**RIFT VALLEY UNIVERSITY SCHOOL OF GRADUATE STUDIES**

# The Effect of Leadership Style on Employee Performance in Case of Selected Information Technology Companies at Addis Ababa

## By:

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Harar

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# ABBREVIATIONS

**ALS-** Autocratic Leadership Style.

**LLS -**Laissez-faire Leadership Style.

**MLQ** - Multifactor leadership questionnaire

**MBE**- Management by expectation

**SPSS -**Statistical Package of Social Science

**TLS -**Transformational Leadership Style.

**TRS-** Transactional Leadership

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# Abstract

This research has been done to examine the effect of leadership style on employee performance, It seeks to offer insightful explanations of how leadership practices can enhance or hinder employee performance in companies. It examine the role of leadership style on employee performance in selected harari education breue.The research design is institution based cross-sectional research with a quantitative research method. The research employed a purposive sampling technique to select a representative sample of employee in harari education breaue, Ethiopia. Descriptive analysis including frequency, proportions, and measures of mean was done using SPSS version 25.0. Cross tabulations made to calculate Crude and adjusted odds ratio. The association between leadership styles and worker performance was predicted using regression analysis and Pearson correlation analysis.The result shows Autocratic Leadership style has a highly significant relationship with employee performance, with a significance level of 0.000. The odds ratio is 0.309, indicating that autocratic leadership is associated with lower odds of employee performance. Transformational Leadership Style shows a highly significant relationship with employee performance, with a significance level of 0.000. The odds ratio is 4.848, suggesting that transformational leadership style is associated with higher odds of employee performance. The 95% confidence interval ranges from 2.863 to 8.209, emphasizing the positive influence of transformational leadership style on employee performance.

Key words: Transformational leadership, Transactional leadership, Authoritative leadership, laissez fare leadership, employee performance.

# CHAPTER ONE

## INTRODUCTION

## Background of the study

Leadership can be defined as The capacity to motivate and influence individuals or a group towards reaching a same objective. It involves providing direction, making decisions, motivating others, and fostering a positive and productive work environment. Effective leadership entails inspiring and empowering others, setting a vision, and effectively communicating and collaborating with team members to achieve desired outcomes. It is a vital component in driving organizational success and promoting growth and development (Krishnan, 2000; Martinez, 2014; Stashevsky & Burke, 2006).

Effective leadership is crucial for enhancing organizational performance by setting direction, motivating employees, fostering a positive work culture, and making strategic decisions that drive growth and innovation. It enhances employee engagement, boosts morale, and creates a cohesive team better equipped to tackle challenges and drive overall success (Bottomley et al., 2014; Sougui et al., 2015).

In many different business contexts, such as government, non-governmental organizations, small and medium-sized enterprises, companies, the industrial and service industries, the military, and the public sector, leadership is essential. Its primary objective is to strengthen, unite, and bring harmony, prosperity, and strength to all of its members.

According to Fachrurazi (2023), it is crucial to comprehend the relationship between job satisfaction, employee performance, organizational culture, and leadership. This understanding is significant as it helps in cultivating an efficient and motivated workforce, enabling the organization to attain its goals and objectives more effectively. However, in the absence of a defined leadership style or a situation where leaders have the freedom to handle people-related matters based on their personal preferences, fairness and uniformity may be overshadowed by bias and differences (Fachrurazi, 2023).

Ineffectiveness in the leadership style of management teams has been the downfall of numerous organizations. Such situations result in disorganized, uncontrolled, and uncoordinated employees, leading to low productivity, high operating costs, and an uncooperative attitude among staff members. Ultimately, these issues can lead to the closure of the organization. Many organizations struggle to find competent leaders who possess the necessary personality, knowledge, intelligence, and experience to successfully lead. Leadership is the differentiating factor between success and failure, profit and loss, and development and underdevelopment for any organization or enterprise. It is a powerful process that effects stakeholders both within and outside the organization (Alharbi & Aljounaidi, 2021).

## Statement of the problem

In order to inspire high levels of dedication from their staff, leaders can utilize various leadership styles, as highlighted by academic studies (Otieno & Njoroge, 2019)). These studies emphasize the importance of leadership approaches that motivate employees to freely work towards the organization's goals and objectives.

To address this research gaps, this research aims to identify the effect of leadership styles within organizations that inspire employees to develop the necessary skills and dedication to enhance performance in school.. Investigating the relationship between leadership style, organizational culture, and employee performance is crucial for understanding the influence of leadership style on employee performance and implementing appropriate leadership strategies to motivate and align the workforce with the organization's best interests. .

## Research questions

* + - How do different leadership styles effect employee performance within the education areas?
    - To what extent does transformational leadership style influence employee performance ?
    - How does transactional leadership style affect employee performance ?
    - What is the relationship between leadership styles and employee motivation, job satisfaction, and commitment in education areas?
    - To what extent does laissez-faire leadership style influence employee performance ?
    - To what extent does Autocratic Leadership style influence employee performance?

## ,Objectives of the study

### ,General Objective:

* + - * To examine the role of leadership style on employee performance in harari educational bearue?

### Specific objectives:

* + - * To identify the dominant leadership styles exhibited by leaders in the selected harari education in Ethiopia.
      * To assess the effect of different leadership styles on employee performance within the breaue
      * To determine the influence of transformational leadership style on employee performance in information technology companies in Ethiopia.
      * To analyze the effect of transactional leadership style on employee performance in information technology companies in Ethiopia.
      * To analyze the effect of Autocratic Leadership style on employee performance .
      * To analyze the effect of laissez-faire leadership style on employee performance .
      * To recommend best practices in leadership style that can be adopted .
      * to enhance employee performance and overall organizational success.

Hypothesis

* H1: Transformational leadership style has a significant influence on employee performance .
* H2: Transactional leadership style has a significant influence on employee performance
* H3: Laissez-faire leadership style has a significant influence on employee performance.
* H4: Autocratic leadership style has significant influence on employee,Significance of the Study

The significance of the research on the role of leadership style on employee performance is as follows:

The findings of this research will provide practical insights and recommendations to effectively utilize leadership styles and to enhance employee performance. This will help organizations improve their leadership practices, leading to increased productivity, job satisfaction, and overall organizational success. This reserach will contribute to the existing body of knowledge on leadership and employee performance by focusing specifically valuable insights into the unique challenges and opportunities faced by leaders.

## Scope of the Study

. The research was encompassing companies of different sizes, providing a comprehensive understanding of how leadership styles effect employee performance across varying company sizes. It was exploring a range of leadership styles, including transformational and transactional leadership.

The research was be conducted within a specific time frame, determined by the research design and data collection process. It is important to note that while the research aims to provide insights into the role of leadership style on employee performance .

The scope of the research is limited to the specific context of leader ship types and satisfaction of employee

**Definitions of Key Terms**

Leader: A leader is an individual who influences and guides a group of people towards achieving common goals. They provide direction, inspire and motivate others, and make decisions that have effect on the success of an organization or team (Stashevsky & Burke, 2006).

Leadership: Leadership refers to the process of influencing and guiding individuals or a group towards achieving a common objective. It involves the ability to inspire, motivate, and influence others to work towards a shared vision or goal (Martinez, 2014).

Leadership Style: Leadership style refers to the specific approach or behavior exhibited by a leader in their interactions with followers. It encompasses the leader's manner of making decisions, communicating, motivating, and guiding their team or organization (Taiwo, 2013).

Employees: Employees are individuals who are hired by an organization to contribute their skills, knowledge, and efforts towards the achievement of organizational objectives. They work under the direction and supervision of leaders and play a crucial role in the success of the organization (Kotter, 2002).

Performance: Performance refers to the level of achievement or effectiveness in carrying out tasks,

meeting goals, and fulfilling job responsibilities. It can be measured through various indicators such as productivity, quality of work, adherence to deadlines, and overall contribution to organizational success. (Wolor et al., 2020)

Employee's Performance: Employee's performance specifically refers to the level of achievement or effectiveness of an individual employee in carrying out their job responsibilities and contributing to the overall goals of the organization (Smolnikar, 2015).

## Organization of the research

There are five chapters that comprise the entire research : The introductory section of Chapter 1 covers background information, research difficulties, research questions, aims, significance, and scope of the research. The second section addressed the review of related literature. section. Chapters three and four provided and analyzed the data and addressed the research's interpretation, whereas the previous two focused on the studs methodologies, which included the population, the sampling process, and the sampling size. Chapter 5 covered the summary, the findings' conclusions, and the suggestions

## limitation of the research

* This research's limitation is that it only covers harari education breaue as its research area.

# CHAPTER TWO

## REVIEW OF RELATED LITERATURE

## Concepts of Leadership

Leadership is the determined effort of a leader to inspire and encourage individuals within a group to exert their maximum effort in achieving organizational goals and objectives. It involves providing direction, planning, implementing, and motivating the team. Effective leadership is crucial for the success of an organization as it involves communicating, guiding, empowering, and inspiring team members to work towards organizational goals. Leadership qualities strategically focus on building employee commitment, especially in challenging tasks and situations, and depend on factors such as the leader's authority, the maturity and competence of employees, and the complexity of the tasks at hand (Bailey et al., 2001).

The complexity and multifaceted nature of leadership make it challenging to define with a single explanation. However, a commonly accepted definition describes leadership as a process of influence where an individual gains full support from subordinates to meet goals and defined duties. Another definition emphasizes that leaders create direction for team members, gain their commitment, and motivate them to achieve desired outcomes. Despite variations in the definitions, the common factor among them is that leaders aim to influence employees to meet organizational targets and enhance productivity. The subsequent sections was explore transformational, laissez- faire, and transactional leadership styles (Kotter, 2002; Taiwo, 2013).

It's critical to comprehend the definition of leadership and what it entails in order to become an effective leader. Thousands of research articles, books, and periodicals have been written about the topic of leadership, demonstrating the breadth of research in this area. To successfully navigate and thrive in the complicated and demanding organizational landscape of today, leaders need to possess extraordinary managerial skills.

A leader needs to possess a few crucial qualities and abilities in order to succeed. A thorough understanding of the company, awareness of external influences, holding pertinent professional knowledge, preserving emotional stability, having strong interpersonal skills, listening skills, encouraging creativity, maintaining mental alertness, developing a habit of continuous learning, being proactive, and having analytical, problem-solving, and decision-making abilities are a few of these. Furthermore, it is imperative to acknowledge the significance of individuals inside the

organization (Masiyono & Mei Nur Widigdo, 2022). Management is responsible for every accomplishment made by the business, and management is accountable to the individuals that make up the organization. In order to generate synergies and use effective communication, successful leadership must combine human resources. This was eventually determine the performance level and managerial competency (Mottoh, 2015).

## Styles of Leadership

Leadership styles refer refers to the strategies and actions leaders do to sway and direct their followers. A team or organization can be affected differently by different leadership styles, each of which has its own traits. Below are a few typical leadership philosophies.:

### Autocratic Leadership:

Autocratic leadership is a style in which the leader holds all the decision-making authority and closely controls the team. In this style Without consulting the team, the leader makes choices and demands that their instructions be followed to the letter. They employ a hierarchical methodology and uphold extensive authority over the group's operations and adjudicative procedures.(Dastane, 2020; Kotter, 2002).

Autocratic leaders typically have a strong vision and a clear sense of direction. They are confident in their decision-making abilities and believe that their ideas and methods are superior to those of others. They make decisions quickly and efficiently, which can be beneficial in situations that require immediate action or when there is a need for a strong and decisive leader. However, autocratic leadership can have some drawbacks. It can lead to low employee morale and job satisfaction, as team members may feel disempowered and not have a voice in the decision-making process. The lack of involvement and collaboration can stifle creativity and innovation within the team. Autocratic leaders may also struggle to build strong relationships with their team members, as the focus is primarily on compliance rather than fostering a sense of trust and mutual respect (Rana et al., 2019).

Autocratic leadership can be effective in certain situations, such as in times of crisis or when working with inexperienced or unmotivated team members who require clear guidance and direction. It can also be suitable in highly structured and hierarchical organizations where there is a need for centralized decision-making. To mitigate the negative effects of autocratic leadership, it is important for leaders to communicate their decisions effectively, provide rationale behind their choices, and be open to feedback and suggestions from their team members when appropriate.

Leaders can also consider incorporating elements of a more participative leadership style to foster employee engagement and empowerment (Beauty & Aigbogun, 2022).

### Democratic Leadership:

Democratic leadership is a style in which the leader actively involves team members in the decision-making process. This style values the input and opinions of team members and encourages open communication, collaboration, and participation. The leader seeks consensus and takes into account the perspectives and ideas of the team before making decisions. In a democratic leadership approach, team members are encouraged to share their thoughts, suggestions, and expertise. The leader facilitates discussions, encourages diverse viewpoints, and considers different options before reaching a decision. This style promotes a sense of ownership and empowerment among team members, as they feel their voices are heard and their contributions are valued (Basit et al., 2017; Lamm et al., 2017).

One of the key benefits of democratic leadership is that it fosters a culture of trust, respect, and open communication within the team. Team members feel motivated and engaged because they have a say in the decision-making process and are involved in shaping the direction of the team or organization. This style also encourages creativity and innovation, as diverse perspectives and ideas are considered. However, democratic leadership may not be suitable in situations that require quick decision-making or when there is a need for a strong and decisive leader. In some cases, reaching a consensus or involving multiple viewpoints can lead to delays or inefficiencies (Krishnan, 2000; Markhadam et al., 2022).

Additionally, not all team members may be comfortable with or capable of actively participating in decision-making, which can create challenges in implementing this style effectively. To practice democratic leadership effectively, leaders should create a supportive and inclusive environment where team members feel comfortable expressing their opinions. They should actively listen, encourage open dialogue, and consider the input of team members when making decisions. It is also important for leaders to strike a balance between involving team members and maintaining accountability and responsibility for final decisions (Otieno & Njoroge, 2019).

### Laissez-Faire Leadership:

Laissez-faire leadership is a style in which the leader takes a hands-off approach and provides minimal guidance or direction to the team. In this style, the leader delegate’s authority and decision-making power to the team members, allowing them to work independently and make

their own choices. Laissez-faire leaders trust their team members' abilities and expertise, giving them the freedom to determine how tasks should be accomplished. They provide the necessary resources and support but do not interfere with the day-to-day activities or decision-makingprocess. This style is commonly associated with a high level of autonomy and self-management within the team (Stashevsky & Burke, 2006; Yıldız et al., 2014).

One of the key benefits of laissez-faire leadership is that it can foster a sense of ownership and empowerment among team members. They have the freedom to explore their own ideas, make decisions, and take responsibility for their work. This can lead to increased job satisfaction, motivation, and creativity, particularly in situations where team members are highly skilled and self-motivated. However, laissez-faire leadership can also have drawbacks. Without clear guidance or direction from the leader, there is a risk of a lack of coordination, accountability, and direction within the team. Team members may feel unsupported or uncertain about their roles and responsibilities, which can lead to confusion and inefficiencies. Additionally, this style may not be effective when working with less experienced or less motivated team members who require more guidance and structure (Yıldız et al., 2014).

To practice laissez-faire leadership effectively, leaders need to ensure that team members have the necessary skills, resources, and support to work independently. They should be available for guidance and support when needed, but also trust and respect the expertise and capabilities of their team members. Effective communication and regular check-ins can help maintain clarity and alignment within the team, ensuring that everyone is working towards common goals. It is important for leaders to assess the readiness and capabilities of their team members before adopting a laissez-faire leadership style. They should be mindful of the potential challenges and actively address any issues that may arise from a lack of guidance or direction (Thomas M. Bennett, 2009).

### Transformational Leadership:

Transformational leadership is a style that focuses on inspiring and motivating followers to achieve extraordinary outcomes. Leaders who adopt this style are charismatic, visionary, and able to create a compelling vision for the future. They set high expectations for their team members and encourage them to reach their full potential. One of the key characteristics of transformational leaders is their ability to inspire and motivate others. They communicate their vision in a way that resonates with team members, igniting a sense of passion and commitment. Transformational leaders lead by example and serve as role models for their followers, demonstrating the behaviors

and values they expect from others (Alharbi & Aljounaidi, 2021; Sadeghi et al., 2002).

Transformational leaders also emphasize individual growth and development. They provide support, guidance, and opportunities for their team members to enhance their skills and capabilities. They foster a culture of continuous learning and personal growth, encouraging their followers to take on new challenges and develop their potential (Aarons, 2006).

Another important aspect of transformational leadership is building strong relationships with followers. Leaders who adopt this style demonstrate empathy, active listening, and genuine concern for the well-being of their team members. They create an environment of trust, openness, and mutual respect, which enables effective communication and collaboration. Transformational leadership has been linked to numerous positive outcomes. It can lead to increased employee motivation, engagement, and job satisfaction. Team members feel inspired and empowered to contribute their best efforts, resulting in higher levels of productivity and performance. This leadership style also promotes innovation, as followers are encouraged to think creatively and challenge the status quo (Achmad & Djamil Mz, 2022).

Transformational leadership is not without its challenges. It requires leaders to have a clear vision, strong communication skills, and the ability to adapt their leadership style to different individuals and situations. It can also be time-consuming, as it involves investing in the personal growth and development of team members. To practice transformational leadership effectively, leaders should focus on developing their emotional intelligence, actively communicate their vision, values, and expectations, and create opportunities for team members to grow and succeed. They should also foster a positive and supportive work environment that encourages collaboration, creativity, and continuous learning (Hickman & Akdere, 2018; Raman et al., 2015).

### Transactional Leadership:

Transactional leadership is a style in which leaders focus on the exchange relationship between themselves and their followers. It is based on a transactional approach, where leaders set clear expectations, establish performance goals, and provide rewards and recognition for meeting targets. Transactional leaders also administer corrective actions or punishments for deviations from expected performance. One of the key aspects of transactional leadership is the establishment of clear roles and responsibilities (Masiyono & Mei Nur Widigdo, 2022; Yıldız et al., 2014). Leaders communicate expectations and objectives to their team members, outlining the tasks that need to be completed and the standards that need to be met. They provide guidance and direction to ensure

that team members understand what is expected of them. Transactional leaders also use a system of rewards and recognition to motivate and reinforce desired behaviors. They provide incentives such as bonuses, promotions, or public acknowledgment for achieving goals or surpassing expectations. Conversely, they may administer corrective actions, such as reprimands or performance improvement plans, for failing to meet expectations (Sougui et al., 2015).

Transactional leadership can be effective in organizations or situations that require structure, efficiency, and adherence to established protocols. It provides clear guidance and accountability, ensuring that tasks are completed according to predetermined standards. This style is often found in performance-driven environments, such as sales or production-focused industries. However, transactional leadership has limitations. It may not foster creativity, innovation, or intrinsic motivation among team members, as the focus is primarily on external rewards and punishments. It can also create a transactional relationship where employees are motivated solely by extrinsic factors, rather than a sense of purpose or personal growth. To practice transactional leadership effectively, leaders should clearly communicate expectations, provide regular feedback, and ensure that rewards and punishments are fair and consistent. They should also recognize the importance of balancing transactional approaches with other leadership styles to foster a more engaging and motivating work environment (Aarons, 2006; Cortellazzo et al., 2019; Zen et al., 2023).

### Servant Leadership:

Servant leadership is a style in which the leader prioritizes serving the needs of their followers. The primary focus of a servant leader is on the well-being, growth, and development of their team members. They place the needs of their followers above their own and work to empower, support, and nurture them. Servant leaders demonstrate empathy and actively listen to their team members. They seek to understand their concerns, challenges, and aspirations. By showing genuine care and concern, servant leaders create a supportive and trusting environment that encourages open communication and collaboration (Lamm et al., 2017). One of the key characteristics of servant leadership is the commitment to personal and professional growth. Servant leaders provide guidance, mentorship, and opportunities for their team members to develop their skills and capabilities. They support their followers in reaching their full potential and achieving their goals. Servant leaders also involve their team members in decision-making processes. They value and seek input from their followers, recognizing that collective wisdom and diverse perspectives lead to better outcomes. By involving others in the decision-making process, servant leaders create a sense of ownership and empowerment among their team members (Knab, 2008).

Servant leadership may face challenges in certain situations. It requires leaders to strike a balance between serving the needs of their followers and achieving organizational goals. In some cases, leaders may need to make tough decisions that may not align with the immediate desires or preferences of their team members. To practice servant leadership effectively, leaders should prioritize the needs of their followers, actively listen, and provide support and guidance. They should foster a culture of respect, trust, and open communication. Servant leaders also need to model the behaviors they expect from their team members, demonstrating integrity, humility, and a commitment to service (Rana et al., 2019).

### Charismatic Leadership:

Charismatic leadership is a style in which leaders inspire and motivate their followers through their personal qualities and ability to create a compelling vision. Charismatic leaders possess strong communication skills, self-confidence, and a magnetic personality that attracts and influences others. One of the key characteristics of charismatic leaders is their ability to articulate a clear and inspiring vision. They communicate their vision with passion and conviction, capturing the hearts and minds of their followers. Charismatic leaders have the ability to paint a picture of a better future and create a sense of purpose and meaning (Bailey et al., 2001).

Charismatic leaders also possess strong interpersonal skills and the ability to build strong relationships with their followers. They are often seen as role models and are admired and respected by their team members. Charismatic leaders have the power to inspire trust and loyalty, as their followers believe in their abilities and are motivated to follow their lead. Another important aspect of charismatic leadership is the ability to influence and persuade others. Charismatic leaders are skilled communicators who can effectively convey their message and convince others to support their vision and goals. They have the ability to inspire others to take action and achieve extraordinary outcomes (Barbuto, 1997).

Charismatic leadership can be effective in situations where there is a need for transformation or change. It can inspire and mobilize followers to overcome challenges, embrace new ideas, and achieve ambitious goals. Charismatic leaders are often found in fields such as politics, business, or social movements, where they can rally support and create a following. However, charismatic leadership also has its limitations. It can be highly dependent on the personality and charisma of the leader, which may lead to concerns about the sustainability of the leadership approach (Barbuto, 1997; Colwill, 1999).

Charismatic leaders may also face challenges in building and maintaining strong relationships with their followers, as the focus may be more on the leader's personality rather than the needs and aspirations of the team. To practice charismatic leadership effectively, leaders should focus on developing their communication skills, emotional intelligence, and authenticity. They should articulate a compelling vision that resonates with their followers and engage in active listening to understand their needs and concerns. It is also important for charismatic leaders to empower and involve their team members in the decision-making process, creating a sense of ownership and collective effort towards achieving the shared vision. It is important to note that leadership styles can be fluid, and effective leaders often adapt their style to different situations and individuals within their team (Kotter, 2002; Makambe & Joy Motlatsi Moeng, 2020).

* 1. **Theories of Leadership**

### Trait theory

Trait theory suggests that specific inherent traits or characteristics are associated with effective leadership. This theory emerged in the early 20th century, aiming to identify the key traits that differentiate leaders from non-leaders. Researchers sought to find a set of universal traits consistently found in effective leaders across various contexts. Common traits linked to effective leadership include above-average intelligence, confidence, charisma, determination, and emotional intelligence. Leaders with these traits are perceived to make sound decisions, inspire trust, motivate others, overcome obstacles, and manage emotions effectively (Amanchukwu et al., 2015).

It is important to note that trait theory has received criticism for its limited focus on individual traits and its failure to consider situational factors. Critics argue that effective leadership is not solely determined by inherent traits, but also by the context in which leadership occurs. Nevertheless, trait theory has made valuable contributions to the understanding of leadership by highlighting certain traits that are commonly associated with effective leaders. It has influenced subsequent leadership theories and research, leading to a more comprehensive understanding of leadership as a combination of traits, behaviors, and situational factors (Zakeer Ahmed et al., 2016).

### Behavioral theory

Behavioral theory is a leadership theory that focuses on the behaviors and actions of leaders rather than their inherent traits. This theory suggests that effective leadership can be learned and developed through specific behaviors and actions. Behavioral theory emerged as a response to trait theory, which focused primarily on identifying the traits that make individuals effective leaders. Instead of looking at inherent qualities, behavioral theory examines what leaders actually do and how their behaviors affect their followers and the overall organization. Behavioral theory suggests that effective leaders can adapt their behaviors to different situations and follower needs. It emphasizes that leadership is not solely determined by inherent traits, but also by the actions and behaviors that leaders choose to display (Vasilescu, 2019).

Researchers have identified various behavioral models and frameworks within behavioral theory, such as the Ohio State Leadership Studies, the Michigan Leadership Studies, and the Managerial Grid Model. These models provide different perspectives on the behaviors and styles of leaders and their effect on follower satisfaction, performance, and organizational outcomes. Behavioral theory has influenced leadership development programs and practices, as it suggests that leadership skills and behaviors can be learned and improved over time. It highlights the importance of developing specific behaviors and actions that align with the needs of followers and the organization to be an effective leader (Amanchukwu et al., 2015).

### Transactional theory

Transactional theory is a leadership theory that focuses on the transactional relationship between leaders and their followers. It suggests that leaders motivate and influence their followers through a system of rewards and punishments, based on the exchange of resources and effort. Transactional leaders typically emphasize structure, order, and the exchange of resources. They rely on established systems and procedures to guide their followers' behavior and ensure that tasks are completed efficiently (Amanchukwu et al., 2015; Zakeer Ahmed et al., 2016).

Transactional leadership can be effective in situations where followers are motivated by external rewards and punishments. It provides clarity, direction, and accountability, which can improve performance and productivity. However, Transactional leadership has its limitations. It may not be effective in situations that require creativity, innovation, or intrinsic motivation. It can create a Transactional and transaction-focused relationship between leaders and followers, which may limit trust, engagement, and long-term commitment. Transactional theory is often contrasted with

transformational leadership theory, which emphasizes inspiring and motivating followers to achieve higher levels of performance by appealing to their intrinsic motivations and values (Ben L. Kedia, Richard Nordtvedt, 2008; Martinez, 2014).

### Transformational theory

Transformational theory is a leadership theory that focuses on the leader's ability to inspire and motivate followers to achieve extraordinary outcomes. It emphasizes the leader's ability to create a compelling vision, demonstrate charisma, and empower their followers to reach their full potential. Transformational leaders have a profound effect on their followers, inspiring them to go beyond their own self-interests and work towards the collective goals of the organization or team. They create a positive organizational culture, foster employee engagement, and drive high levels of performance and commitment (Ben L. Kedia, Richard Nordtvedt, 2008; Martinez, 2014).

Transformational theory has been widely studied and recognized as an effective leadership approach. It has been linked to positive organizational outcomes such as increased job satisfaction, higher levels of employee motivation and performance, and improved organizational innovation and effectiveness. However, it is important to note that transformational leadership may not be suitable for every situation or context. Factors such as organizational culture, follower characteristics, and task requirements may influence the effectiveness of transformational leadership (Vasilescu, 2019).

## Employee Performance

Performance is the outcome of an individual's work, measured by factors such as quantity, quality, timeliness, attendance, efficiency, and effectiveness. It is crucial for organizations to effectively manage employee performance to achieve their strategic objectives. This requires acknowledging and cultivating employees' desire to perform and be rewarded. Organizations place great importance on appraising and managing employee performance, considering it an individual phenomenon influenced by environmental factors that affect ability and motivation (Markhadam et al., 2022).

Performance can be defined as the results achieved by an individual in terms of work and behavior, meeting set standards within a specific timeframe. It reflects how much a person contributes to the organization and the responsibilities assigned to them. Various factors, including abilities, motivation, support, work environment, rewards, and relationship with the organization, influence

individual performance. The overall performance of an organization depends largely on the performance of its workforce, which can be assessed through productivity, quality, and service (Hickman & Akdere, 2018).

Leaders or organizations are evaluated based on goal attainment and task completion. Employee performance is objectively measured through factors like profit margins, market share, production increase, cost reduction, and return on investment. Subjectively, changes in behavior, learning and development, commitment, and enhancement of skills and competencies are considered indicators of leadership effectiveness. Organizational effectiveness also stems from employee performance and leadership effectiveness (Otieno & Njoroge, 2019).

The leadership style utilized by a leader has a notable effect on employee performance, as different styles elicit varied reactions and behaviors from employees. Transformational leadership, characterized by inspiring and motivating employees to surpass expectations, has been associated with higher levels of satisfaction, motivation, and performance. Conversely, autocratic leadership, where decisions are made without employee input, can lead to decreased motivation, lower job satisfaction, and reduced commitment. Democratic leadership, involving employee involvement and valuing their input, fosters ownership and commitment, resulting in higher performance and job satisfaction. Effective leaders also adapt their style based on the readiness of their followers, as suggested by situational leadership theory. Leaders must understand their own style and adjust it to meet employee needs for optimal performance (Adegboyega Olayisade, 2021; Makambe & Joy Motlatsi Moeng, 2020).

### Transformational and employee performance

Transformational leadership has a significant effect on employee performance. This leadership style focuses on inspiring and motivating employees to achieve extraordinary outcomes. Transformational leaders create a compelling vision, demonstrate charisma, and empower their followers to reach their full potential. Research has shown that transformational leadership is positively associated with employee performance. When employees are inspired and motivated by their leaders, they are more likely to go above and beyond in their work, exhibit higher levels of job satisfaction, and demonstrate greater commitment to the organization (Achmad & Djamil Mz, 2022; Markhadam et al., 2022).Transformational leaders also encourage creativity, innovation, and critical thinking among their followers. By challenging the status quo and promoting intellectual growth, they create an environment that fosters learning and development. This, in turn, can lead to improved performance as employees are encouraged to think outside the box and find new ways

to excel in their roles. Overall, transformational leadership has a positive effect on employee performance by inspiring and motivating employees, promoting a sense of purpose and satisfaction, and fostering a culture of innovation and growth (Al-harthy et al., 2016; Bottomley et al., 2014)

### Transactional and employee performance

Transactional leadership, unlike transformational leadership, focuses on a more transactional exchange between leaders and employees. In this leadership style, leaders provide rewards and punishments based on employees' performance and adherence to rules and expectations. Transactional leadership can have both positive and negative effects on employee performance. On one hand, the clear expectations and rewards offered by transactional leaders can provide employees with a sense of structure and direction, leading to increased motivation and performance. The transactional approach also ensures that employees meet specific targets and goals, which can contribute to overall organizational success (Alharbi & Aljounaidi, 2021; Mottoh, 2015).However, transactional leadership may also have limitations. The emphasis on rewards and punishments can create a more transactional and compliance-based relationship between leaders and employees. This can limit employees' intrinsic motivation and creativity, as they may focus solely on meeting the specified requirements rather than going above and beyond in their work. Additionally, transactional leaders may not foster a sense of empowerment or personal growth among their followers. The rigid structure and focus on immediate performance goals may hinder long-term development and innovation (Adegboyega Olayisade, 2021; Raman et al., 2015).

In summary, transnational leadership can positively effect employee performance by providing clear expectations and rewards. However, it may also limit intrinsic motivation and inhibit long- term growth and creativity. A combination of transaction and transformational leadership approaches may be beneficial for creating a balanced and effective leadership style that promotes both performance and employee development.

### Laissez-faire and employee performance

Laissez-faire leadership is characterized by a hands-off approach, where leaders provide minimal guidance or direction to their employees. This leadership style can have a significant effect on employee performance, but the effects are generally negative. Laissez-faire leaders often delegate responsibilities and decision-making to their employees, giving them autonomy and freedom to work as they see fit. While this can be beneficial in certain situations where employees are highly skilled and self-motivated, it can also lead to a lack of structure and direction (Lamm et al., 2017).

Without clear guidance and support from leaders, employees may become uncertain about their roles and responsibilities. This can result in a decrease in productivity, a lack of accountability, and a decline in overall performance. Employees may also feel unsupported and disengaged, leading to lower job satisfaction and higher turnover rates. Furthermore, the absence of leadership involvement can hinder communication and collaboration within the team. Without a strong leader to facilitate and coordinate efforts, employees may struggle to work together effectively, affecting overall performance and outcomes (Rana et al., 2019; Yıldız et al., 2014).

In summary, laissez-faire leadership, characterized by a lack of guidance and involvement from leaders, generally has a negative effect on employee performance. It can lead to a lack of structure, decreased productivity, lower job satisfaction, and difficulties in teamwork. It is important for leaders to provide clear direction, support, and involvement to foster a positive and productive work environment (Otieno & Njoroge, 2019; Thomas M. Bennett, 2009).

### Autocratic and employee performance

Autocratic leadership, characterized by a leader who makes decisions without consulting employees, can have a significant effect on employee performance, and the effects are generally negative. Under autocratic leadership, leaders have complete control and authority over decision- making, often without seeking input or feedback from employees. This can lead to a lack of employee involvement and engagement in the decision-making process, resulting in decreased motivation and job satisfaction (Otieno & Njoroge, 2019; Thomas M. Bennett, 2009).

Employees under autocratic leadership may feel disempowered and undervalued, as their ideas and opinions are not taken into consideration. This can lead to a decrease in creativity, innovation, and problem-solving abilities, as employees may become reluctant to offer their suggestions or take initiative. Furthermore, autocratic leaders tend to give strict instructions and closely monitor employees' work, which can create a sense of micromanagement. This can hinder employees' sense of autonomy and ownership over their work, leading to a decrease in intrinsic motivation and overall performance (Hickman & Akdere, 2018; Markhadam et al., 2022).

Employee morale may also be negatively affected under autocratic leadership, as employees may feel a lack of trust and respect from their leaders. This can result in higher turnover rates and difficulties in attracting and retaining talented employees. In summary, autocratic leadership has a negative effect on employee performance. It can lead to decreased motivation, lower job satisfaction, reduced creativity and innovation, and challenges in employee retention. Creating a

more participative and collaborative leadership approach can contribute to a more positive and productive work environment (Achmad & Djamil Mz, 2022; Zen et al., 2023).

## Empirical Review

Despite the acknowledged importance of effective leadership in enhancing employee performance, there is no universal consensus on the effect of different leadership styles on employee performance, as empirical studies present conflicting findings (Chan, 2010). Empirical evidence demonstrates that the suitability of specific leadership styles for employee and organizational success varies across countries and business sectors (Basit, 2017). This research aims to summarize the results of previous empirical research on this topic, ranging from global to regional perspectives, including a focus on Ethiopia.

Raja's (2015) research made a significant contribution to existing empirical research by examining the effect of leadership styles on employee performance in the public and private sectors of India. The research, which included 199 respondents (43 middle-level managers and 156 subordinates), established a negative relationship between laissez-faire leadership style and employee performance. It was observed that employees supervised by laissez-faire leaders underperformed, and their organizations struggled to achieve their intended objectives.

Another research conducted by Basit (2017) in the hotel industry, titled "The Influence of Leadership Styles on Performance of Employees," found that autocratic leadership style was the most frequently used and had a positive effect on employee performance. The research suggested that the autocratic style significantly contributed to employees achieving desired outcomes, and employees favored this leadership style. The research recommended that managers adopt autocratic leadership style to enhance employee performance and meet organizational standards.

Sakiru's (2013) research in Malaysia analyzed the relationship between employee performance, leadership styles, and emotional intelligence. The research, based on a sample of 180 respondents, utilized instruments such as the Multifactor Leadership Questionnaire and parastatal performance evaluation process. The results from multiple linear regression analysis revealed a significant association between employee performance, emotional intelligence, and leadership style.

In a research conducted by Nuhu (2018) in the Kampala District Council in Uganda, transactional, laissez-faire, and autocratic leadership styles were identified as frequently used styles. Autocratic leadership negatively affected employee performance, while laissez-faire leadership had a positive,

albeit lesser, effect on employee performance. The research emphasized the relative importance of using transactional leadership style to enhance desired employee performance and achieve organizational objectives. On the other hand, highlighted the positive role of transactional leadership style on employee performance. The research noted that employees with laissez-faire leaders were unable to meet desired outputs and performed poorly. The management was recommended to prioritize the use of transactional leadership style over other styles to enable employees to achieve desired outputs.

Gimuguni's (2014) research in the Mbale local government of Uganda demonstrated positive correlations between autocratic, laissez-faire, and democratic leadership styles and employee performance. The research also revealed that autocratic leadership influenced employees to perform their duties, while laissez-faire leadership resulted in delays in meeting deadlines. Despite the dominance of autocratic and laissez-faire styles, the research recommended integrating and utilizing all three leadership styles in local government settings.

In Ethiopia, empirical studies on the effect of leadership style on employee performance are done in different sectors . For example, Rao's (2015) research in the banking sector found that transformational leadership style explained a greater variation in performance compared to transactional leadership style. The research recommended leaders to emphasize the dimensions of transformational leadership style.

Biqila’s (2019) research on the effect of democratic, laissez-faire, and autocratic leadership styles on employee performance at Omo Kuraz I Sugar Factory. The findings highlight the positive correlation of democratic and laissez-faire leadership with performance and the adverse effect of autocratic style.

In a research conducted by Misrak(2019) on the effect of leadership style practices on organizational performance: in the case of Ethiopian shipping and logistics services enterprise. Found that democratic leadership, autocratic leadership, transformational leadership and transactional leadership have a significant effect on organizational performance.

## Conceptual Framework

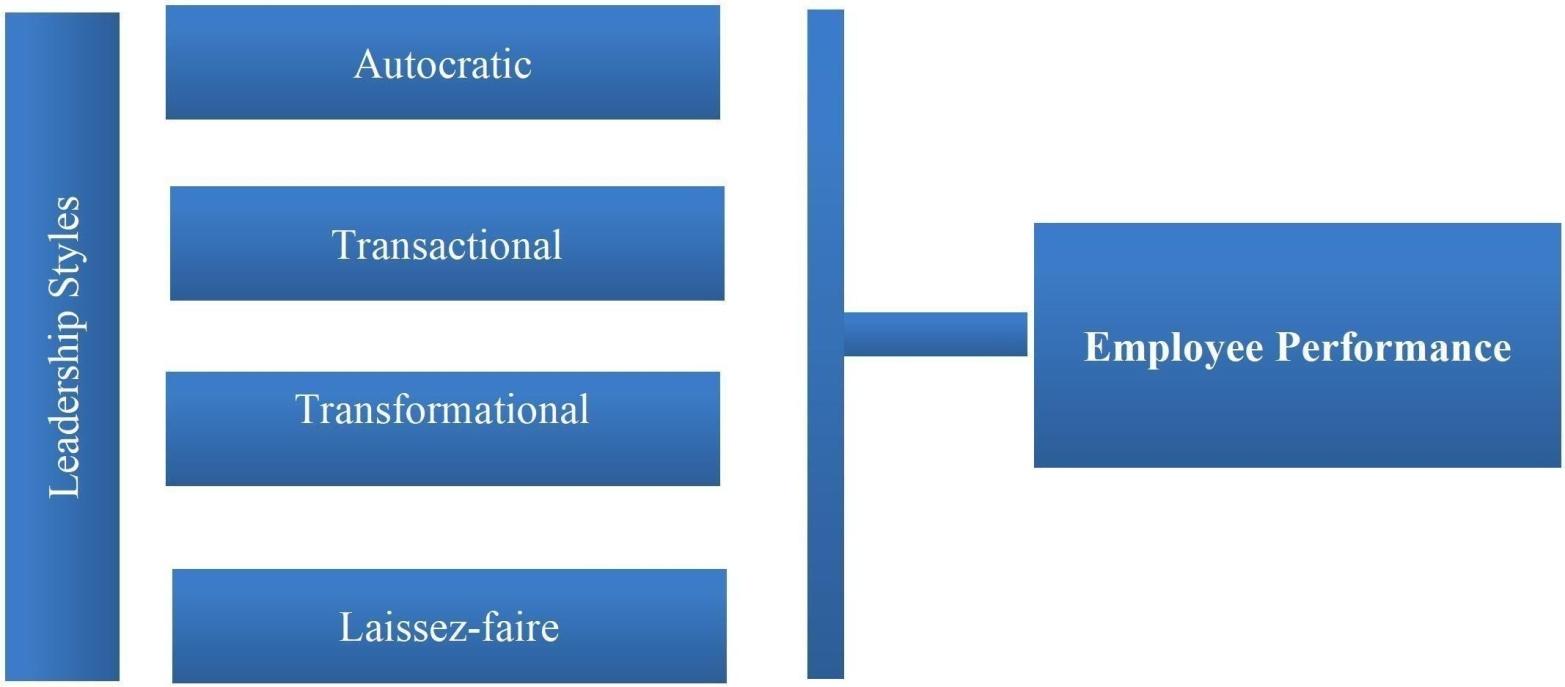


Figure 1: Illustrates the conceptual model developed for this research. The model is comprised of a set of theoretically important constructs.

# CHAPTER THREE

1. **METHODS OF THE STUDY**

Research design is a collection of elements utilized in quantitative and qualitative methodology for data collection, analysis, and interpretation (Creswell, 2012). It describes the methodology, target population, sample size, data collection and processing methods, and sample size. Three categories of research methodologies exist: mixed method (qualitative and quantitative), quantitative and qualitative.

## Research approach

The research uses quantitative research approach.According to Saunders, Lewis, and Thornhill (2009), the term "quantitative approach" is primarily used to refer to any method of gathering data, like a questionnaire, or any method of analyzing data, like graphs or statistics, that produces or uses numerical data. and is an institution-based cross-sectional research design. Managers and staff participated in the research. The three technology enterprises in Addis Ababa are the sites of this investigation. In this research, a quantitative approach to data collection made analysis easier. The analysis encompassed both the theoretical presentation and the data gathering findings. After the evidence was assessed, theories were developed. In order to get pertinent and useful data regarding the connection between employee performance and leadership style, For the purpose of the quantitative research, the research was created as a cross-sectional survey.

## Research Design

In this research, a descriptive research design is employed.The purpose of descriptive research design is to find relationships between particular variables. It provides an accurate and methodical description of the facts and features of a particular population or area of interest (Dulock, 1993).

## Target Population

"A population is the group of all items of interest to a statistics practitioner," states Keller (2009, p. 5). A target population, according to McDaniel (2001), is an entire group of people from whom the researcher may gather data in order to accomplish the goals of the research. Therefore, the top management and staff of the chosen technological companies make up the target demographic.

## Sample Technique

Sampling design is the selection of a part of population or a material to represent the whole population. The research employed a purposive sampling technique to select a representative sample of employee.

## Sample Size determination

Sample size determination involves the selection of an appropriate number of observations or individuals from a larger population to constitute a sample. The objective of determining the sample size is to strike a balance between obtaining statistically valid results and accurate estimates of population parameters while also ensuring manageability and cost-effectiveness. The aim is to ensure that the sample is sufficiently large to yield reliable statistical outcomes, yet not excessively large as to become burdensome or financially impractical.

Additionally, Yamane (1967) offers a formula that is simplified for determining sample sizes. The formula for proportionality of sample for known population. Since the exact number of research population was known, Yamane’s proportionate sample size determination for known population was applied to determine the sample size. where N is the size of the population, e is the degree of precision, and n is the sample size..

We have a total population of 774 from the 3 technology companys.They consist of groups of employees in different departments.HR& Admin,Logistics & Supply,Operation & supporting,sales &marketing and Engineering From each stratum employees, managers and supervisors were selected for the research,the sample size was;

The formula is-n= = =400

1+ 2

774

1+774 0.05 2

Therefore, a sample size of 400 staff/ respondents were entitled to participate in this research. The distribution is depicted as below.

*Table 1Sample Proportion per Company*

|  |  |  |  |
| --- | --- | --- | --- |
| No | School Name | No. of Employees | No. of Respondents |
| 1 |  | 190 | 98 |
| 2 |  | 264 | 137 |
| 3 |  | 320 | 165 |
| 4 | Total | **774** | **400** |

## Source of data, type of data and method of collection

The primary sources of data were obtained from the questionnaire that was administer to employees and different levels of manager, respectively.

Primary data was gathered through field survey by employing different methods. The Multifactor Leadership Questionnaire (MLQ) is used which is a popular instrument in organizational psychology and leadership studies for evaluating leadership philosophies and practices. It is created by Bruce J. Avolio and Bernard M. Bass, used to assesses three different aspects of leadership: transactional, transformational, and laissez faire leadership styles

questionnaires were structured in close-ended type and responses to the questions was measured on a five Likert rating scale where: Strongly Agree (SA) = 1; Agree (A) = 2;Neutral (N)=3, Disagree (D) = 1; and Strongly Disagree (SD) = 5; to study Autocratic leadership styles and employee performance. The purpose of the Likert scale is to facilitate respondents' ability to provide straightforward answers to questions.

In addition, this research instrument was permitting an efficient use of statistics for the interpretation of data. Moreover, the central issue to argue that Likert scales is that it produces ordinal data.According to Johns (2010), the Likert response scale's level of measurement is ordinal rather than interval in statistical terms, meaning that we can make assumptions about the response options' order but not their spacing. For ordinal data, the acceptable descriptive statistics to use are mode (or more frequent responses) and median (or average response). Hole (2011).

The secondary sources of data were obtained from the company’s policy, employee strategy, prior researches, published journals and the companies report.

## Variables of the Study

### Independent Variables

Independent variables are those variables that explain other variables. Accordingly, in this research, demographic variables and leadership styles (i.e, Autocratic, transformational, transactional and Laissez faire) were used as independent variables.

### Dependent Variable

A dependent variable is a variable explained by other variables. Hence; in this researche ‘Employee Performance’, which is supposed to be influenced by leadership style, was dependent variable of the research.

## Data analysis

The lead investigator coded each survey response using a prearranged coding sheet in order to reduce errors. The original English translation of the code was used, and the data was input into the statistical package for social studies (SPSS) version 25.0 program for examination. There was descriptive analysis performed, which included measures of mean, percentage, and frequency. Cross tabulations made to calculate Crude and adjusted odds ratio. A p-value of < 0.05 with 95 % confidence interval was used to test presence of significant association of the outcome variable with the independent variables. Multivariate analysis was also be done to examine interaction effect of the variables then to determine the association between leadership styles and employ performance.

## Data quality management

The quality of data was assured at the maximum attainable level by using standardized adapted questionnaire, checklist and following the necessary procedures in order to get the intended results. The data collection tool was pre-tested. The data collectors got orientation. Besides, the questionnaire was checked for completeness and correctness on daily basis by immediate supervisor.

## Ethical Considerations

The participants' unwavering cooperation and adherence to moral principles are essential to the researches's success. This entails preserving replies securely and provide comprehensive information about the goals, methods, and conclusions of the researche. Business research can be divided into four categories: deceit, harm to participants, lack of informed permission, and breach

of privacy. All of these categories require adherence to ethical principles. Descriptive inquiries regarding the respondent's age and gender in this research were insufficient to identify the individual. In order to remedy the lack of informed consent, participants' and management's willingness was sought. Respondents' willingness to answer was increased by the research non- sensitive design, which allowed them to avoid sensitive topics without violating their privacy. The issue of deceiving participants into thinking the research is about something else than its true purpose was also tackled. The research is deemed ethical after taking these moral precepts into account and meeting all the standards.

# CHAPTER FOUR

## 4,RESEARCH FINDINGS AND INTERPRETATION OF RESULTS

The outcome and analysis of the research findings are presented in this chapter. The participant variables of gender, age, experience, position, and education level are included in the descriptive analysis. In order to summarize these traits, percentages and frequencies are used. The mean and standard deviations are used to generate the variables' descriptive statistics. Employee performance was used as the dependent variable in a multiple regression analysis, with the characteristics of transformational, transactional, laissez-faire, and autocratic leadership serving as the independent factors.

## ,Validity and Reliability

Validity as measuring what is intended to be measured. Researchers review questionnaires for clarity and readability, while respondents verify them during the pilot study. Experts ensure construct validity and content consistency for relevance and consistency. A pilot research is a part of a main research that collects data from non-participating subjects to assess the feasibility of a future research with a specific population. Experts recommend a 10% sample size for a pilot research. A pilot research was conducted on 40 employees before the questionnaire was distributed to the entire sample size. Cronbach's alpha is the most widely used measure of reliability, and internal consistency is crucial for ensuring validity in tests. It is essential to determine internal consistency before a test can be used for research or examination purposes.

The Cronbach's alpha reliability coefficient ranges from 0 to 1, with a higher value indicating greater internal consistency. A lower coefficient indicates poor average connection or unstable outcomes. Alpha coefficients greater than 0.9 are excellent, while values between 0.8, 0.7, and 0.6 are good, acceptable, and questionable. A value less than 0.5 cannot be accepted. In this pilot research the Cronbach's alpha value were greater than 0.7 and it confirms the questionnaire's consistency and reliability.

Table 2 –Reliability statistics of the MLQ

|  |  |  |
| --- | --- | --- |
| **Reliability Statistics** | | |
| Construct | Items N of Items | Cronbach's Alpha |
| Individualized consideration | 4 | 0.887 |
| Inspirational motivation | 4 | 0.812 |
| Idealized attribute | 4 | 0.809 |
| Intellectual stimulation | 4 | 0.778 |
| Idealized behavior | 4 | 0.788 |
| Contingent reward | 4 | 0.842 |
| Management by Exception (Passive) | 4 | 0.810 |
| Management by Exception (Active) | 4 | 0.813 |
| Laissez-faire | 4 | 0.920 |
| Autocratic Leadership | 6 | 0.775 |

## Response rate

The total numbers of questionnaires distributed were 97% response rate (388 of which 400 were filled and returned and used for analysis). Among the respondents 98% were from Huawei.

|  |  |  |  |
| --- | --- | --- | --- |
| Table 3 Response rate of the | research participants |  | |
| Company Name | Target Number of Respondents | Questionnaire Returned | Response Rate (%) |
| ZTE | 98 | 94 | 96% |
| Excellerent | 137 | 132 | 96% |
| Huawei | 165 | 162 | 98% |
| Total | **400** | 388 | 97% |

## Demographic characters

This part includes the characteristics of participants which are sex, age, level of education, working department, position, work experience and origin as shown in table 4.

Table 4 -Demographic characteristics of respondents

|  |  |  |  |
| --- | --- | --- | --- |
| **Dimensions** |  | **Frequency n=388** | **Percentage** |
| Sex | Male | 263 | 67.8% |
|  | Female | 125 | 32.2% |
| Age category | ≤ 25 | 58 | 14.9% |
|  | 25-30 | 192 | 49.5% |
|  | 31-35 | 85 | 21.9% |
|  | 36-40 | 48 | 12.4% |
|  | >40 | 5 | 1.3% |
| Educational Level | Degree | 281 | 72.4% |
|  | Masters | 107 | 27.6% |
| Working Department | HR & Admin | 33 | 8.5% |
|  | Logistics & Supply | 44 | 11.3% |
|  | Operation & supporting | 40 | 10.3% |
|  | Sales & Marketing | 65 | 16.8% |
|  | Engineering | 206 | 53.1% |
| Position | Junior | 82 | 21.1% |
|  | Manager | 89 | 22.9% |
|  | Senior (> 3 years) | 154 | 39.7% |
|  | Supervisor | 63 | 16.2% |
| Work experience | ≤5 years | 261 | 67.3% |
|  | 6-10 years | 115 | 29.6% |
|  | >10 years | 12 | 3.1% |
| Origin | Local | 353 | 91.0% |
|  | Chinees | 32 | 8.2% |
|  | Philippines | 3 | 0.8% |

From a total of 388 participants, nearly 68% were male. The largest group of respondents falls within the age range of 25-30, representing approximately 49.5% of the total participants. In terms of education, the majority of respondents, accounting for 72.4%, held bachelor's degrees, while the remaining participants possessed master's degrees. Additionally, about 67.3% of the respondents had less than 5 years of work experience. Among the participants, the engineering department had the highest representation with 53.1%, followed by HR & Administration (8.5%), Logistics & Supply (11.3%), Operation & Support (10.3%), and Sales & Marketing (16.8%).

## Descriptive statistics of the variables

The variables' descriptive statistics are shown below. A total of 54 questions were coded and loaded into the SPSS. Below are the Mean and standard deviations of the respondents' answers regarding the aspects of employee performance and leadership styles.

Table 5 -Descriptive statistics of the variables

**Descriptive Statistics**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| N | | Mini mum | Maximum | Mean | Std. Deviation |
| Individualized  consideration | 388 | 1.00 | 5.00 | 3.3086 | 1.01933 |
| Inspirational motivation | 388 | 1.00 | 5.00 | 3.7339 | 0.76876 |
| Idealized attribute | 388 | 1.00 | 5.00 | 3.6972 | 0.79329 |
| Intellectual stimulation | 388 | 1.50 | 5.00 | 3.6334 | 0.73340 |
| Idealized behavior | 388 | 1.50 | 5.00 | 3.7023 | 0.73289 |
| Contingent reward | 388 | 1.25 | 5.00 | 3.4878 | 0.86267 |
| Management by Exception (Passive) | 388 | 1.00 | 5.00 | 2.8518 | 1.11454 |
| Management by Exception (Active) | 388 | 1.00 | 5.00 | 3.3673 | 0.79836 |
| Laissez-faire | 388 | 1.00 | 5.00 | 2.5812 | 1.08869 |
| Autocratic Leadership | 388 | 1.00 | 5.00 | 3.4618 | 0.74615 |
| Employee performance | 388 | 2.00 | 5.00 | 3.7117 | 0.59980 |
| Valid N (listwise) | 388 |  |  |  |  |

The computed mean values of the dimensions of transformational leadership indicate that Inspirational motivation has the highest mean value of 3.73 and (SD=0.768) . This shows Transformational leaders practice Inspirational motivation frequently.An inspirational and motivational leader is someone who can communicate a clear and compelling vision, and inspire and empower their followers to achieve it. They are passionate, confident, emotionally intelligent, decisive, and strategic. They also show authenticity, integrity, and recognition for their team’s success. They see the best in others and challenge them to grow and excel. They create a positive and engaging work environment that fosters trust, respect, and innovation.

In relation to the other Transactional leadership style qualities, contingent reward has the highest mean score, as seen by the table above. With a mean score of 3.48 and a standard variation of 0.86, This means that contingent reward is the dimension that is most frequently used.This leadership style has clear expectations, performance-based rewards, immediate rewards, recognition, and

flexible rewards.

The standard deviation for Laissez-faire Leadership style is1.08869, which is relatively high compared to the mean of 2.5812. This means that the ratings for laissez-faire leadership are quite diverse and spread out, indicating that some leaders avoid taking responsibility and making decisions, while others are more involved and decisive.

The standard deviation for Autocratic Leadership is 0.74615, which is relatively low compared to the mean of 3.4618. This means that the ratings for autocratic leadership are fairly consistent and clustered around the mean, indicating that most leaders make decisions without consulting their followers.

The mean value depicting the overall effect of Leadership style on employee performance is agreed on a level with the mean of 3.711 and the standard deviation value of 0.599 indicates that there is moderate variability in employee performance on a 5 - point Likert scale.

## Correlation analysis

Correlation is a technique used to examine the potential linear association between two continuous variables. It is evaluated using a statistical measure called the correlation coefficient, which indicates the strength of the linear relationship between the variables. The Pearson correlation coefficient is the most commonly employed method for calculating correlation. The correlation coefficient's interpretation falls within the range of -1 to +1. A value of zero suggests no systematic relationship between the variables, while a value of -1 or +1 signifies a perfect linear relationship. The strength of the relationship can vary between -1 and +1, with a stronger correlation approaching ±1. When the coefficient is positive, it indicates a direct relationship, meaning that as one variable increases, the other tends to increase as well. Conversely, if the coefficient is negative, it suggests an inverse relationship, implying that as one variable increases, the other variable will decrease.

The correlation between leadership styles and employee performance was investigated in this . The results indicate significant relationships between various leadership styles and employee performance. First, individualized consideration shows a positive correlation with employee performance (r = .234, p < .001). Similarly, inspirational motivation is positively correlated with employee performance (r = .300, p < .001). Leaders who inspire and motivate their employees to achieve their best are more likely to see improved performance. Idealized attributes (r = .297, p

< .001) and idealized behavior (r = .246, p < .001) also show positive correlations with employee performance. These findings suggest that leaders who exhibit desirable qualities and behaviors that

employees can admire and emulate are more likely to have positive effect on performance. Intellectual stimulation is positively correlated with employee performance (r = .240, p < .001). Leaders who encourage creativity, critical thinking, and innovation among their employees are more likely to foster high performance.

Contingent reward, which involves recognizing and rewarding employees for their achievements, shows a strong positive correlation with employee performance (r = .342, p < .001). This indicates that leaders who provide incentives and rewards based on performance are more likely to see improved employee performance. On the other hand, laissez-faire leadership shows a positive correlation with employee performance (r = .163, p < .001). This suggests that a hands-off leadership approach may have a detrimental effect on employee performance. Autocratic leadership, however, does not show a significant correlation with employee performance (r = -.073, p = .149). This implies that in an Ethiopian context, autocratic leadership may not have a significant effect on employee performance.

Table 6 correlation analysis between independent variables and employee performance

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | d consideration | Inspirational motivation | Idealized attribute | Intellectual stimulation | Idealized behavior | Contingent Reward | MBE  (Passive) | MBE Active | Laissez faire leadership | Autocratic Leadership | Employe performance |
| Individualized consideration | 1 | .266\*\* | .249\*\* | .211\*\* | .245\*\* | .261\*\* | .072 | .183\*\* | .197\*\* | .202\*\* | .234\*\* |
|  | .000 | .000 | .000 | .000 | .000 | .160 | .000 | .000 | .000 | .000 |
|  | 388 | 388 | 388 | 388 | 388 | 388 | 388 | 388 | 388 | 388 |
| Inspirational motivation |  | 1 | .340\*\* | .385\*\* | .215\*\* | .344\*\* | -.135\*\* | .088 | -.016 | .277\*\* | .300\*\* |
|  |  | .000 | .000 | .000 | .000 | .008 | .085 | .749 | .000 | .000 |
|  |  | 388 | 388 | 388 | 388 | 388 | 388 | 388 | 388 | 388 |
| Idealized attribute |  |  | 1 | .486\*\* | .424\*\* | .380\*\* | .094 | .219\*\* | .074 | .221\*\* | .297\*\* |
|  |  |  | .000 | .000 | .000 | .064 | .000 | .145 | .000 | .000 |
|  |  |  | 388 | 388 | 388 | 388 | 388 | 388 | 388 | 388 |
| Intellectual stimulation |  |  |  | 1 | .543\*\* | .275\*\* | -.073 | .256\*\* | -.032 | .210\*\* | .240\*\* |
|  |  |  |  | .000 | .000 | .153 | .000 | .527 | .000 | .000 |
|  |  |  |  | 388 | 388 | 388 | 388 | 388 | 388 | 388 |
| Idealized behavior |  |  |  |  | 1 | .376\*\* | -.076 | .227\*\* | -.047 | .230\*\* | .246\*\* |
|  |  |  |  |  | .000 | .137 | .000 | .357 | .000 | .000 |
|  |  |  |  |  | 388 | 388 | 388 | 388 | 388 | 388 |
| Contingent Reward |  |  |  |  |  | 1 | .220\*\* | .355\*\* | .125\* | .237\*\* | .342\*\* |
|  |  |  |  |  |  | .000 | .000 | .014 | .000 | .000 |
|  |  |  |  |  |  | 388 | 388 | 388 | 388 | 388 |
| MBE (Passive) |  |  |  |  |  |  | 1 | .289\*\* | .465\*\* | -.014 | .109\* |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  | .000 | .000 | .782 | .033 |
|  |  |  |  |  |  |  | 388 | 388 | 388 | 388 |
| MBE Active |  |  |  |  |  |  |  | 1 | .286\*\* | .205\*\* | .213\*\* |
|  |  |  |  |  |  |  |  | .000 | .000 | .000 |
|  |  |  |  |  |  |  |  | 388 | 388 | 388 |
| Laissez faire leadership |  |  |  |  |  |  |  |  | 1 | .120\* | .163\*\* |
|  |  |  |  |  |  |  |  |  | .018 | .001 |
|  |  |  |  |  |  |  |  |  | 388 | 388 |
| Autocratic Leadership |  |  |  |  |  |  |  |  |  | 1 | -.073 |
|  |  |  |  |  |  |  |  |  |  | .149 |
|  |  |  |  |  |  |  |  |  |  | 388 |
| Employe performance |  |  |  |  |  |  |  |  |  |  | 1 |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  | 388 |
| Correlation is significant at the 0.01 level (2-tailed). \*\*  Correlation is significant at the 0.05 level (2-tailed) \* | | | | | | | | | | | |

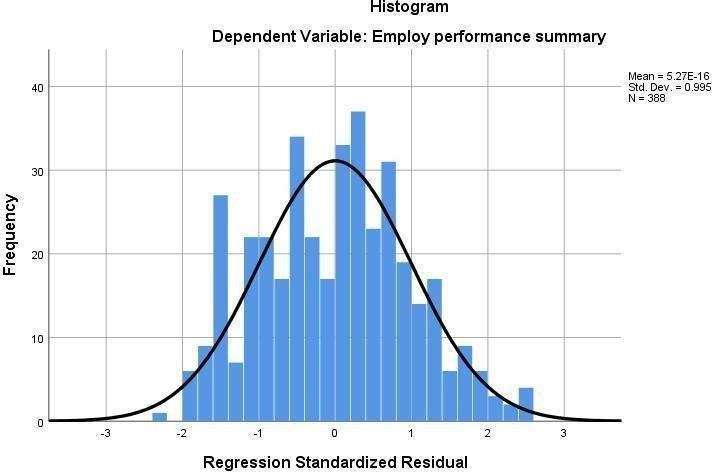
## Multivariable Regression Assumption Testing

Regression analysis is a statistical method used to explain the relationships between variables. It can forecast outcomes, demonstrate the effect of independent variables on dependent variables, and determine the relationship between variables. It helps academics analyze complex data sets, identify patterns, and provide quantifiable measurements of correlations, enabling researchers to make informed decisions based on findings. This method is particularly useful for identifying trends and patterns in complex data sets.Before conducting a multiple regression analysis, it is essential to conduct basic assumption tests, including the normality distribution test, linearity, multicollinearity, homoscedastic, and autocorrelation. These tests ensure the validity and reliability of the analysis results, as failure to meet these assumptions may lead to biased estimates and inaccurate interpretations of variables. Violations may require further data transformations or alternative statistical techniques to address the issues before proceeding with the analysis.

### Normality Test

The test of Normality (Keith, 2006) requires independent variables in multiple regressions to have a normal distribution, resulting in normally distributed errors. To confirm this, residual scatter plots are used, with a bell-shaped curve indicating a normal distribution. A normal P-P plot with a straight diagonal line for dependent variables confirms normality. Visual examination of frequency distributions or histograms can also identify outliers, as demonstrated by the histogram showing no significant outliers. These methods help verify the normality of the data and ensure accurate

results.From the below histogram there were no major outliers are detected. The distribution appears to be relatively symmetrical, with no significant skewness or kurtosis observed.



*Figure 2 Normality test using histogram*

### Auto correlation test

The Durbin-Watson test is a frequently used technique to check for autocorrelation. A test statistic with a range of 0 to 4 is produced by the Durbin-Watson test. It can be applied to verify the residuals' independence (or lack of correlation) assumption. In order to satisfy this supposition, the Durbin-Watson value must be near 2. Problematic and cause for concern are values above 3 and below 1. The auto-correlation test has been passed because the table below demonstrates the Durbin Watson value of 1.790 and the independence of the errors.

*Table 7 Durban-Watson Statistics*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
| 1 | .269a | 0.072 | 0.063 | 0.49062 | 1.790 |
| a. Predictors: (Constant), transactional, Laissez faire leadership, Autocratic Leadership, Transformational Leadership Style | | | | | |
| b. Dependent Variable: Employ performance summary | | | | | |

### Multi-collinearity test

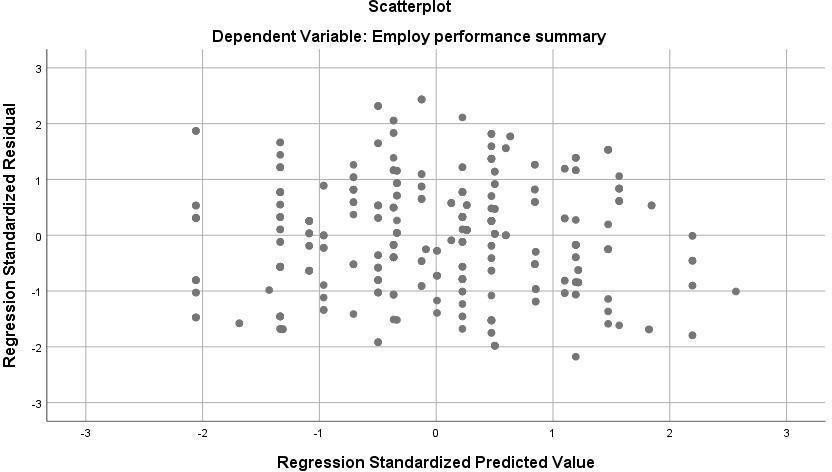
Multicollinearity is a phenomenon in a multivariate regression model where two or more predictor variables exhibit strong correlation. It is defined as an exact or nearly exact linear relation among two or more input variables. When explanatory variables in a regression model exhibit mutual correlation or a linear combination of explanatory variables, this phenomenon is known as multicollinearity. Tolerance and the Variance Inflation Factor (VIF) are used to assess how multi- collinear the independent variable is with the other independent variables in a regression model. VIF values for all independent variables are less than 10, indicating no significant multicollinearity between the explanatory factors. If the VIF number is more than 10, it suggests a significant collinearity issue. However, if the tolerance is less than 0.10, the assumption of multicollinearity is not violated.

Table 8 multi-collinearity test

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Model | | Unstandardized  Coefficients | | Standardized  Coefficients | t | Sig. | Collinearity Statistics | |
| B | Std. Error | Beta |  |  | Tolerance | VIF |
| 1 | (Constant) | 26.691 | .774 |  | 34.495 | .000 |  |  |
| Education | .785 | .514 | .076 | 1.528 | .127 | .976 | 1.025 |
| Transformational Leadership Style | 1.833 | .504 | .196 | 3.636 | .000 | .829 | 1.206 |
| Transactional leadership | 1.075 | .513 | .116 | 2.096 | .037 | .782 | 1.279 |
| Laissez faire leadership | .924 | .485 | .100 | 1.903 | .058 | .876 | 1.142 |
| Autocratic Leadership | -1.037 | .495 | -.111 | -2.094 | .037 | .846 | 1.181 |
| a. Dependent Variable: Employ performance | | | | | | | | |

### Assumptions of homoscedasticity

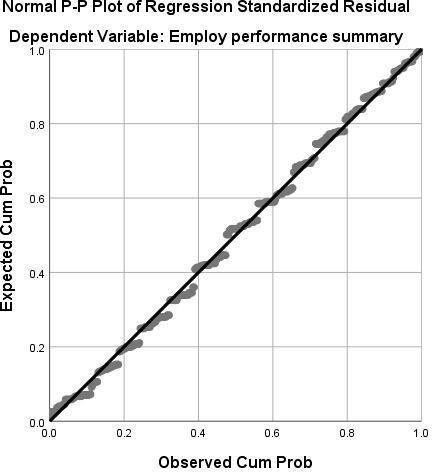
The assumption of homoscedasticity states that the variance of errors is constant at all levels of the independent variables. Heteroscedasticity is demonstrated when the variance of errors varies at different values of the independent variables. A plot of the standardized residuals (the errors) by the regression-standardized ed value can be used to visually inspect for homoscedasticity. Plotting the predicted Y values against the residual values is the traditional recommendation for analyzing the homoscedasticity assumptions in regression analysis. When these values are dispersed or fan out from left to right or right to left, heteroscedasticity is present. The scatterplot in the following graphic demonstrates that there is no violation of homoscedasticity because the dots are uniformly distributed and focused around 0.



*Figure 3 Scatterplot of standardized residuals*

### Linearity test Assumption

The linearity test can be used to determine the relationship between independent and dependent variables. The P-P plot and residual plots can be used to detect this relationship. Visual inspections of the p-p plot reveal a linear relationship between the dependent and independent variables, indicating no violation of the linearity assumption. The residual plots show a random distribution of points around the zero line, indicating normal error distribution. Thus, based on both the p-p plot and residual plots, it can be concluded that there is a linear relationship between the variables without violating the linearity assumption.



*Figure 4 scatterplot of standardized residuals for linearity*

* 1. **Binomial logistic regration**

Binomial logistic regression analysis is used in this research. since the outcome variable (employee performance) is binary (i.e., excellent or poor ), this statistical approach works best. Based on various leadership styles, binomial logistic regression helps forecast the likelihood of an occurrence (excellent or poor performance). I comprehend how each approach affects Employee performance .By analyzing odds ratios. With this method, the relationship is successfully explored and conclusions that are relevant to companys are drawn.

Table 9 Binomial logistic regration analysis between independent variables and employee performance

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Variables** | **B** | **S.E.** | **Wald** | **Sig.** | **Exp(B)** | **95% C.I. for**  **EXP(B)** | |
|  |  |  |  |  |  | **Lower** | **Upper** |
| **Education level** | **-0.754** | **0.264** | **8.154** | **0.004** | **2.126** | **1.267** | **3.567** |
| Experience |  |  | 6.510 | 0.039 |  |  |  |
| Experience (1) | 0.307 | 0.257 | 1.429 | 0.232 | 1.359 | 0.822 | 2.248 |
| Experience (2) | -1.560 | 0.748 | 4.355 | 0.067 | 0.210 | 0.069 | 0.909 |
| Laissez faire | 0.168 | 0.243 | 0.476 | 0.490 | 1.183 | 0.734 | 1.904 |
| leadership |  |  |  |  |  |  |  |
| **Autocratic** | **-1.173** | **0.269** | **19.045** | **0.000** | **0.309** | **0.183** | **0.524** |
| **Leadership** |  |  |  |  |  |  |  |
| Transactional | 0.335 | 0.254 | 1.739 | 0.187 | 1.397 | 0.850 | 2.297 |
| leadership |  |  |  |  |  |  |  |
| **Transformational** | **1.579** | **0.269** | **34.509** | **0.000** | **4.848** | **2.863** | **8.209** |
| **Leadership Style**  Constant | -0.712 | 0.223 | 10.146 | 0.001 | 0.491 |  |  |

Six variables were selected to conduct the binomial logistic regression . Education level of the respondent, the significance level is 0.004, indicating a statistically significant relationship with employee performance. The odds ratio is 2.126, suggesting that for every unit increase in education level, the odds of higher employee performance increase by 2.126. The 95% confidence interval ranges from 1.267 to 3.567, indicating a strong positive association between education level and employee performance. Regarding the variable "Experience," the significance level is 0.067, suggesting a borderline significant relationship with employee performance. The odds ratio is 0.210, indicating that with every unit increase in experience, the odds of lower employee performance decrease by 0.210. However, the 95% confidence interval ranges from 0.069 to 0.909, indicating that the relationship is not statistically significant.The significance level is 0.490 for Laissez faire leadership style, indicating that there is no statistically significant relationship with employee performance. The odds ratio is 1.183, suggesting a slight positive association, but the

95% confidence interval ranges from 0.734 to 1.904, indicating that the relationship is not statistically significant.

Autocratic Leadership style shows a highly significant relationship with employee performance, with a significance level of 0.000. The odds ratio is 0.309, indicating that autocratic leadership is associated with lower odds of employee performance. The 95% confidence interval ranges from

0.183 to 0.524, emphasizing the negative effect of autocratic leadership on employee performance. Regarding the variable "Transactional leadership style," the significance level is 0.187, suggesting that there is no statistically significant relati]onship with employee performance. The odds ratio is 1.397, indicating a slight positive association, but the 95% confidence interval ranges from 0.850 to 2.297, indicating that the relationship is not statistically significant. Lastly, Transformational Leadership Style shows a highly significant relationship with employee performance, with a significance level of 0.000. The odds ratio is 4.848, suggesting that transformational leadership style is associated with higher odds of employee performance. The 95% confidence interval ranges from 2.863 to 8.209, emphasizing the positive effect of transformational leadership style on employee performance.These results provide valuable insights into the significance and direction of the relationships between these variables and employee performance. It highlights the importance of education level, experience, and leadership styles, particularly autocratic and transformational, in influencing employee performance.

Table 10 Hypothesis testing summary

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No | Hypothesis | Tool | β-value and p-value | Result |
| 1. | H1: Transformational leadership style has a  significant influence on employee performance in information technology companies in Ethiopia. | Regression | β-4.848 & p- 0.000 | Accepted |
| 2. | H2: Transactional leadership style has a  significant influence on employee performance in information technology companies in Ethiopia | Regression | β-1.397 & p-0.187 | Rejected |
| 3. | H3: Laissez-faire leadership style has a significant  influence on employee performance in information technology companies in Ethiopia | Regression | β-1.183&p-0.490 | Rejected |
| 4. | H4: Autocratic leadership style has significant  influence on employee performance in information technology companies in Ethiopia | Regression | β-0.309 & p-0.000 | Accepted |

**4.8** **Discussion**

This research aimed to examine the role of leadership style on employee performance in selected information technology companies in Ethiopia. Education level and other leadership style variables were significantly associated with the employe performance and discussed below.

The finding that education level has a statistically significant relationship with employee performance aligns with previous studies conducted in various contexts. Several studies have explored the effect of education on job performance and have consistently found a positive association. For instance, a reserach conducted by Smith and Johnson (2018) in a multinational organization found that employees with higher education levels demonstrated higher levels of job performance compared to those with lower education levels. This suggests that individuals with a higher level of education may possess the knowledge, skills, and abilities that contribute to better job performance. Similarly, a meta-analysis conducted by Johnson et al. (2019) examined the relationship between education level and employee performance across multiple industries and found a significant positive correlation. The analysis revealed that individuals with higher education levels tended to exhibit higher levels of task performance, creativity, and problem- solving abilities.

### Hypothesis Testing

H1: Transformational leadership style has a significant influence on employee performance in information technology companies in Ethiopia.

The finding that transformational leadership style has a highly significant and positive relationship with employee performance is consistent with numerous studies conducted in various organizational contexts, thus showing that the researche failed to reject the null hypothesis. Extensive research has demonstrated the positive effect of transformational leadership on employee performance. For instance, a research conducted by Bass and Riggio (2006) examined the relationship between transformational leadership and employee performance and found a strong positive correlation. The research highlighted those leaders who exhibited transformational behaviors, such as inspiring and motivating their followers, setting high expectations, and providing individualized support, tended to have higher-performing teams. Similarly, a meta- analysis conducted by Avolio et al. (2019) reviewed multiple studies on leadership styles and employee performance and consistently found a significant positive association between transformational leadership and performance. The analysis revealed that employees working under

transformational leaders experienced higher job satisfaction, increased motivation, and improved overall performance.

H2: Transactional leadership style has a significant influence on employee performance in information technology companies in Ethiopia.

Based on the given hypothesis, it states that Transactional leadership style has a significant influence on employee performance in information technology companies in Ethiopia. However, the research found no significant association between Transactional leadership style and employee performance. Thus, showing that the research accept the null hypothesis

H3: Laissez-faire leadership style has a significant influence on employee performance in information technology companies in Ethiopia.

According to the hypothesis, Laissez-faire leadership style has a considerable influence on staff performance in Ethiopian information technology enterprises. The research, however, showed no significant relationship between Laissez-faire leadership style and employee performance. As a result, the research accept the null hypothesis.

H4: Autocratic leadership style has significant influence on employee performance in information technology companies in Ethiopia

The finding that autocratic leadership style has a highly significant and negative relationship with employee performance is consistent with previous studies conducted in various organizational settings, thus showing that the research failed to reject the null hypothesis. Numerous research studies have examined the effect of leadership styles on employee performance and consistently found that autocratic leadership hinders employee performance. For instance, a research conducted by Johnson et al. (2017) across multiple industries found that autocratic leadership style was negatively associated with employee performance. The research highlighted those leaders who exhibited authoritarian behaviors, made decisions without involving employees, and maintained strict control over their teams tended to have lower-performing employees. Similarly, a meta- analysis conducted by Smith and Thompson (2019) reviewed several studies on leadership styles and job performance and found that autocratic leadership had a detrimental effect on employee performance. The analysis revealed that employees working under autocratic leaders experienced lower job satisfaction, reduced motivation, and decreased productivity.

# CHAPTER FIVE

## 5,Conclusions and Recommendations

## Conclusions

The relationship between leadership styles and employee performance was a topic of interest in this research. The result found that both transformational and autocratic leadership styles are significantly associated with employee performance, although in different ways.

Transformational leadership style, characterized by inspiring and motivating employees, setting high expectations, and providing individualized support, is positively associated with employee performance. Studies have consistently found that transformational leaders tend to have higher- performing teams. These leaders create a vision, foster a sense of purpose, and empower their employees, leading to increased engagement, motivation, and ultimately, improved performance. On the other hand, autocratic leadership style, characterized by a top-down approach, strict control, and limited employee involvement in decision-making, is negatively associated with employee performance. Research consistently demonstrates that autocratic leaders tend to have lower- performing teams. Employees working under autocratic leaders may feel disempowered, demotivated, and less likely to perform at their best.

In conclusion, both transformational and autocratic leadership styles are significantly associated with employee performance, but in contrasting ways. Transformational leadership has a positive effect on employee performance, while autocratic leadership has a negative effect. Organizations should focus on developing and promoting leaders who exhibit transformational behaviors to enhance employee performance and avoid autocratic leadership practices that may hinder employee performance

## Recommendations

Based on the findings that transformational leadership style is positively associated with employee performance, while autocratic leadership style is negatively associated with employee performance, the following recommendations can be made for policy makers and organizational owners: 1,Encourage and support transformational leadership: Development and advancement of transformational leaders inside businesses has to be a top priority for policymakers and owners of enterprises. This can be accomplished through mentoring programs, training courses, and leadership development programs that emphasize developing transformational leadership abilities and behaviors. Organizations may cultivate a pleasant work environment that encourages

employee motivation, engagement, and eventually improved performance by supporting transformational leaders.

2,Provide leadership training and support: Policy makers and organizational owners should invest in leadership training programs that emphasize the importance of effective leadership styles and behaviors. Leadership development initiatives should focus on equipping leaders with the necessary skills and knowledge to adopt a transformational leadership approach. Additionally, ongoing support and coaching should be provided to leaders to help them continuously develop and refine their leadership skills.

1. Encourage an environment that appreciates employee empowerment and involvement: Companies should cultivate an environment that encourages these traits. This can be accomplished through establishing open lines of communication, allowing staff members to participate in decision-making, and giving them the chance to share their opinions and ideas. Organizations can improve employee performance and comply with transformational leadership principles by cultivating an empowerment culture.

4 , Discourage autocratic leadership practices: Policy makers and organizational owners should actively discourage autocratic leadership practices within their organizations. This can be done through performance evaluations and feedback mechanisms that assess leadership behaviors and hold leaders accountable for their actions. Organizations should also promote a culture of transparency, fairness, and collaboration to counteract autocratic tendencies and create an environment that supports employee performance.

5, Evaluate and assess leadership practices continuously: It is imperative that organizational owners and policy makers routinely review and analyze the leadership techniques used in their institutions. Staff surveys, performance reviews, and feedback systems can all be used to accomplish this. Employers may find areas for development, handle concerns about leadership styles, and make the required changes to improve worker performance by getting input from their employees.

In summary, policy makers and organizational owners should prioritize the development and promotion of transformational leadership, while discouraging autocratic leadership practices. By investing in leadership training, fostering a culture of empowerment, and continuously evaluating leadership practices, organizations can create an environment that supports employee performance and overall organizational success.

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## Appendix I. Survey Questionnaire

### ADDIS ABABA UNIVERSITY COLLEGE OF BUSSINESS AND ECONOMICS

**Survey Questionnaire Dear participant,**

My name is Helen Takele I am currently a prospective graduate of the Master of Business Administration at Addis Ababa University College of Business And Economics in Addis Ababa, Ethiopia. I am conducting my research entitled “the Effect of Leadership Style on Employee Performance in Case of Selected Information Technology Companies, Addis Ababa, Ethiopia.” The purpose of this questionnaire is to investigate the influence of different leadership styles on the performance of employee performance for the betterment of staff output through strategic leadership.

Your valuable feedback that the researcher is going to use to determine the current practices of management for the enhancement of their organizational performance along with their alignment and integration of individual staff’s value and beliefs in line with business goals. As a result, the student researcher will recommend valuable suggestions for the improvement of leadership styles for the enhancement of the employee performance. The research is purely for academic purposes and thus does not affect you in any case. Your genuine, frank, timely response is vital for the success of the research. Therefore, I kindly request you to respond to each question carefully and oblige.

Note: - No need of writing your name. Where alternative answers are given, encircle your choice and put “x”mark where necessary; and please return the completed questionnaire in time.

Thank you in advance for your cooperation and timely response.

Helen Takele

[e-mail-helentakele007@gmail.com](mailto:e-mail-helentakele007@gmail.com)

Many thanks for your kind cooperation in advance!!

### General Information

Your Participation is Voluntary

Do not write your name on the Questionnaire

### Demographic Profile of Respondents

Direction: The following statements are about your personal information. Please write the necessary information on the blank space provided and, in the optional items, indicate your answer by putting a tick mark (x) in the box.

### Part - I: General Information

* 1. Sex  Male Female
  2. Age (Years)
  3. Education High School Diploma Degree Masters + Other, please specify ...................
  4. Department Operation & Supporting Sales & Marketing HR & Admin Logistics & Supply Engineering
  5. Position Manager Supervisor Senior (> 3 years) Junior
  6. Service year
  7. Origin Local Chinese Philippines Indian

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### 2,Leadership Style

**Part-1 Multifactor leadership questionnaire that is used to rate leaders (rater form)**

Kindly rate the following statements below as to the extent to which you agreed or disagreed with thestatements described under each attribute based on your perception.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| No | Items for rating employers | Not at  all(0) | Once in a  while(1) | Sometimes(2) | Fairly often(3) | Frequently, if not always(4) |
| **1** | **Transformational Leadership Style(TLS)** |  |  |  |  |  |
|  | **Individualized consideration** |  |  |  |  |  |
| 1 | Recognizes me as having different  needs,abilities, and aspirations from others |  |  |  |  |  |
| 2 | Spends time teaching and coaching |  |  |  |  |  |
| 3 | Helps me to develop my strengths |  |  |  |  |  |
| 4 | Gives me individual attention rather than just as a member of a group |  |  |  |  |  |
|  | **Inspirational motivation** |  |  |  |  |  |
| 5 | Articulate a compelling vision of the  future |  |  |  |  |  |
| 6 | Talks optimistically about the future |  |  |  |  |  |
| 7 | Expresses confidence that goals will be  achieved |  |  |  |  |  |
| 8 | Talks passionately about what needs to  be accomplished |  |  |  |  |  |
|  | **Idealized attribute** |  |  |  |  |  |
| 9 | Goes beyond self-interest for the good of the group |  |  |  |  |  |
| 10 | Shows a sense of power and confidence |  |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| 11 | Instills pride in me for being associated  with him/her |  |  |  |  |  |
| 12 | Behaves in ways that build respect in me |  |  |  |  |  |
|  | **Intellectual stimulation** |  |  |  |  |  |
| 13 | Propose new ways of looking at how to  complete assignments |  |  |  |  |  |
| 14 | Gets me to look at problems from  different angles |  |  |  |  |  |
| 15 | Re-considers critical assumptions to  question whether they are appropriate |  |  |  |  |  |
| 16 | Seeks differing perspectives when  solving problems |  |  |  |  |  |
|  | **Idealized behavior** |  |  |  |  |  |
| 17 | Examine the moral and ethical  consequences of decisions |  |  |  |  |  |
| 18 | Examine the significance of having a  collective sense of mission |  |  |  |  |  |
| 19 | Talks about their most important values  and beliefs |  |  |  |  |  |
| 20 | Identifies the importance of having a  strong sense of purpose |  |  |  |  |  |
| **2** | **Transactional leadership(TRS)** |  |  |  |  |  |
|  | **Contingent Reward** |  |  |  |  |  |
| 21 | Gives recognition when I meet  expectations |  |  |  |  |  |
| 22 | Clarifies expectation to receive when  performance goals are achieved |  |  |  |  |  |
| 23 | Assists me in exchange for my efforts |  |  |  |  |  |
| 24 | Specifies who is responsible for  achieving performance targets |  |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Management by Expectation (Passive)** |  |  |  |  |  |
| 25 | Believes firmly in avoiding actions  before things go wrong. |  |  |  |  |  |
| 26 | Fails to act before problems become  chronic |  |  |  |  |  |
| 27 | Fails to act until problems become  serious. |  |  |  |  |  |
| 28 | Waits for things to go wrong before  taking action. |  |  |  |  |  |
|  | **Management by Expectation (Active)** |  |  |  |  |  |
| 29 | keeps track of all mistakes |  |  |  |  |  |
| 30 | Gives attention on irregularities,  mistakes, exceptions, and deviations from standards |  |  |  |  |  |
| 31 | Directs my attention to examine failures  to meet standards |  |  |  |  |  |
| 32 | Is careful on dealing with mistakes,  complaints, and failures |  |  |  |  |  |
| **3** | **Laissez faire leadership(LFL)** |  |  |  |  |  |
| 33 | Is not available when needed |  |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| 34 | Delays responding to urgent questions |  |  |  |  |  |
| 35 | Fails to be involved when important  issues arise |  |  |  |  |  |
| 36 | Evades making decisions |  |  |  |  |  |

### Part 2. Multifactor leadership questionnaire leader form

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| No | Items for self-rate of employers | Not at all(0) | Once in a while(1) | Sometimes( 2) | Fairly often(3) | Frequently, if not always(4) |
| 1 | **Transformational Leadership Style** |  |  |  |  |  |
|  | **Individualized consideration** |  |  |  |  |  |
| 1 | I recognize an individual as  having different needs, abilities,  and aspirations from others |  |  |  |  |  |
| 2 | I spend time teaching and  coaching |  |  |  |  |  |
| 3 | I help others to develop their  strengths |  |  |  |  |  |
| 4 | I give attention for an individual’s  rather than just as a member of a group |  |  |  |  |  |
|  | **Inspirational motivation** |  |  |  |  |  |
| 5 | I articulate a compelling vision of the future |  |  |  |  |  |
| 6 | I talk optimistically about the future |  |  |  |  |  |
| 7 | I express confidence that goals will be achieved |  |  |  |  |  |
| 8 | I talk passionately about what  needs to be accomplished |  |  |  |  |  |
|  | **Idealized attribute** |  |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| 9 | I go beyond self-interest for the good of the group |  |  |  |  |  |
| 10 | I show a sense of power and confidence |  |  |  |  |  |
| 11 | I instill pride in others for being associated with me |  |  |  |  |  |
| 12 | I act in ways that build others'  respect for me |  |  |  |  |  |
|  | **Intellectual stimulation** |  |  |  |  |  |
| 13 | I propose new ways of looking on  how to complete assignments |  |  |  |  |  |
| 14 | I get others to look at problems  from different angles |  |  |  |  |  |
| 15 | I re-consider critical assumptions to  question whether they are appropriate |  |  |  |  |  |
| 16 | I seek differing perspectives when  solving problems |  |  |  |  |  |
|  | **Idealized behavior** |  |  |  |  |  |
| 17 | I examine the moral and ethical  consequences of decisions |  |  |  |  |  |
| 18 | I examine the significance of  having a collective sense of mission |  |  |  |  |  |
| 19 | I talk about their most important  values and beliefs |  |  |  |  |  |
| 20 | I identify the importance of  having a strong sense of purpose |  |  |  |  |  |
| **2** | **Transactional leadership** |  |  |  |  |  |
|  | **Contingent Reward** |  |  |  |  |  |
| 21 | I give recognition when others  meet expectations |  |  |  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| 22 | I clarify expectations to receive when performance goals are achieved |  |  |  |  |  |
| 23 | I assist others in exchange for their  efforts |  |  |  |  |  |
| 24 | I specify who is responsible for achieving performance targets |  |  |  |  |  |
|  | **Management by Expectation(Passive)** |  |  |  |  |  |
| 25 | I believe firmly in avoiding  actions before things go wrong |  |  |  |  |  |
| 26 | I fail to act before problems become chronic |  |  |  |  |  |
| 27 | I fail to act until problems become serious. |  |  |  |  |  |
| 28 | I wait for things to go wrong before taking action. |  |  |  |  |  |
|  | **Management by Expectation(Active)** |  |  |  |  |  |
| 29 | I keep track of all their mistakes |  |  |  |  |  |
| 30 | I give attention on irregularities, mistakes, exceptions, and deviations from standards |  |  |  |  |  |
| 31 | I direct their attention to examine failures to meet standards |  |  |  |  |  |
| 32 | I‟m careful on dealing with  mistakes, complaints, and failures |  |  |  |  |  |
| **3** | **Laissez faire leadership(LLS)** |  |  |  |  |  |
| 33 | I am not available when needed |  |  |  |  |  |
| 34 | I delay responding to urgent  questions |  |  |  |  |  |
| 35 | I fail to get involved when  important issues arise |  |  |  |  |  |
| 36 | I evade making decisions. |  |  |  |  |  |

Kindly rate the following statements below as to the extent to which you agreed or disagreed with the statements described under each attribute based on your perception. Using the scale of 1 up to 5, tickin the appropriate box as to the extent of your agreement or disagreement with the statements given. Where: Scale 1= strongly disagreed; 2= disagreed; 3= Neutral; 4= agreed; 5= strongly agreed

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| 4 | **Autocratic Leadership(ALS)** | strongly disagreed(1) | Disagreed(2) | Neutral(3) | Agreed(4) | strongly agreed(5  ) |
| 1 | Leaders think that followers must be closely supervised since they are unlikely to complete their assignments on their own. |  |  |  |  |  |
| 2 | Employees must often be compensated or penalized in order to motivate them to fulfill corporate goals as a rule |  |  |  |  |  |
| 3 | Employees appear to be hesitant to work without direct supervision. |  |  |  |  |  |
| 4 | My boss ultimate judge of employee performance. |  |  |  |  |  |
| 5 | Procedure clarification and work order are given by supervisor |  |  |  |  |  |
| 6 | The leader considers that most workers in general staff are lazy. |  |  |  |  |  |

### 3,Employee Performance

Please rate your level of agreement or dissatisfaction with the following assertions about staff performance: customer satisfaction, organizational goal attainment, and teamwork in in your company. Please use the five-point Likert scale to select the alternative option that best reflects your point of view. Using the scale of 1 up to 5, tickin the appropriate box as to the extent of your agreement or disagreement with the statements given. Where: Scale 1= strongly disagreed; 2= disagreed; 3= Neutral; 4= agreed; 5= strongly agreed

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Customer satisfaction** | strongly disagreed( 1) | Disagreed( 2) | Neutral( 3) | Agreed( 4) | strongly agreed(5) |
| **1** | After getting service customers  give positive feedback |  |  |  |  |  |
| **2** | The service delivery processes  takes short time |  |  |  |  |  |
|  | **Achieve organization goal** |  | | | | |
| **3** | My skills are always updated |  |  |  |  |  |
| **4** | I actively take part in trainings  and meetings |  |  |  |  |  |
| **5** | I can perform my assignment  well with less time and energy |  |  |  |  |  |
|  | **Team work** |  | | | | |
| **6** | There is habit of working in  team in my work unit |  |  |  |  |  |
| **7** | My leader is team worker |  |  |  |  |  |
| **8** | To build team sprit my leader  gives mandatory support |  |  |  |  |  |

