more than half of the expected average score. This would have also been the case due to differences in terms of perceived preference in leadership styles between military leaders and civil employees working in the current military organization.

Despite perceived absence of supportive leadership, respondents appear to acknowledge that there is team sprite (Item 4) among employees of their work department ($M=3.11, SD=0.889$). Here it appeared that employees tend to help each other in accomplishing organizational task even in the situation of less support from their immediate supervisor.

Nearly two items were similarly rated by the respondents, i.e., 'I perform my work with minimal time and effort' (Item 2) with ($M=2.95, SD=0.999$) and 'I'm always at work on time' (Item 3) with ($M=2.97, SD=1.024$). This shows that the respondents' level of agreement pertaining to accomplishing their task on minimum time and effort as well as being punctual seems to be as moderate.

Table 3 shows that for the remaining five items, the mean scores are below the expected average score. The item saying, 'My performance is evaluated by my supervisor and I receive reward based on result' (Item 5) was perceived as low with the mean score of (*M=2.44, SD=0.952*). Similarly, items such as 'My supervisor support me to meet the goal' (Item 7) and 'I am motivated at work' (Item 6) were also rated as low with mean scores of (*M=2.42, SD=0.821*) and (*M=2.40, SD=0.999*) respectively.

Again, respondents tend to have low impression with regard to such items saying, 'My performance is encouraged by my supervisor' (Item 8) with mean score of (*M=2.34, SD=0.745*) and 'I am comfortable with the leading style of my supervisor' (Item 10) with least mean score (*M=2.26, SD=0.788*). In general, the surveyed respondents appear to have average level of perception about their overall performance level with aggregated mean score of (*M=2.976, SD=0.489*).

4.3. The Relationship between Leadership Styles and Perceived Employee's Work Performance

This sub-topic of the chapter presents the data analysis for the four leadership styles (with specific items under each) and statistical correlation with aggregated score of employees' work performance. The analysis involves the computation of descriptive statistics such as mean and standard deviation as well as Pearson's correlation coefficients. The results were presented for each leadership style separately.

4.3.1. Autocratic leadership style and Employee Work Performance

Analysis of the data for the perceived level autocratic leadership style items is presented in Table 4 below. The same table also reveals the analysis result for the correlation between autocratic leadership factors and employee performance.

A closer look at mean scores for each of the autocratic leadership style items in Table 4 shows that except for (Item 9) or 'My supervisor improves my performance' with (*M=2.27, SD=1.119*), the mean scores for all items were higher than the average. From this it appeared that the respondents perceived that the support of their supervisor in improving the performance of employees in their department as apparently low.

Table 4 : Mean, Standard Deviation, and Pearson's Correlation Coefficients between Autocratic Leadership Style and Perceived Employee's Work Performance *(N=62)*

S. No.	Autocratic Leadership Style Items	Mean	SD	Correlation Coefficients with Employee Performance (M=2.98, SD=0.489)
1	My supervisor leading style is based on control.	3.42	1.153	0.322*
2	My supervisor gives order and expects immediate response.	3.40	1.123	0.125 (ns)
3	My supervisor gives little opportunity to make suggestion.	3.44	1.096	0.132 (ns)
4	My supervisor discourages participative decision making.	3.42	1.124	0.173 (ns)
5	My supervisor believes that decision is always made by leaders for subordinates.	3.44	1.276	0.145 (ns)
6	My supervisor believes at most employees are idle.	3.29	1.122	0.166 (ns)
7	My supervisor push employee so hard.	3.13	1.152	0.069 (ns)
8	My supervisor limits my performance.	3.50	1.098	0.196 (ns)
9	My supervisor improve my performance.	2.27	1.119	0.063 (ns)
10	I am unconfident about my job.	3.47	1.082	0.124 (ns)

Note: M=mean, SD=standard deviation, p<0.05, degrees of freedom (60), ns (not significant)

On the other hand, the item that says 'My supervisor leading style is based on control' (Item 1) was rated as (*M=3.42, SD=1.153*) and found as the only autocratic leadership item positively correlated (*r=0.322, p<0.05, df=60*) with employee performance. This implies that moderate positive relationship exist between leader's exercises of closer control of followers' work, and employees' task performance.

On the contrary, (Item 8) 'My supervisor limits my performance' and (Item 10) 'I am unconfident about my job' were rated as having higher mean scores (*M=3.50, SD=1.098*) and (*M=3.47, SD=1.082*) respectively though these were found as having no significant correlation with work performance.

It also appear that, from Table 4, the respondents feel that their supervisors did not follow participative approach in which respondents perceive that they are given 'little opportunity to make suggestion' (Item 3) with (*M=3.44, SD=1.096)*; that the leader 'discourage participative decision making' (Item 4)with (*M=3.42, SD=1.124)*; and that 'decision is always made by leaders for subordinates' (Item 5) with (*M=3.44, SD=1.276)* were rated as relatively high.

The data supports that the autocratic nature of leadership style by work department supervisors, in this particular study, is more apparent in which respondents perceived that in the case of (Item 2) 'My supervisor gives order and expects immediate response' with (*M=3.40, SD=1.123*); supervisor's believe that employees are idle (Item 6) with (*M=3.29, SD=1.122*); and the supervisor push employee to work hard (Item 7) with (*M=3.13, SD=1.152*).

4.3.2. Democratic leadership style and Employee Work Performance

Table 5 depicts the results of data analysis for items included under democratic leadership style and their relationship with employee perceived work performance. Accordingly, only (Item 10) which says, 'My supervisor limits my performance' has been perceived by respondents as more than average with the highest mean score of (*M=3.34, SD=1.159*). The other items were perceived by respondents as less practiced by their respective leaders with mean scores of less than average.

Table 5 : Mean, Standard Deviation, and Pearson's Correlation Coefficients between Democratic Leadership Style and Perceived Employee's Work Performance *(N=62)*

S. No.	*Democratic Leadership Style Items*	*Mean*	*SD*	*Correlation Coefficients with Employee Performance (M=2.98, SD=0.489)*
1	My supervisor has good relationship with the employee.	2.65	1.189	0.180 (ns)
2	My supervisor leading style is based on participation.	2.56	1.125	0.159 (ns)
3	My supervisor delegate authorities to the other employee and let them to make their own decision.	2.52	1.127	0.167 (ns)
4	My supervisor believe that employee have enough knowledge to complete the task.	2.50	1.156	0.164 (ns)
5	My supervisor allows employee to participate in decision making, determination of policy implementation of system and procedure.	2.48	1.170	0.135 (ns)
6	My supervisor support employee to accomplish the task.	2.63	1.120	0.134 (ns)
7	My supervisor enables employee to make suggesting and recommendation in major issue.	2.50	1.142	0.188 (ns)
8	My supervisor encourage employee to become good leader.	2.48	1.098	0.189 (ns)
9	My supervisor improves my performance.	2.48	1.141	0.153 (ns)
10	My supervisor limits my performance.	3.34	1.159	0.128 (ns)
11	I feel confident in my work.	2.63	1.218	0.129 (ns)

Note: M stands for mean, SD stands for standard deviation, ns implies not significant, Significance level at p<0.05, degrees of freedom (60)

Again, all items listed under democratic leadership style were found have no significant correlation with employee performance (at *p<0.05, df=60).*This shows that respondents of this study perceived that democratic leadership style is less practiced by immediate department supervisors and they feel relatively less (*M=2.63, SD=1.218*) confident in their work (Item11) and less optimistic (*M=2.48, SD=1.141*) on the role of their supervisor in helping them to improve their performance (Item 9).

Such items like 'My supervisor has good relationship with the employee' (Item 1) with ($M=2.65$, $SD=1.189$); (Item 6) saying 'My supervisor support employee to accomplish the task' with ($M=2.63$, $SD=1.120$); (Item 2) 'My supervisor leading style is based on participation' with ($M=2.56$, $SD=1.125$) were perceived by respondents as modestly practiced by leaders of their organization.

Similarly, the data shows that leaders less often delegate authority to other employees (Item 3) ($M=2.52$, $SD1.127$); that leaders' believe that employee have enough knowledge to complete the task' (Item 4) ($M=2.50$, $SD=1.156$); and that employees are less likely invited to make suggestions and recommendation (Item 7) on organizational issues ($M=2.50$, $SD=1.142$). Finally, participating employees in decision making (Item 5) and encouraging 'employee to become good leader' (Item 8) were also rated low by respondents with similar mean score of ($M=2.48$).

4.3.3. Transformational leadership style and Employee Work Performance

There are nine items under transformational leadership style and descriptive statistics have been computed for each item as well as Pearson's correlation coefficients were also presented in Table 6 below. In general, all transformational leadership items were rated by respondents as low with mean scores of below average.

As shown in Table 6, five out of nine items were reported as having significant positive correlation ($p<0.05$, $df=60$) with employee performance. These include such items, (Item 2)'My supervisor allows employee to take responsibility for achieving the goal' with ($M=2.44$, $SD=1.050$) and a correlation coefficient of ($r=0.373$, $p<0.05$, $df=60$); (Item 1) 'My supervisor motivate employee to identify organizational goal and interest' with ($M=2.44$, $SD=1.018$, $r=0.341$, $p<0.05$, $df=60$); and (Item 3) saying, 'My supervisor encourages employee creativity

and presenting new idea to solve problem' with ($M=2.37$, $SD=1.044$, $r=0.330$, $p<0.05$, $df=60$) were found to be positively and moderately correlated with employee performance.

Table 6 : Mean, Standard Deviation, and Pearson's Correlation Coefficients between Transformational Leadership Style and Perceived Employee's Work Performance *(N=62)*

S. No.	Transformational Leadership Style Items	Mean	SD	Correlation Coefficients with Employee Performance (M=2.98, SD=0.489)
1	My supervisor motivate employee to identify organizational goal and interest.	2.44	1.018	0.341*
2	My supervisor allows employee to take responsibility for achieving the goal.	2.44	1.050	0.373*
3	My supervisor encourages employee creativity and presenting new idea to solve problem.	2.37	1.044	0.330*
4	My supervisor paying attention to the employee individual need for growth.	2.23	1.015	0.196 (ns)
5	My supervisor provide coaching and mentoring.	2.31	1.065	0.257*
6	My supervisor can establish high standard of employee performance.	2.34	1.007	0.320*
7	My supervisor improves my performance.	2.42	1.124	0.249 (ns)
8	My supervisor limits my performance.	2.92	1.205	0.197 (ns)
9	I feel confidence in my work.	2.50	1.156	0.240 (ns)

*Note: M=mean, SD= standard deviation, *significant at p<0.05, degrees of freedom (60), ns (not significant).*

Similarly, items stated as 'My supervisor can establish high standard of employee performance' (Item 6) with ($M=2.34$, $SD=1.007$, $r=0.320$, $p<0.05$, $df=60$) and 'My supervisor provide coaching and mentoring' (Item 5) with ($M=2.31$, $SD=1.065$, $r=0.257$, $p<0.05$, $df=60$) were also found to have positive and moderate correlation with perceived employee performance.

Contrary to the above results of the data analysis, shown in Table 6, the remaining four items of transformational leadership style did not appear to show significant correlation with perceived employee work performance. The two contradictory items, i.e., 'My supervisor limits my performance' (Item 8) ($M=2.92$, $SD=1.205$) and 'My supervisor improves my performance'

(Item 7) with a mean score of (*M=2.42, SD=1.124*) were both perceived as lower than the average mean score with not significantly related to employee performance.

In addition, (Item 9) 'I feel confidence in my work' with mean score of (*M=2.50, SD=1.156*) and (Item 4) 'My supervisor paying attention to the employee individual need for growth' with mean score of (*M=2.23, SD=1.015*) were also perceived as low with no significant correlation coefficient with employee performance.

4.3.4. Transactional leadership style and Employee Work Performance

As depicted in Table 7, the mean, standard deviation, and Pearson's correlation coefficients were computed for all nine items of transactional leadership style in relation to respondents perceived work performance (aggregated to a single average score).

From the same table, the data analysis result appears to support positive and significant correlation between all transactional leadership items and perceived employee performance. More specifically, two of the items, i.e., (Item 2) 'My supervisor give reward for employee when goal and objectives are achieved on time' (*M=2.34, SD=1.023, r=0.64, p<0.01, df=60*) and leader's practice of anticipating problems in advance and taking corrective actions(Item 5) with (*M=2.35, SD=1.073, r=0.602, p<0.01, df=60*) were found as having strong positive correlation with perceived employee performance.

Supervisor's practice of 'clarifying role and task to the employee' (Item 1) (*M=2.63, SD=1.120, r=0.568, p<0.01, df=60*); that the leader gives punishment for not meeting the goals (Item 3) (*M=2.82, SD=1.167, r=0.596, p<0.01, df=60*); and leader practice of making a follow-up and observing employee performance (Item 4) (*M=2.53, SD=1.127, r=0.542, p<0.01, df=60*) were all found to have strong positive correlation with perceived employee performance.

Table 7 :Mean, Standard Deviation, and Pearson's Correlation Coefficients between Transactional Leadership Style and Perceived Employee's Work Performance *(N=62)*

S. No.	*Transactional Leadership Style Items*	*Mean*	*SD*	*Correlation Coefficients with Employee Performance (M=2.98, SD=0.489)*
1	My supervisor clarifying role and task to the employee.	2.63	1.120	0.568**
2	My supervisor give reward for employee when goal and objectives are achieved on time.	2.34	1.023	0.640**
3	My supervisor give punishment when they set goal are not meet and ask why they are not accomplished.	2.82	1.167	0.596**
4	My supervisor follows and observe employee performance.	2.53	1.127	0.542**
5	My supervisor anticipates problems in advance and take correcting according of employee performance.	2.35	1.073	0.602**
6	My supervisor guide and motivate employee	2.53	1.067	0.572**
7	My supervisor-built team sprite with the employee.	2.55	1.141	0.583**
8	My supervisor limits my performance.	3.61	1.092	-0.443*
9	My supervisor improves my performance.	2.63	1.134	0.416*

*Note: M (mean), SD (standard deviation), **significant at p<0.01, *significant at p<0.05, degrees of freedom (60).*

Table 7 also indicate that leader practices of guiding and motivating employees (Item 6) (*M=2.53, SD=1.067*) and the role of building team sprite with employees (Item 7) (*M=2.55, SD=1.141*) were both positively and significantly correlated with employee performance with correlation coefficients of (*r=0.572, p<0.01, df=60*) and (*r=0.583, p<0.01, df=60*) respectively.

While (Item 9) which says 'My supervisor improve my performance' with (*M=2.63, SD=1.134, r=0.416, p<0.05, df=60*) was positively correlated with performance, (Item 8) that says 'My supervisor limit my performance' with (*M=3.61, SD=1.092*) was found to have negative and significant correlation (*r=-0.443, p<0.05, df=60*) with perceived performance by the respondents.

4.4. The Effects of the Four Leadership Styles on Perceived Employee's Work Performance

The main objective of the current study was to examine the extent to which the four leadership styles (i.e., autocratic, democratic, transformational, and transactional) influence employees perceived work performance. In order to achieve this objective, a correlation matrix test and linear multiple regression analysis were conducted using SPSS software.

The analysis of Pearson's correlation coefficient in Table 8 shows that there exists strong and significant relationship between transactional leadership style and perceived work performance of the respondents at ($r=0.601$, $p<0.01$, $df=60$). Similarly, transformational leadership style and respondents' perceived work performance were also found to have positive and statistically significant correlation coefficient ($r=0.291$, $p<0.05$, $df=60$)

Table 8 : Pearson's Correlation Coefficients between four Leadership Styles and Perceived Employee's   Work Performance *(N=62)*

Study Variables	Mean	SD	Correlation matrix				
			1	2	3	4	5
1. Autocratic leadership [a]	3.277	0.834	1.00				
2. Democratic leadership style	2.621	1.102	-0.032	1.00			
3. Transformational leadership style	2.434	1.028	0.456*	-0.186	1.00		
4. Transactional leadership style	2.658	1.016	0.031	0.315*	0.245	1.00	
5. Perceived work performance [b]	2.976	0.489	0.100	0.139	0.291*	0.601**	1.00

Note: [a] leadership styles (numbered 1 to 4); [b] work performance variable (numbered 5); **significant at $p<0.01$, *significant at $p<0.05$, degrees of freedom (60); SD (standard deviation).

In contrast to transactional and transformational leadership styles, the results of data analysis in Table 8 shows that there exists no significant statistical relationship between perceived work performance and autocratic and democratic leadership styles.

The mean score for leadership styles ranged from ($M=3.277$, $SD=0.834$) for autocratic leadership to ($M=2.434$, $SD=1.028$) for transformational leadership style. The mean scores for

democratic leadership style (*M=2.621, SD=1.1.2*) and transactional leadership style (*M=2.658, SD=1.016*) appear to be the same; which indicates that, on average, respondents tended to perceive as equally practiced by leaders of their organization. These results appear to show that civil employees working as supportive staff in military organization seem to perceive that transactional and transformational leadership practices are more associated to affect their job performance.

Again, Table 8 depicts that there is statistically significant relationship between transformational leadership style and autocratic leadership style with a correlation coefficient of (*r=0.456, p<0.05, df=60*). Still positive and significant correlation was found from data analysis for the relationship between transactional leadership style and democratic leadership style (*r=0.315, p<0.05, df=60*).

On the other hand, results of data analysis in Table 8 did not support any significant relationship between autocratic leadership, and democratic and transactional leadership styles. The same data also do not have come to support significant relationship between transformational and transactional leadership styles.

A linear multiple regression analysis was computed to identify the extent to which the four leadership styles both together and separately influence employee work performance. The results of regression analysis in Table 9 shows that the regression model (*R^2=0.384, $F_{(4,57)}$=8.865, p<0.01*) supports that the effects of leadership style is statistically significant. The results of regression model appear to explain 34% (Adjusted *R^2=0.340, p<0.01*)of the variance in the dependent variable (i.e., employee performance) after adjusting for the current sample size when all four leadership factors are entered into the regression equation.

Table 9 : Multiple Regression Results for the Effects of Leadership Styles on Employees' Perceived Work Performance *(N=62)*

Factors *(Leadership Styles)*	Regression Coefficients				
	ß	*Std. Error*	*Beta*	*t*	*Sig (t)*
AUTO_LDP	0.010	0.069	0.18	0.151	ns
DEMO_LDP	-0.006	0.051	-0.014	-0.125	ns
TNSFO_LDP	0.066	0.060	0.140	1.102	ns
TNSAC_LDP	0.274	0.056	0.571	4.885	.001
Model Summary					
R	0.619				
R-square	0.384				
Adjusted R-square	0.340				
F-ratio ($F_{(4,57)}$)	8.865**,(p<0.01)				

*Note: [a] dependent variable (perceived work performance); [b] independent variables: AUTO_LDP (autocratic leadership style), DEMO_LDP (democratic leadership style), TNSFO_LDP(transformational leadership style), and TNSAC_LDP(transactional leadership style); **significant at p<0.01;ns (not significant).*

A closer look in to the contribution of each independent variables (i.e., leadership styles), however, shows that only transactional leadership style was found to have statistically significant effect *(ß=0.571, t=4.885, p<0.01)* on perceived employee work performance. This finding is also in line with the data analysis result discussed earlier in which almost all transactional leadership items (Table 7) were positively and significantly related to the perceived work performance of the respondents.

On the other hand, transformational leadership style was positively and moderately correlated *(r=0.291, p<0.05, df=60)* with performance (Table 8). However, the results of regression coefficients *(ß=0.140, t=1.102)* does not support significant contribution of transformational leadership effects on the dependent variable. Again, from Table 9, it can be seen that both autocratic leadership style *(ß=0.18, t=0.151)* and democratic leadership style *(ß= -0.014, t= -0.125)* were not significant predictors of employee performance at *(p<0.05)*.

Though not significant here, the effect of democratic leadership on the dependent variable was found to be in the opposite direction. This worth to pay attention because it suggests that employee performance tends to decrease as department supervisors become more and more democratic leaders. Such a result would be attributed to the nature of the organization (i.e., military organization) in which democratic leadership approach may not be a common preference to the leaders to get the job done. In general, leaders of the study organization, as perceived by employee respondents, seem to follow autocratic leadership style, which is in contrast with democratic approach to leadership.

4.5. Discussion of the Findings

The main purpose of this study was to examine the effects of leadership styles (i.e., autocratic, democratic, transformational, and transactional) on employees' perceived work performance in one selected military organization. Accordingly, the first research objective was about the extent to which autocratic leadership style influence employee performance. Results of data analysis indicate that autocratic leadership style was rated as higher by respondents as compared to the other three leadership styles dealt with in this study. This shows that leaders in Army Foundation have been perceived by their followers as practicing more of autocratic leadership approach.

More specifically, almost all autocratic leadership aspects have been rated as more than average scores. As a result, it seems that perceived level of confidence about their performance and the supportive role of their leaders to be low and no significant correlation with perceived improved work performance. The literature supports that autocratic leadership style is less participative and tend to give less attention to the concerns of followers to be able to effectively perform their job (Yukl, 2010). In line with this, the findings of the current study also affirm that the surveyed

respondents tend to agree that they were given less opportunity to participate in decision-making and give suggestions on key issues of the organization.

The second research objective was about the effects of democratic leadership style on employees' perceived work performance. It is apparent that unlike autocratic leadership, democratic leadership is more participative and based on supportive relationship between leaders and followers (Yukl, 2010). The results of data analysis, in this study, has come to demonstrate that democratic leadership aspects were with low mean scores in that the items were rated below the average mean score. From analysis of the data, none of the democratic leadership aspects were found to have significant correlation to employee performance. Consequently, the surveyed respondents perceived that leaders practices of democratic leadership did not significantly associated to improving their level of work performance. According to Bass (1981), employees who work for participative leader tend exhibit greater involvement, commitment and loyalty than employees who work under a directive leader.

The third research objective of the study was pertaining to the effects of transformational leadership style on employee performance. The results of data analysis, in this study, appear to demonstrate that transformational leadership has been less practiced in the surveyed organization. All transformational leadership items included in this study were rated below the expected average as per the data collected from the respondents. However, five out of nine transformational leadership items were found to be positively and significantly correlated with employee performance. This seems to be in line with what leadership studies indicate that transformational leaders inspire and motivate followers so that commitment and efforts in accomplishing organizational goal is higher (Bass, 1999).

The final research objective in this study was concerning the effects of transactional leadership style on employee performance. According to the results of this study, transactional leadership style has appeared as the most preferred approach, as perceived by respondents, to improve their performance. This is the case in which almost all aspects or items of transactional leadership style were found to be strongly and positively correlated with employee performance. It has also been mentioned in the leadership literature that transactional leadership approach play instrumental role in influencing followers level of performance (Bass, 1999).

In general, results of data analysis in this study showed that leaders in Army Foundation follow more of autocratic leadership style and they appear to be perceived by respondents as they were practicing less of democratic, transformational, and transactional aspects of leadership approaches. Despite respondents' rating of autocratic leadership style as more common in their organization, analysis of correlation coefficients did not support significant relationship with improving employee performance. It was also observed from the results of data analysis result that democratic leadership aspects were not significantly related to employee performance.

Finally, despite rated below average by respondents, transformational and transactional leadership styles were found to be positively and significantly related to improving employees task accomplishment in their respective work department. Especially, the result of multiple regression analysis indicated that transactional leadership approach was found to be the only significant predictor of employee performance as compared to the other three approaches to leadership involved in this study. Thus, it appeared that leaders who tend to apply transactional leadership aspects will likely be more effective in enhancing organizational goal accomplishment in that respondents tend to perceive such leadership style as supporting improved work performance.

CHAPTER FIVE

5. Summary, Conclusions, and Recommendations

5.1 Summary of Major Findings

The main purpose of this study was to examine the effects of leadership styles on employee performance in one organization (i.e., Army Foundation) located in Addis Ababa city. Specific objectives of the study were stated to assess the effects of autocratic leadership style, democratic leadership style, transformational leadership style, and transactional leadership style on employee performance. In achieving those objectives, four basic research questions have been stated and answered in this study. These were:

1. What is the effect of transformational leadership style on employee performance in Army Foundation?
2. What is the effect of transactional leadership style on employee performance in Army Foundation?
3. What is the effect of democratic leadership style on employee performance in Army Foundation?
4. What is the effect of autocratic leadership style on employee performance in Army Foundation?

In order to address those basic research questions, a descriptive survey research was conducted in one selected organization currently operating under the ministry of defense located in Addis Ababa city. The data were collected through closed-ended questionnaires from a randomly selected employees currently working in Army Foundation. Out of a totally distributed 80 questionnaire papers 62 (78%) were properly filled in and returned back and used for data analysis.

The collected quantitative data through questionnaire were analyzed using descriptive statistics (such as frequency count, percentage, mean, and standard deviation) and inferential statistics (i.e., Pearson's correlation and multiple linear regression). Thus based on the results of data analysis, the following major findings were obtained.

5.1.1 Perceived level of Work Performance

Overall, findings from data analysis showed that respondents' perceived level of work performance was rated as moderate. Especially, respondents of this study felt that they received little support form their supervisors to meet organizational goals; the required encouragement and motivation for better performance from leaders appears low; respondents also felt insecure and uncomfortable with leadership style of their supervisors; and leaders were perceived as not providing rewards to better performing employees. Understanding of organizational mission and vision as well as the level of team sprite in the department were the only aspects work performance perceived by respondents as moderately high in their organization. Generally, it appeared that leaders' support for improved employees' job performance was low in Army foundation.

5.1. 2Effects of Leadership Styles on Employee Performance

- Most employees of Army foundation perceived the leadership style of their department supervisors was predominantly autocratic in its nature. This was the case in which employees strongly perceived that the leadership style of leaders in Army foundation was perceived as mostly based on command and control, non-participatory and centralized decision-making.

- Democratic leadership style was perceived by most employees as less common among leaders of Army foundation. In this regard, most of the employees perceived that they

were given little opportunity in critical decision-making, delegation of authority to subordinates was seldom, and leaders rarely practice collegial relationship with employees.

- Again, leaders in Army foundation were less transformational in that most employees perceived their supervisors rarely motivate them for higher performance, little consideration for individual needs and preferences, and rarely provide coaching and mentoring to employees. Most of the respondents perceived that they receive little support from their supervisors in order to improve their job performance.

- Transactional leadership practices were also rated as low by employees of Army foundation. Respondents have come to agree that they receive no reward for best performance, little guidance from leaders, and lack of setting standards and expectations for job performance.

- Finally, despite rated below average by respondents, transformational and transactional leadership styles were found to be positively and significantly related to improving employees' task accomplishment in their respective work department. Especially, the result of multiple regression analysis indicated that transactional leadership approach was found to be the only significant predictor of employee performance as compared to the other three approaches to leadership involved in this study.

5.2 Conclusions

Both theoretical and empirical research supports that leadership style of organizational and departmental level leaders does substantially influence followers' effort and job performance. As a result, this study assessed the effects of four leadership styles on employee performance in one selected organization. Thus, from the findings of this study, it can be concluded that:

(1) Most of the employees perceived their leaders in Army Foundation as more of autocratic leaders and they appear to be practicing less of democratic, transformational, and transactional aspects of leadership approaches. Though autocratic leadership was perceived as relatively high by respondents, almost all aspects such leadership did not show significant correlation to employee performance.

(2) Democratic leadership aspects were perceived by employees as less frequently practiced by leaders in Army foundation. The results revealed that none of the democratic leadership aspects were found to have significant correlation to employee performance. Consequently, the surveyed respondents perceived that leaders practices of democratic leadership did not significantly associated to improving their level of work performance. Thus, leaders in Army foundation have to consciously apply aspects of democratic leadership practices in a way that it promotes employees' job performance.

(3) The study also appeared to demonstrate that transformational leadership has been less practiced in the surveyed organization. Almost all transformational leadership aspects included in this study were rated below the expected average as per the data collected from the respondents. However, in this study, most of transformational leadership practices were found to be positively and significantly correlated with employee performance. Hence, leaders in Army foundation are encouraged to focus on transformational leadership practices so as to support and motivate their employees for better performance.

(4) According to the results of this study, transactional leadership style has appeared as the most preferred approach, as perceived by respondents, to improve their performance. This is the case in which almost all aspects or items of transactional leadership style were

found to be strongly and positively correlated with employee performance. This shows the importance of building and facilitating transactional leadership practices for better job performance in Army foundation.

(5) While transactional and transformational leadership styles were positively and significantly correlated to employee performance, only transactional leadership was found to predict job performance of employees in studied organization. On the other hand, autocratic and democratic leadership styles were neither significantly correlated nor found as predictors of employee performance in Army Foundation.

(6) Finally, respondents perceived that their current level of work performance as moderate. Given high level of education and more years of experience, it appeared that lack of suitable leadership style in the organization contributed to such an average level of perceived performance. Otherwise, that would not be the inherent problem of employees in the concerned organization.

5.3 Recommendations

Based on the findings and conclusions drawn in this study, the following recommendations have been forwarded:

1) **Promoting collegial working relationships**

From findings of this study, it appeared that there exist a challenge in relation to leader-follower authority relationships and collegial working relationships among employees in the study organization. Hence, it is recommended that the top management bodies of Army foundation revisit structural authority relationships between the leaders and employees in a way that it facilitates trust, cooperation, and sense of belongingness thereby fostering the capacity for

mutual problem solving and productive work performance. It is also important for department supervisors to create and build collegial working relationships among employees so as to increase cooperative work environment that enhances productive job performance.

2) Building supportive leadership

Findings of this study revealed that leaders in Army foundation were practicing more of command and control approach to leadership. Thus, it is recommended that department supervisors in the organization need to engage on supportive leadership practices such as coaching and mentoring, consideration of each individual worker's needs, and support to employees experiencing difficulties in improving their performance. By applying supportive leadership approach, frontline supervisors and middle-level managers of the organization will be able to build employee' commitment and effort for effective organizational goal attainment.

3) Matching military discipline and military leadership

Military officers are often trained to follow command and control leadership style. Accordingly, it seems from findings of this study that some form of mismatch exists between military officer's leadership style and preferred leadership approach among civil employees working in Army foundation. Thus, it is recommended that military officers reconsider their current leadership styles that will fit the needs and expectations of civil employees working in military organization.

4) Facilitating communication and encouraging participatory decision-making

Top management bodies in Army foundation need to design mechanisms that promote two-way communication so that encouraging/facilitating effective feedback system in identifying and solving performance related problems. It is also recommended that department supervisors have to create conducive atmosphere for participatory decision-making on key issues affecting employee performance effectiveness. Effective communication and participatory decision-making also creates a platform for leaders to get employees' concerns and suggestions. Each leader needs to collect timely feedback from employees on their leadership practices and how it affects the efforts and performance of their followers.

5) Providing leadership development

Employees of Army Foundation perceived that leadership style of their department supervisors was predominantly autocratic, however, employees favored transformational and transactional leadership style of their leaders tend to improve their performance. Hence it is recommended that Top management bodies of the organization need to arrange and provide trainings or experience sharing to middle and lower level managers on how to become more effective transformational and transactional leaders.

6) Direction for further studies

When compared to each other, the four leadership styles were found to be perceived differently by respondents in relation to affecting their performance. Thus, further studies are needed on the relative effects of leadership styles on employee performance by taking wider sample involving organizations of different types.

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ENDORSEMENT

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

Aderaw Gashayie (PhD)

_____

Advisor

_____
ST. Mary's University, Addis Ababa
Signature & Date
   June, 2020.

APPENDIX

St. Mary University

Department of Business Administration

Questionnaire: to be filled by employees of Army Foundation

Dear respondent:

This questionnaire is prepared to gather information, thoughts and view of employees on the effect of leadership style on employee performance. The purpose of this study is purely academic and it will be confidentially reserved; it will not negatively affect your privacy or your institution. Therefore the researcher thoughtfully request that your constructive cooperation by providing relevant information and filling out the questionnaire give. I would like to thank you for your faithfulness that taking your time to complete the questionnaires. For any further clarification and comment you can contact the researcher through;

Tel.No 09 1145 89 74 or Email haymanot325@gmail .com

Note: Writing your name is not necessary.

GENERAL GUDELINE: Please circle the letter that describe you and write your answer in the space provided.

Section 1: Respondent's Profile

1. Sex

    A. male   B. Female

2. Age

    A. 20-39   B 40-60   C. Above 60

3. Level of Education

    A. Diploma   B. Degree   C. Masters degree

4. Work Experience

    A, 1-5   B 6-10   C. more than 11

5. Marital status

    A. Single   B. Married --

SECTION 2: LEADERSHIP STYLES.

Given the key alternatives, tick or select the right alternative that corresponds with your opinion in return of leadership practice of army foundation

The response scale for the question gives as follows.

1= strongly Disagree, 2= Disagree, 3=Neutral, 4= Agree, 5=strongly agree

	Statement	1	2	3	4	5
	Autocratic leadership style					
1	My supervisor leading style is based on control.					
2	My supervisor gives order and expects immediate response.					
3	My supervisor gives little opportunity to make suggestion.					
4	My supervisor discourage participative decision making.					
5	My supervisor believes that decision is always made by leaders for subordinates.					
6	My supervisor believes at most employees are idle.					
7	My supervisor push employee so hard.					
8	My supervisor limits my performance.					
9	My supervisor improve my performance					
10	I am unconfident about my job					
	Democratic leadership style					
1	My supervisor has good relationship with the employee.					
2	My supervisor leading style is based on					

	participation.					
3	My supervisor delicate authorities to the other employee and let them to make their own decision.					
4	My supervisor believe that employee have enough knowledge to complete the task.					
5	My supervisor allows employee to participate in decision making, determination of policy implementation of system and procedure.					
6	My supervisor support employee to accomplish ask					
7	My supervisor enables employee to make suggesting and recommendation in major issue.					
8	My supervisor encourage employee o become good leader.					
9	My supervisor improves my performance.					
10	My supervisor limits my performance.					
11	I feel confidence in my work.					
	Transformational leadership style					
1	My supervisor motivate employee to identify organizational goal and interest.					
2	My supervisor allows employee to take responsibility for achieving the goal.					
3	My supervisor encourages employee creativity and presenting new idea to solve problem.					

4	My supervisor paying attention to the employee individual need for growth.					
5	My supervisor provide coaching and mentoring					
6	My supervisor can establish high standard of employee performance.					
7	My supervisor improves my performance.					
8	My supervisor limits my performance.					
9	I feel confidence in my work					
	Transactional leader ship style					
1	my supervisor clarifying role and ask to the employee					
2	My supervisor give reward for employee when goal and objective are achieved on time					
3	My supervisor give punishment when they set goal are not meet and ask are not accomplished					
4	My supervisor follows and observe employee performance					
5	My supervisor anticipate problems in advance and take correcting according o employee performance					
6	My supervisor guide and motivate employee					
7	My supervisor built team sprit with the employee					
8	My supervisor limit my performance					
9	My supervisor improve my performance					

SECTION 2: Employees job performance

	Statement	1	2	3	4	5
1	I clearly understand the mission vision and objective of my organization					
2	I perform my work with minimal time and effort					
3	I always at work on time					
4	There is team sprite in my department					
5	My performance is evaluated by my supervisor and receive reward based on result					
6	I am motivated at work					
7	My supervisor support me to meet the gal					
8	My performance is limited by my supervisor					
9	My performance is encouraged by my supervisor					
10	I am comfortable with the leading style of my supervisor					
11	I feel in secure with the leading style of my supervisor.					

DECLARATION

The undersigned, declare that this study entitled: *The effect of leadership style on the employee performance: case of Army Foundation*

This research project is my original work and has not been presented for a degree in any other university and that all sources of materials used for the study have been properly acknowledge

Declared by:

Name: Haimanot amare
Signature _____
Date_____

Confirmed by:

Name: Aderaw Gashayie (PhD)
Signature _____
Date_____