



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

**THE EFFECT OF LEADERSHIP STYLE ON EMPLOYEE
PERFORMANCE AT SNV ETHIOPIA**

**A RESEARCH THESIS SUBMITTED TO THE ST. MARY
UNIVERSITY IN THE PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF
MASTER IN BUSINESS ADMINISTRATION**

**BY
RAHEL BAFFIE**

ADVISOR: TILAYE KASSAHUN (PHD)

**DECEMBER 2014
ADDI ABABA**

**St. Mary's University
School of Graduate Studies**

**The Effect of Leadership style on Employee
Performance; At SNV Ethiopia**

Rahel Baffie

Approved by:

Advisor

Signature

Declaration

I, the undersigned, declare that this research project “The Effect of leadership style on employee performance: A Case Study of SNV Ethiopia” is my original work and that all sources and materials used in the research paper have been duly acknowledged. This thesis material has not been submitted to any other institution for award of a degree or diploma to the best of my knowledge.

Name: Rahel Baffie

Signature: _____

Date: _____

Acknowledgement

First of all, I would like to acknowledge my sincere advisor Dr. Tilaye Kassahun (PhD), who provided me with the necessary advice and guidance to come up with this research work.

I would like express my gratitude to SNV Ethiopia Management for allowing me to conduct my thesis study for my MBA. The support has been tremendous and well appreciated.

I would also like to thank my colleagues and all the respondents for their willingness to fill up the questionnaire and provide me with honest and timely information.

Next, my appreciation goes to Ato Amanuel Asgedom and my daughter, Deborah Mekonnen for their technical assistance.

Lastly, but not least, my special thanks go to my beloved family: Mekonnen Batula, Nahom, Bethel and Hebron Mekonnen for their relentless support, advice and encouragement during my study.

Table of Contents

| | |
|---|------|
| Acknowledgement | iv |
| <i>Abstract</i> | viii |
| Chapter One..... | 1 |
| Introduction | 1 |
| 1.1 Background | 1 |
| 1.2 Statement of the problem..... | 3 |
| 1.2.1 Basic Research Questions..... | 3 |
| 1.3 Objectives..... | 3 |
| 1.3.1 General Objective | 3 |
| 1.3.2 Specific Objectives..... | 4 |
| 1.4 Significance of the Study | 4 |
| 1.5 Delimitations/Scope of the Study | 5 |
| 1.6 Limitation of the Study..... | 5 |
| 1.7 Organization of the Research Report | 5 |
| Chapter Two..... | 6 |
| Literature Review | 6 |
| 2.1 Concept of Leadership..... | 6 |
| 2.2 Leadership Styles | 7 |
| 2.2.1 Traditional Leadership Styles:..... | 9 |
| 2.2.2 New Leadership Styles:..... | 13 |
| 2.3 Performance and Leadership | 16 |
| 2.3.1 The Effect of Leadership on Employee Performance | 16 |
| Chapter Three..... | 19 |
| Research Methodology | 19 |
| 3.1 Data sources | 19 |
| 3.2 Data gathering tools..... | 20 |
| 3.3 Population and the Census Method | 20 |
| Table 3.3.1 Sample of Employees in the context of their background and expertise..... | 21 |
| 3.4 Procedures of Data Collection..... | 21 |

| | | |
|---|--------------------------------|----|
| 3.5 | Methods of Data Analysis | 21 |
| Chapter Four..... | | 23 |
| Results and Discussion..... | | 23 |
| 4.1. Socio-Demographic Data of Respondents..... | | 23 |
| Table 4.1.1 Sex of respondents | | 23 |
| Table 4.1.2 Age of Respondents | | 24 |
| Table 4.1.3. Education level of Respondents | | 24 |
| Table 4.1.4. Respondent’s employment period in the Netherlands development organization | | 24 |
| 4.2. Beliefs about what the norms, values & practices are in SNV Ethiopia | | 25 |
| Table 4.2.1. Managers encourage group loyalty | | 25 |
| Table 4.2.2. Employees fell loyalty to the organization..... | | 26 |
| Table 4.2.3. Team work is valued | | 26 |
| Table 4.2.4. The leadership integrated people or things..... | | 26 |
| Table 4.2.5. The leadership intellectually stimulating..... | | 27 |
| Table 4.2.6. Important organizational decisions are made in dictatorial way. | | 27 |
| Table 4.2.7. The leadership forces values & opinions on others..... | | 27 |
| Table 4.2.8. Overall, the entire organization is managed to excel..... | | 28 |
| 4.3. Correlation & cross tabulation | | 29 |
| Table 4.3.1a Descriptive Statistics - 1 | | 29 |
| Table 4.3.1b Correlations | | 29 |
| Table 4.3.2a Descriptive Statistics - 2 | | 30 |
| Table 4.3.2b Correlation..... | | 31 |
| Table 4.3.3a Descriptive Statistics - 3 | | 32 |
| Table 4.3.3b Correlations | | 32 |
| Table 4.3.4a Descriptive Statistics - 4 | | 33 |
| Table 4.3.4b Correlations | | 33 |
| Table 4.3.5. Descriptive Statistics - Mean value | | 34 |
| 4.6. Findings | | 35 |

Chapter 5 37
Conclusions & Recommendation..... 37
 5.1 Conclusion..... 37
 5.2 Recommendation..... 38
References 40
Appendixes..... 44

Abstract

The purpose of this study was to examine the effect of the transformational leadership style influences on employee job performance in the context of a not-for profit, development organization, namely the Netherlands Development Organization (SNV Ethiopia). Accordingly, data was generated on the entire population of SNV Ethiopia using questioners, relevant literatures were reviewed, and the views of the employees on the subject matter are examined. On the basis of the findings, it is concluded that the leadership importance on employee performance is significant and there is a strong positive relationship between the two. The study also showed a significant correlation of the two parameters, performance and leadership. Finally, the paper indicated the implication of these findings.

Keywords: *Leadership, Leadership style, Performance*

Chapter One

Introduction

1.1 Background

Leadership is perhaps one of the most important aspects of management (Wehrich et al, 2008). This is because leadership is a major factor which contributes massively to the general wellbeing of organisations and nations. It can be defined as one's ability to get others to willingly follow. And a transformational leader is a person who stimulates and inspires followers to achieve extraordinary outcomes (Robbins and Coulter, 2007). He/she is resourceful, rewarding and enthusiastic; organized well, opens to change and interested in feedback. Leaders in organizations and nations make things happen.

A leadership is a process of influencing groups to achieve goals, while a leader is someone who can influence other (Cole, 2006; Robbin and Coulter, 2007; Wehrich and Koontz, 2008). This is because leadership is a major factor which contributes massively to the general wellbeing of organisations and nations. Integrity, dedication, giving credit where it is due, humility, openness, creativity, fairness, and a sense of humour are some qualities of a good leadership. Thus, a leadership style encompasses a consistent combination of individual behaviors and attitudes towards group members in order to achieve goals.

Leadership is essentially the confidence to successfully fulfilling demanding roles in every society. Hence, effective leadership can be a fundamental tool in maximizing organizations performance and has caused an abundance of research. According to Lewin et. al (1939), variations of leadership styles influences performances and alternate aggression levels and possibly performance. The leader can be described as a possessor of the tools to create and change the structure and culture within an organization. However, there is no consensually agreed definition of culture. Culture is variously defined in terms of commonly shared processes: shared ways of thinking, feeling and reacting; shared meanings and identities; shared socially constructed environments; common ways of interpreting how technologies are used; and commonly experienced events (House, Wright & Aditya, 1997). Thus, it is

almost self-evident and no surprise to common sense that leadership possesses such power, as it is a social process itself and the social climate develops as social process.

Effective leadership is instrumental in ensuring organisational performance (Cummings and Schwab, 1973; Hellriegel, Jackson, Slocum, Staude, Amos, Klopper, Louw and Oosthuizen, 2004). It exerts influence to get others to achieve the leader's objectives. The effective leadership influence is very powerful because the leader's wishes get carried out by the employees because they believe it is in their best interests. As organisations and their environments have transformed quickly over the past years, a new style of leadership, one that is less bureaucratic and more democratic, is required in order to ensure the organisation's survival and performance (Johnson, 1995). In the competitive business environment, it is vital that organisations employ leadership styles that enable organisations to survive in a dynamic environment (Maritz, 1995; Bass, 1997). To cope with the dynamic changing business environment and innovative competitors, most service firms recognize the need to introduce advancements and new technologies within their organizational processes to stay in the market, or to retain their competitive advantage.

Leadership can have a positive or negative influence on change, depending on the change methods used and their effectiveness within the organizational dynamic. And it is argued that effective leadership has a positive influence on the performance of organisations (Maritz, 1995; Bass, 1997; Charlton, 2000). The positive influence characterizes strong and clear leadership in inspiring people to make changes. Ultimately it is the performance of many individuals that culminates in the performance of the organisation, or in the achievement of organisational goals.

The effective leadership styles have much solution for arising problem in the subordinates work and increasing their performance. In fact, the performance of leaders, as with performance of employees in universal is a build in relation to diversity fundamental dimensions such as different leadership styles and advance technology acceptance. In a culture that has destined the great importance of effective leadership, it will subsequently analyse the effects of leadership styles on employee work performance. Hence, identifying the substantial relationship with the employee performance is crucial. This thesis revolves around the importance of leadership and its effect on employee performance.

1.2 Statement of the problem

Leadership is perhaps one of the most important aspects of management (Wehrich, et al, 2008). Thus, the execution of leadership is one way that leaders can build commitment and job satisfaction of employees in turn will increase their performance.

It has been proposed that leadership factors had an influence on the employee performance. Although the relationship between leaders and subordinates has gradually been more focused, it is still unclear as to what extent and in what ways. SNV Ethiopia has adopted the transformational leadership style. However, there is still limitation to perse the performance excellence. Hence, the intention of this research is to study the position of employee performance in SNV Ethiopia and question the significance of the leadership influence on employee performance.

1.2.1 Basic Research Questions

What could be the cause of inefficiency on employee performance of SNV Ethiopia while practicing a transformational leadership style?

- What is the effect of leadership on employee performance of SNV Ethiopia?
- Is there any performance difference between employees who are not satisfied with the leadership styles as compared to the employees with the high level satisfaction?
- What are the cracks on employee's performance?

1.3 Objectives

1.3.1 General Objective

The present study intends to investigate how the leadership style influences employee's job performance in SNV Ethiopia.

1.3.2 Specific Objectives

Some of the specific objectives of the study are to:

- Study the leadership styles influence on employee's performance.
- Examine different opinions of SNV employees about the practice of leadership style in SNV Ethiopia and its impact on their performance.
- Learn about changes in the effect leadership influences.
- Evaluate and assess the limitations in excelling the employee performance in SNV Ethiopia.

1.4 Significance of the Study

There is a long standing question of how to enhance performance excellence. So, this study assumes that the findings of the research will help the leaders in organizations to answer the long standing question of how to enhance employee's performance. It is also important in contributing to the body of knowledge since the present area is highly under researched in developing countries. In addition, the exclusive findings of the study may help to understand the difference between leadership styles. It will also contribute to further the study in leadership styles that make impact on employee's performance.

Subordinates who are not committed and satisfied with the leadership styles may likely to put less effort in the organization as compared to the employees with the high level commitment and satisfaction. Hence, the study will propose recommendations to leaders to understand how employees perform better.

Therefore, identifying the effect of the leadership style and the substantial relationship with the employee performance that tends to enhance commitment and satisfaction which leads to employee's utmost performance would be a significant concern for the organizations.

1.5 Delimitations/Scope of the Study

The scope of the study is basically limited to the employees of the Netherlands Development Organization, SNV Ethiopia. The population for the research will cover 75% of the organization's employees working in five regions of Ethiopia. However, a census method is implemented using a judgmental technique. The remaining 25 % are excluded based on :

- The lack of knowledge to the subject matter and
- The limited period of stay with SNV Ethiopia (less than a year).

1.6 Limitation of the Study

The census is selected only from the 75% of population, which is used to generalize the results to SNV Ethiopia. It has eliminated the 25% employees who have recently joined the organization and the support staff who lack the knowledge for the subject matter. They were not empowered nor participated in decision making as they had little experience. Furthermore, time and financial constraints are also some of the challenges faced during conducting the research.

1.7 Organization of the Research Report

This thesis is organized into chapters. In **Chapter One**, the Introduction: the background, the problem statement, the research question, the purpose and significance of the study are presented. In **Chapter Two**, the existing literature related to the subject matter is reviewed. In **Chapter Three, Method** of the Study: the methodology, instruments of data collection and data analysis procedures used in this research study are presented and described. In **Chapter Four**, Results and Discussion: data analysis and result of the survey using the statistical tools are presented. The chapter also includes interpretation of results and discussion which also highlights the significance of the findings. The last chapter, **Chapter Five** consists of conclusions and recommendation.

Chapter Two

Literature Review

To build a context for the study and treatment of the effect of leadership on employee performance, this chapter analyzes the existing literature on the concept of leadership and its effect on employee performance from various prospective of leadership styles while narrowing its focus to issues pertaining to non-profit international organization, SNV Ethiopia.

2.1 Concept of Leadership

Demand for good leaders is growing in the modern era, as society and technology is becoming increasingly advanced. And the ever changing work environment has created a need for leaders who can meet the demands and challenges of organisations functioning in complex competitive environments. Leadership is perhaps one of the most important aspects of management (Wehrich and Koontz, 2008). This is because leadership is a major factor which contributes massively to the general wellbeing of organisations and nations. The history of the world abounds with remarkable leaders, from Moses and David in the Old Testament to Napoleon in the 1700s and Nelson Mandela and Martin Luther King in the 1900s (Bass, 1997).

There are various theories of leadership, which attempt to explain the factors involved in the emergence of leadership, the nature of leadership, or the consequences of leadership (Bass, 1990). However, the emergence of leadership styles approach is from the Ohio State University leadership studies that began in 1945. Some of the chief contributors to the study were Hemphill, Stogdill, Coons, Fleishman, Harris, and Burtt. And this study was responsible for a variety of significant findings on leadership. There was not much academic interest in the area of leadership until approximately 1930. However, leadership was given a new definition as the ability of a superior to influence the behaviour of subordinates and encourage them to follow a particular course of action (Barnard 1938).

These theories attempted to identify various leadership styles, which is the general manner in which leadership is practiced (Barling, Fullagar and Bluen, 1983). Leadership has been transformed over time with the change in employee requirements resulting in a demand for change in the relationship between a leader and his subordinates; from traditional leadership style all the way to the new leadership style.

Generally, leaders are people who are able to turn their beliefs and visions into reality, through the control and influence they exercise over other people (Bennis and Nanus, 1985). Hellriegel, et al. (2004) define leadership as being “the ability to influence others to act toward the attainment of a goal”, while Mullins (1999:253) adds that it is “a relationship through which one person influences the behaviour of others”. Though it is not the only method, Schilbach (in Gerber, Nel and Van Dyk, 1996) defines leadership as “an interpersonal process through which a leader directs the activities of individuals or groups towards the purposeful pursuance of given objectives within a particular situation by means of communication”. Inherent in these perspectives is the need to be skilled in varying degrees of emotional intelligence, so as to adaptively manage environmental demands (Stuart and Pauquet, 2001). Therefore, a talented business leader must comprehend the importance of employees in achieving the ultimate goals of the organization, and motivating these employees is of paramount importance in achieving these goals (Wall and Sobol 1992). Money seems to motivate a majority of employees, but there are other ways employees find satisfaction in their jobs. Consequently, a leader can employ a number of ways to motivate and reward employees that won't cost a ton of money. A flexible schedule, an achievable challenging work, safe & healthy office facilities, academic reimbursement, rewarding work, quality of life are some of the inspiration factors that matters most in employee motivation.

2.2 Leadership Styles

The basic leadership styles are known as autocratic, bureaucratic, laissez-fair and democratic. Some of the other leadership styles are: Transformational, transactional, creative, corrective, multicultural, intelligence, and change leadership styles. As organisations and their environments have transformed quickly over the past years, a new style of leadership, one that is less bureaucratic and more democratic, is required in order to ensure the organisation's survival and performance (Johnson,

1995). It moved from a very classical autocratic approach to a very creative, participative approach. But everything old was not bad and not everything new was good. However, there is need to respond to a dynamic environment.

In the competitive world business environment it is vital that organisations employ leadership styles that enable organisations to survive in a dynamic environment (Maritz, 1995; Bass, 1997). As a result, many leadership theories have been proposed in the last fifty years. It is the performance of many individuals that ends in the performance of the organisation, or in the achievement of organisational goals.

Performance has been defined by Hellriegel, Jackson and Slocum (1999) as the level of an individual's work achievement after having exerted effort. Cummings and Schwab (1973) and Whetten and Cameron (1998) believe that performance is ultimately an individual phenomenon with environmental variables influencing performance primarily through their effect on the individual determinants of performance ability and motivation. Behling and McFillen (1996) confirmed the link between high performance and leadership in the United States by developing a model of transformational leadership where the leaders' behaviour is said to give rise to inspiration, esteem and empowerment in his subordinates, resulting in exceptionally high effort, exceptionally high commitment and willingness to take risks. It has been widely accepted that effective organisations require effective leadership, and organisational performance will suffer in direct proportion to the neglect of this (Maritz 1995, Ristow Amos and Staude 1999).

Furthermore, it is generally accepted that the performance of any group of people is largely dependent on the excellence of its leadership. Effective leadership behaviour facilitates the attainment of the subordinate's desires, which then results in effective performance (Maritz, 1995; Ristow, et al., 1999). Hellriegel and Slocum (1996:445) define leadership as "influencing others to act toward the attainment of a goal". Rutter (1995:27) adds that leadership "involves moving people in a direction that is in their long term interests". A definition by Bass (1997) that covers the majority of different definitions surrounding the construct of leadership states that "leadership has been conceived as the focus of group processes, as a matter of personality, as a matter of inducing compliance, as the exercise of influence, as particular behaviours, as a form of persuasion, as a power relation, as an instrument to achieve goals, as an effect of interaction, as a differentiated role, as an initiation of structure, and as many combinations of this

definition”. Leadership is then discussed in terms of Traditional and the new leadership, ending in a discussion of the move from the traditional to the new leadership approaches.

2.2.1 Traditional Leadership Styles:

Three traditional leadership approaches that have been developed over time are the trait approach, the behavioural approach and the situational/contingency approach. Each of these leadership approaches describes different dimensions of leadership, and has its own effect on the association between the leader and his followers (Senior, 1997).

2.2.1.1 Trait Leadership Style

The earliest research conducted on the concept of leadership focused on identifying the unique qualities or traits that appeared common to effective leaders, the idea that leaders are born and not made (Swanepoel, et al., 2000). The leadership trait model was established in the early 1900s, with its associated theories and perspectives. In essence, this was the first attempt at the theoretical understanding of the nature of leadership. Most leadership research before 1945 suggested that certain traits were inherent in all leaders and were transferable from one situation to another (Hersey and Blanchard, 1988). This research led to the identification of some traits that are inherent in most leaders. Researchers such as Bernard (1926), Kilbourne (1935) and Stogdill (1974) have tested and studied the impact of traits on leadership. The trait approach attempts to explain leadership effectiveness in terms of the personality and psychological traits of the leader (Maude, 1978). These include emotional intelligence; having an extrovert personality (charisma); dominance; masculinity and conservatism and being better adjusted than non-leaders (Senior, 1997). Numerous studies identified emotional intelligence as a critical element for the success of a leader and as a vital resource for any group (Senior, 1997).

The fact that leaders were naturally born and developed meant that selection would be the key to effective leadership within an organisation, rather than other factors such as training and development (Robbins, 1996). The trait approach, however, focuses almost entirely on the physical and personality characteristics (Gerber, et al., 1996). More recently, researchers moved away from assessing

individuals in terms of traits, and towards assessing how leader behaviour contributes to the success or failure of leadership (Draft, 1999).

2.2.1.2 Behavioural Leadership Style

Alternative approaches to leadership began to develop after the decline in popularity of trait theories (Swanepoel, et al., 2000). Researchers moved away from assessing individuals in terms of traits, the idea that leaders are born and not made, and focused on assessing how leaders' behaviour contributes to the success or failure of leadership (Draft, 1999). But the move away from the trait approach ignited research where leaders were studied either by observing their behaviour in laboratory settings or by asking individuals in field settings to describe the behaviour of persons in positions of authority, then applying different criteria of leader effectiveness to these descriptions. This resulted in the development of a leadership-behaviour model which led to the establishment of the "behavioural school of leadership" The behavioural approach to leadership suggests that the leader's behaviour, not the leader's personal characteristics, influence followers (Shriberg, Lloyd, Shriberg and Williamson, 1997). Extensive research has been done in the area of behavioural approaches to leadership. The main behavioural models include the Theory of Lewin, Lippitt and White (1939), McGregor's Theory (1960), the Managerial Grid Model of Blake and Mouton (1964) and the Ohio State University of Michigan Models (Bass, 1990).

The Democratic Leadership Style along with the autocratic leadership and the laissez-faire leadership styles were first described by Lewin, Lippitt, and White in 1938. Prior to their work, leadership traits were the focus of leadership studies. (Lewin, Lippitt and White) were one of the first to categorize leadership styles in terms of behavioral characteristics.

The democratic leadership Style shares decision-making responsibilities, gives followers a vote in nearly every decision the team makes. The process involved with being a democratic leader is very time consuming because decisions are nearly always made jointly. The democratic leaders often divide their workers into various teams. They respect the multitude of talents and skills among employees and understand the synergistic benefits of working together toward a common goal. This leadership style is best used when the followers are knowledgeable about the organization's process

and change is needed. For example, it is used when the leader needs to introduce fresh ideas into the organization to help with an old process. Democratic leaders are consultative, inclusive, humanistic, and focus on people. There are two types of democratic managers. The consultative democrat will listen carefully to everyone's input, and even change their approach if it seems reasonable, but makes the final decision. On the other hand, the participative democrat relies on group consensus to make decisions. (John Kotter 1988).

An autocratic leadership style relies on one individual to make decisions in a business. An autocratic leader is a leader who is very strict, directive, makes use of his power of influence from his position to control rewards and force the followers to comply with his instruction (Daft, 2005). This type of leader dominates and controls all the decisions and actions by giving instruction and direction to the followers on what to do and how to carry out a task whereby restricting follower's creativity and innovativeness. These leaders usually do not accept any suggestions or ideas from subordinates. Instead, authoritarian leaders tend to make all of the decisions themselves. Managers that use an authoritarian leadership style usually offer few, if any, compliments to workers, which can lead to low performance and high turnover. Hence, autocratic leadership may no longer be accepted by the subordinates who are becoming more competent.

The Laissez Faire Leadership Style allows the followers to have complete freedom to make decisions concerning the completion of their work or ask questions of the leader. Subordinates and employees are allowed and appreciated to participate in decision making (Lewin, Liippit, and White, 1939). But to get fruitful results employees must be responsible, experienced and mature. The leaders who adopt this style of leadership provide the followers with the materials they need to accomplish their goals and answers to the follower's questions. As many employees are sincere with their work and cooperative with each other, they can get goals easily (Ogbonna et al., 2000). The laissez faire style is sometimes described as a "hands off" leadership style because the leader provides little or no direction to the followers.

The restrictions of these behavioural theories are their omission of situational factors on the level of leader effectiveness. One concern is whether one particular method of leading is appropriate for all situations, regardless of the development stage of the organisation, the business environment in which it operates, or the type of people employed by the organisation (Senior, 1997).

2.2.1.3 Situational/Contingency Leadership Style

Dissatisfaction with the trait and behavioural theories gave rise to the situational /contingency approach to leadership. According to this model, effective leaders diagnose the situation, identify the leadership style that will be most effective, and then determine whether they can implement the required style (Mullins, 1999; Swanepoel, et al., 2000). Prominent among these theories are Fielder's Contingency Theory of leadership, the Path-Goal Theory of leader effectiveness which embodies transactional leadership, Hersey and Blanchard's Life-Cycle Theory, the Cognitive-Resource Theory, and the Decision-Process Theory (Bass, 1998). Situational approaches to leadership have come about as a result of attempts to build upon and improve the trait and behavioural approaches to leadership. The situational approaches emphasise the importance of the situation as the dominant feature in effective leadership, together with the leader and the followers (Mullins, 1999).

Different/dissimilar work environments require different types of leadership (Hersey and Blanchard, 1988). Situational leadership does not promote an ideal leadership style, but rather considers the ability of a leader to adapt to the environment. Situational leadership studies the behaviour of leaders and their followers in varying situations (Hersey and Blanchard, 1988). Hersey and Blanchard (1988) argued that there was no best leadership style, but rather that there could be best attitudes for managers. The major advance of the situational approach is the recognition that for different development levels and different types of situations, different leadership styles are more effective. Leadership styles can therefore be defined as the behaviour of an organisation's leader as influenced by the situation surrounding that leader (Senior, 1997). Yukl (1998) states that although situational leadership theories provide insights into reasons for effective leadership, conceptual weaknesses limit the approach's utility. Thus, it is difficult to derive specific testable propositions from the approach, with the approach not permitting strong inferences about the direction of causality (Yukl, 1998). There have been many criticisms of the traditional approaches discussed above. One such criticism, by Bass (1990), is that these approaches have not been rigidly tested in practice and are too specific either in defining leadership in terms of traits, behaviours or situation.

2.2.2 New Leadership Styles:

Organisations and their environments have changed rapidly over the past years and as a result a new style of leadership, one that is less bureaucratic and more democratic, is needed in order to ensure the survival of organisations (Johnson, 1995). There have also been numerous criticisms regarding the traditional approaches already discussed. Consequently, a new style of leadership has emerged in order to ensure the survival of organisations and to overcome limitations of the trait, behavioural and contingency theories of the past. The new theories of leadership evolved in reaction to the increasingly sophisticated traditional models, which became difficult to implement (Bass, 1990; Carlton, 1993). This new leadership approach suggests that there are two views of leadership: transactional leadership and transformational leadership (Bass, 1990).

2.2.2.1 Transactional Leadership Style

Bass and Avolio (1997) describe the transactional leadership style as being based on traditional bureaucratic authority and legitimacy. Transactional leaders are able to entice subordinates to perform and thereby achieve desired outcomes by promising those rewards and benefits for the accomplishment of tasks (Bass, 1990). Bass (1990) describes the transactional leader's relationship with the subordinates as having three phases. Firstly, he recognises what subordinates want to get from their work and ensures that they get what they want given that their performance is satisfactory. Secondly, rewards and promises of rewards are exchanged for employee's effort. Lastly, the leader responds to his employee's immediate self-interests if they can be met through completing the work. Transactional leaders are those leaders who implement structure and are understanding towards their employees (Senior, 1997). Bass (1985:27) indicates that transactional leaders "generally reflect on how to marginally improve and maintain the performance, how to replace one goal for another, how to decrease resistance to particular actions, and how to execute decisions". This form of leadership emphasizes the clarification of goals, work principles and standards, assignments and equipment (Bass, 1985).

Transactional leaders focus their energies on task completion and compliance and rely on organisational rewards and punishments to influence employee performance, with reward being

contingent on the followers carrying out the roles and assignments as defined by the leader (Bass and Avolio, 2000; Mester, Visser and Roodt 2003). In other words, the leader rewards or disciplines the followers depending on the adequacy of the follower's performance (Senior, 1997). The transactional leader is known to change promises for votes and works within the framework of the self-interest of his or her constituency (Bass, 1990). The transactional leader pursues a cost-benefit, economic exchange to meet subordinates' current material and physical needs, in exchange for 'contracted' services rendered by the subordinates (Bass, 1985). Therefore, transactional leaders are thought to have an exchange-based relationship with their followers (Burns, 1978; Senior, 1997). Bass (1985) suggests that transactional leadership uses satisfaction of lower order needs as the principal basis for motivation. The focal point of transactional leadership is on role elucidation. The leader assists the follower in understanding precisely what needs to be achieved in order to meet the organisation's objectives (Bass, 1985). Leaders who display a transactional leadership style define and communicate the work that must be done by their followers, how it will be done, and the rewards their followers will receive for completing the stated objectives (Burns, 1978, in Bass and Avolio, 1990a; Avolio, Waldman and Yammarino, 1991; Meyer and Botha, 2000).

Transactional leadership occurs when leaders approach followers either to correct a problem or to establish an agreement that will lead to better results. Additionally, transactional leadership concerns the style of leadership where the leader makes work behaviour more instrumental for followers to reach their own existing goals while concurrently contributing to the goals of the organisations (Brand, Heyl and Maritz 2000). Transactional leaders are suited to a more stable business environment with little competition, as characterized by the business arena prior to the 1980s (Tichy and Devanna, 1986). In a stable environment, transactional leaders manage what they find and leave things much as they found them when they move on. However, the current competitive business environment requires a new style of leadership in order to ensure the organisation's survival and performance, namely transformational leadership (Bass, 1985; Brand, et al., 2000).

Transactional leadership includes the concept of leadership as an exchange of reinforcements by the leader that are contingent on subordinate performance (Bass, 1997). Transactional leadership is known to be moderately effective when practiced well (Bass, 1998). This style of leadership is more 'traditional' and managerial in nature. It must be noted that reinforcement-based leader subordinate

relationships, as occur with transactional leadership, have been empirically shown to be less effective than transformational leadership (Bass and Avolio, 1997).

2.2.2.2 Transformational Leadership Style

Transformational leadership has emerged as one of the most extensively researched leadership paradigms to date (Bass, 1985). Perhaps the reason that research on transformational leadership has become somewhat self-sustaining is that positive results continue to emerge on the effects of transformational leadership (Hater and Bass, 1988). Transformational leadership concerns the transformation of followers' beliefs, values, needs and capabilities (Brand, et al., 2000). Yukl (1989, in Kent and Chelladurai, 2001:204) defines transformational leadership as "the process of influencing major changes in attitudes and assumptions of organisational members and building commitment for the organisation's mission and objectives". Transformational leaders therefore teach their followers to become transformational leaders in their own right (Bass, 1994).

Recent research (Bass and Avolio, 1994; Kotter, 1988; Meyer and Botha, 2000) in organisational behaviour has identified a leadership theory termed transformational leadership as the most appropriate for modern-day organisations. The concept was introduced by James Burns in 1978 in his description of political leaders. He described it as a process in which "leaders and followers help each other to advance to a higher level of morale and motivation". The current business environment requires this innovative kind of leadership style; a style that empowers employees and raises employee productivity in an effort to improve organisational performance and continued existence (Kotter, 1988). This leadership style is believed to have a constructive impact on the effectiveness of an organisation (Bass and Avolio, 1994). The concept of organisational effectiveness is, however, controversial and several contrasting views exist on the measurement of this concept, yet it remains the critical dependent variable in research (Bass and Avolio, 1994). Additionally, research data (Meyer and Botha, 2000) has clearly shown that transformational leaders are more effective than transactional leaders, regardless of how "effectiveness" has been defined. Hayward, Davidson, Pascoe, Tasker, Amos and Pearse (2003) determined a positive linear relationship between transformational leadership and employee performance in a South African pharmaceutical organisation. Evidence has been gathered in South African retail and manufacturing sectors, as well in

the armed forces of the United States, Canada and Germany that points towards the marginal impact transactional leaders have on the effectiveness of their subordinates in contrast to the strong, positive effects of transformational leaders (Brand, Heyl and Maritz, 2000). Furthermore, in the Canadian financial industry it was found that transformational leadership is more strongly correlated with higher employee satisfaction and individual/organisational performance (Meyer and Botha, 2000).

Transformational leaders inspire their subordinates to adopt the organizational vision as their own, while attempting to heighten their values, concerns and developmental needs (Cacioppe, 1997). They satisfy these needs to ensure effective and long-term survival. Hence, the transformational leadership theory is all about leadership that creates positive change in the followers whereby they take care of each other's interests and act in the interests of the group as a whole (Warrilow, 2012).

2.3 Performance and Leadership

Leadership is perhaps the most thoroughly investigated organisational variable that has a potential impact on employee performance (Cummings and Schwab, 1973). Furthermore, leadership is often regarded as the single most critical success factor in the success or failure of an institution (Bass, 1990:8). Dimma (1989) believes that leadership is undoubtedly the critical determinant of the success of an organisation, and thus determines organisational performance in the competitive global market. Performance is an increasingly important concern for businesses in a dynamic change. In an organisational context, the very nature of performance is defined by the organisation itself (Cummings and Schwab, 1973).

2.3.1 The Effect of Leadership on Employee Performance

Ultimately it is the individual employee who either performs, or fails to perform, a task. In order for an organisation to perform an individual must set aside his personal goals, at least in part, to strive for the collective goals of the organisation (Cummings and Schwab, 1973). Employees are of paramount importance to the achievement of any organisation. Thus, effective leadership enables greater participation of the entire workforce, and can also influence both individual and organisational

performance (Bass, 1997; Mullins, 1999). The success of an organisation is reliant on the leader's ability to optimise human resources.

A good leader understands the importance of employees in achieving the goals of the organisation, and that motivating these employees is of paramount importance in achieving these goals. To have an effective organisation the people within the organisation need to be inspired to invest themselves in the organisation's mission: the employees need to be stimulated so that they can be effective; hence effective organisations require effective leadership (Wall, Solum and Sobol, 1992; Maritz, 1995). To have an effective organisation, there must be effective and stimulating relations between the people involved in the organisation (Paulus, Seta and Baron, 1996).

It has been widely accepted that effective organisations require effective leadership and that organisational performance will suffer in direct proportion to the neglect of this (Fiedler and House, 1988). Furthermore, it is generally accepted that the effectiveness of any set of people is largely dependent on the quality of its leadership; effective leader behaviour facilitates the attainment of the follower's desires, which then results in effective performance (Fiedler and House, 1988; Maritz, 1995; Ristow, et al., 1999). Exceptional leaders, in terms of effectiveness, are perceived to show a strong and direct, but democratic and participative leadership style. Changing employee attitudes, requires an advanced level of leadership more than ever before. According to Bass (1997), in the modern business environment much research has proved that leaders make a difference in their subordinates' performance, and also make a difference as to whether their organisations succeed or fail. Furthermore Kotter (1988) argues for the ever-increasing importance of leadership in organisations, because of significant shifts in the business environments, such as the change in competitive intensity and the need for more participation of the total workforce.

Winning leaders understand what motivates employees and how the employee's strengths and weaknesses influence their decisions, actions, and relationships. Cummings and Schwab (1973) mention the connection between leadership traits or leadership behaviours and employee performance. However, they stress that the literature was not based on empirical evidence and therefore has become discredited over time (Cummings and Schwab, 1973; Fiedler and House, 1988). There is agreement in the literature (Maritz, 1995; Bass, 1997) that leadership is a critical factor in the success or failure of

an organisation; excellent organisations begin with excellent leadership, and successful organisations therefore reflect their leadership. Leaders are effective when the influence they exert over their subordinates works towards achieving organisational performance (Jones and George, 2000).

As per the above evidence in literature, the leadership theories represent bold attempts by researchers to explain the nature and effect of leadership styles. All theories have their various strengths and weaknesses within a context of the styles. However, the influence of leadership style on employees' performance should not be ignored. Effective performance by an individual, group, or organization is assumed to depend on leadership by an individual with the skills to find the right paths and motivate others to take it.

Leadership enhances the motivation, morale, and performance of followers through diversity of mechanisms. These include connecting the follower's sense of identity and self to the undertaking and the collective identity of the organization; being a role model for followers that inspires them and make them interested. Challenging followers to take greater ownership of their work is also part of the leadership influence.

Chapter Three

Research Methodology

The research method focused on the methods and tools of data collection from primary and secondary sources. Basically, the information was generated from primary sources in order to triangulate data from different perspectives regarding the research problem. The secondary sources of information used to provide the conceptual framework and acquire a general picture of the problem.

In the collection of the required data and information from the primary sources, questionnaire was employed to get information on frame work of the study. Participants' data was obtained through in one survey with 5-point scale questionnaire. The systematic observation of the researcher in the whole process of the study was also experienced.

The study is quantitative in nature because the quantitative data has been used, which was collected through questionnaire.

3.1 Data sources

Primary data is collected from the sample population of SNV Ethiopia through a well-designed questionnaire, which was distributed to the SNV Ethiopia employees. The layout of the questionnaire was made simple to enable the respondents to easily understand, and answer them without taking much of their time.

To get secondary data the published and unpublished documents, books, journals, articles and research pares related to the study are referred. The organization's relevant HR documents are also referred to get information on the theoretical frame work of the study.

3.2 Data gathering tools

Both primary and secondary sources of information were used to provide the conceptual framework and acquire a general picture of the problem. The information generated from primary sources was used to triangulate data from different perspectives and explore the relationship between the existing data and the current and fresh information about the research problem in hand. Some specific information on the various aspects of the assessment was also obtained from secondary sources like journals, books, articles, researches and online data.

The primary data is gathered from the entire population of SNV/Ethiopia using questionnaires except the 25% that lacks the knowledge and experience of the subject matter. Accordingly, the new employees under one year of experience in SNV Ethiopia are excluded. The junior support staffs that lack the knowledge of the subject matter are also left out. And the secondary data is assembled through referring the existing relevant documents.

3.3 Population and the Census Method

The population is defined as the Netherlands Development organization's employees in Ethiopia and the survey method is used in drawing the census in the study. The study comprised 103 participants from SNV Ethiopia personnel including both male and female. However, it considered the employees with sufficient knowledge and experiences to the subject matter. Subsequently, Judgemental technique is used in the study.

The population encompassed 12 employees with engineering background, 32 with Agricultural background, 19 with economics background, 3 with environmental science background, 4 with Health background, 18 with management background, 10 with Accounting background, 2 with journalist background, and 3 with IT background.

Table 3.3.1 Sample of Employees in the context of their background and expertise

| Frequency | Background and expertise of the sample of Employees |
|------------------|--|
| 12 | Engineering |
| 32 | Agriculture |
| 19 | Economics |
| 3 | Environmental Science |
| 4 | Heath |
| 18 | Management |
| 10 | Accounting |
| 2 | Journalism |
| 3 | Information Technology (IT) |

3.4 Procedures of Data Collection

- Developed questionnaires to fulfil its objectives.
- In order to determine appropriate question content, whether it is fully understood or not, and response time pilot testing was made on 5 participants. Furthermore, some modifications were made on some questions that seem redundant and suggestions are incorporated.
- Then after, the data is collected by distributing the questionnaire to the population.

3.5 Methods of Data Analysis

Subject of the study were the employees of the Netherlands Development Organization, SNV Ethiopia. 103 structured mail questionnaires were distributed and 89 were returned complete. That yields 92% of the respondents' size. Judgmental technique was used to distribute set of questionnaires

in order to determine the employees' opinions regarding the effect of leadership style on employee's performance in the organization. A five-point Likert scale was used to indicate the respondent's answers. The Statistical Package for the Social Science (SPSS) is used to analyze the data and a descriptive analysis is also used to present and interpret the data collected on various variables of Leadership style and its impact on employee performance. Frequency tables and charts along with percentages are also employed.

Chapter Four

Results and Discussion

This chapter analysis the data generated by the adapted questionnaire. Accordingly, the finding is established based on the data collected and analyzed by employing SPSS in order to answer the research question and to achieve the objective of the study. 103 questioners have been distributed to participants on the data collection which are judgmentally selected employees of the Netherlands development organization and among this 89 of questionnaires were filled out by the respondents. To maintain ethics of research, details about the purpose of the study were provided to the respondents and assured of the confidentiality of their identity and most importantly, whatever information they would give would only be used for academic purpose. Hence, the collected data was put into statistical analyses for concrete results which are summarized in different tables for interpretation and discussed hereunder.

4.1. Socio-Demographic Data of Respondents

Table 4.1.1 Sex of respondents

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|------------|-----------|---------|---------------|--------------------|
| Valid Male | 43 | 48.3 | 48.3 | 48.3 |
| Female | 46 | 51.7 | 51.7 | 100.0 |
| Total | 89 | 100.0 | 100.0 | |

Table 4.1.2 Age of Respondents

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------|-----------|---------|---------------|--------------------|
| 31-35 | 24 | 27.0 | 27.0 | 27.0 |
| 36-40 | 24 | 27.0 | 27.0 | 53.9 |
| Valid 41-45 | 23 | 25.8 | 25.8 | 79.8 |
| >45 | 18 | 20.2 | 20.2 | 100.0 |
| Total | 89 | 100.0 | 100.0 | |

Table 4.1.3. Education level of Respondents

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------------|-----------|---------|---------------|--------------------|
| first degree | 18 | 20.2 | 20.2 | 20.2 |
| Valid second degree and above | 71 | 79.8 | 79.8 | 100.0 |
| Total | 89 | 100.0 | 100.0 | |

Table 4.1.4. Respondent's employment period in the Netherlands development organization

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|------------------|-----------|---------|---------------|--------------------|
| 1-5 years | 60 | 67.4 | 67.4 | 67.4 |
| 6-10 years | 23 | 25.8 | 25.8 | 93.3 |
| Valid 11-15years | 5 | 5.6 | 5.6 | 98.9 |
| 16-20 years | 1 | 1.1 | 1.1 | 100.0 |
| Total | 89 | 100.0 | 100.0 | |

Based on the above tables (4.1.1 - 4.1.4) the respondents' socio demographic characteristics such as gender, age, education, and the employment period with SNV are summarized below. Accordingly, it

is indicated in the table 4.1.1 that 48.3% of the respondents in the sample are male and the remaining 51.7% are females. The respondents are also categorized under different age groups i.e. 31-35 years of age (27 %), 36-40 (27%), 41-45 (25.8%) and above 45 years (20.2%) as per the details in table 4.1.2. The data on education level, Table 4.1.3 shows that 20.2% of respondents are 1st degree holders while 79.8% are with 2nd degree and above qualification. Furthermore, table 4.1.4 consists of respondents who has spent various period of time employed at the SNV Ethiopia. They are categorized in to four groups in that individuals who have worked in the organization from 1-5 years are 67.4%, 6-10 years are 25.8%, 11-15 years are 5.6%, and 16-20 years are 1.1%.

The respondents employment period in the organization shows that the vast majority only stayed up to 5 years and not beyond. As a result, the frequency of employees' movement is very high and not transformed to take greater ownership of their work.

4.2. Beliefs about what the norms, values & practices are in SNV Ethiopia

Table 4.2.1. Managers encourage group loyalty

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Very dissatisfied | 2 | 2.2 | 2.2 | 2.2 |
| Dissatisfied | 1 | 1.1 | 1.1 | 3.4 |
| neutral | 35 | 39.3 | 39.3 | 42.7 |
| satisfied | 44 | 49.4 | 49.4 | 92.1 |
| very satisfied | 7 | 7.9 | 7.9 | 100.0 |
| Total | 89 | 100.0 | 100.0 | |

Table 4.2.2. Employees fell loyalty to the organization

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------------|-----------|---------|---------------|--------------------|
| Dissatisfied | 12 | 13.5 | 13.5 | 13.5 |
| Neutral | 53 | 59.6 | 59.6 | 73.0 |
| Valid Satisfied | 2 | 2.2 | 2.2 | 75.3 |
| Very satisfied | 22 | 24.7 | 24.7 | 100.0 |
| Total | 89 | 100.0 | 100.0 | |

Table 4.2.3. Team work is valued

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------------|-----------|---------|---------------|--------------------|
| Dissatisfied | 1 | 1.1 | 1.1 | 1.1 |
| Neutral | 19 | 21.3 | 21.3 | 22.5 |
| Valid Satisfied | 48 | 53.9 | 53.9 | 76.4 |
| Very satisfied | 21 | 23.6 | 23.6 | 100.0 |
| Total | 89 | 100.0 | 100.0 | |

Table 4.2.4. The leadership integrated people or things

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Very dissatisfied | 12 | 13.5 | 13.5 | 13.5 |
| Dissatisfied | 18 | 20.2 | 20.2 | 33.7 |
| Valid Neutral | 46 | 51.7 | 51.7 | 85.4 |
| Satisfied | 12 | 13.5 | 13.5 | 98.9 |
| Very Satisfied | 1 | 1.1 | 1.1 | 100.0 |
| Total | 89 | 100.0 | 100.0 | |

Table 4.2.5. The leadership intellectually stimulating

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------|-----------|---------|---------------|--------------------|
| Valid Very dissatisfied | 6 | 6.7 | 6.7 | 6.7 |
| Dissatisfied | 8 | 9.0 | 9.0 | 15.7 |
| Neutral | 23 | 25.8 | 25.8 | 41.6 |
| Satisfied | 30 | 33.7 | 33.7 | 75.3 |
| Very satisfied | 22 | 24.7 | 24.7 | 100.0 |
| Total | 89 | 100.0 | 100.0 | |

Table 4.2.6. Important organizational decisions are made in dictatorial way.

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------|-----------|---------|---------------|--------------------|
| Valid Very dissatisfied | 8 | 9.0 | 9.0 | 9.0 |
| Dissatisfied | 16 | 18.0 | 18.0 | 27.0 |
| Neutral | 45 | 50.6 | 50.6 | 77.5 |
| Satisfied | 6 | 6.7 | 6.7 | 84.3 |
| Very satisfied | 14 | 15.7 | 15.7 | 100.0 |
| Total | 89 | 100.0 | 100.0 | |

Table 4.2.7. The leadership forces values & opinions on others

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------------|-----------|---------|---------------|--------------------|
| Valid Dissatisfied | 6 | 6.7 | 6.7 | 6.7 |
| Neutral | 53 | 59.6 | 59.6 | 66.3 |
| Satisfied | 25 | 28.1 | 28.1 | 94.4 |
| Very satisfied | 5 | 5.6 | 5.6 | 100.0 |
| Total | 89 | 100.0 | 100.0 | |

Table 4.2.8. Overall, the entire organization is managed to excel

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Very dissatisfied | 6 | 6.7 | 6.7 | 6.7 |
| Dissatisfied | 1 | 1.1 | 1.1 | 7.9 |
| Valid Neutral | 25 | 28.1 | 28.1 | 36.0 |
| Satisfied | 57 | 64.0 | 64.0 | 100.0 |
| Total | 89 | 100.0 | 100.0 | |

As presented in the above tables (4.2.1 – 4.2.8) the average result shown in the report table indicates that the variables measuring leadership practice in Netherlands development organization are mostly within the satisfied range. On the other hand, 59.6% of respondents were neither satisfied nor dissatisfied on issues related to the employees feeling of loyalty to the organization. 50.6% of the respondents are neither satisfied nor dissatisfied for the important organizational decisions being made by leaders in dictatorial way. The leadership integrating people and things into cohesive, working whole dropped into neutral column by 51.7% and the leadership forcing values and opinions on others is 59.6%.

Overall, the response of participants shows that 64.6% of respondents agree that the organization managed to excel. However, the outcome is below the expectation for an organization practicing the transformational leadership style. Most of the results of the measuring variables have fallen around the average.

4.3. Correlation & cross tabulation

| Bootstrap Specifications | |
|---------------------------|------------|
| Sampling Method | Stratified |
| Number of Samples | 1000 |
| Confidence Interval Level | 95.0% |
| Confidence Interval Type | Percentile |
| Strata Variables | Sex |

Table 4.3.1a Descriptive Statistics - 1

| | | Statistic | Bootstrap ^a | | | |
|-----------------------------------|----------------|-----------|------------------------|------------|-------------------------|-------|
| | | | Bias | Std. Error | 95% Confidence Interval | |
| | | | | | Lower | Upper |
| Managers encourage group loyalty. | Mean | 3.60 | .00 | .08 | 3.45 | 3.74 |
| | Std. Deviation | .750 | -.009 | .075 | .602 | .890 |
| | N | 89 | 0 | 0 | 89 | 89 |
| Employees are encouraged. | Mean | 3.25 | .00 | .07 | 3.09 | 3.38 |
| | Std. Deviation | .679 | -.006 | .045 | .579 | .760 |
| | N | 89 | 0 | 0 | 89 | 89 |

a. Unless otherwise noted, bootstrap results are based on 1000 stratified bootstrap samples

Table 4.3.1b Correlations

| | | Managers encourage group loyalty. | Employees are encouraged. | | |
|-----------------------------------|------------------------|-----------------------------------|---------------------------|-------|-------|
| Managers encourage group loyalty. | Pearson Correlation | 1 | .042 | | |
| | Sig. (2-tailed) | | .693 | | |
| | N | 89 | 89 | | |
| | Bootstrap ^c | Bias | 0 | -.005 | |
| | | Std. Error | 0 | .093 | |
| | | 95% Confidence Interval | Lower | 1 | -.155 |
| | | | Upper | 1 | .210 |

| | | | | | |
|---------------------------|------------------------|-------------------------|-------|-------|---|
| Employees are encouraged. | Pearson Correlation | | .042 | 1 | |
| | Sig. (2-tailed) | | .693 | | |
| | N | | 89 | 89 | |
| | Bootstrap ^c | Bias | | -.005 | 0 |
| | | Std. Error | | .093 | 0 |
| | | 95% Confidence Interval | Lower | -.155 | 1 |
| Upper | | | .210 | 1 | |

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

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

c. Unless otherwise noted, bootstrap results are based on 1000 stratified bootstrap samples

Overall, result of the study show that, the level of managers encourage group loyalty and employees encouragement is positively correlated to see leaders and subordinates relation; and the relationship between the two are statistically significantly at $P < 0.05$.

Table 4.3.2a Descriptive Statistics - 2

| | | Statistic | Bootstrap ^a | | | |
|--|----------------|-----------|------------------------|------------|-------------------------|-------|
| | | | Bias | Std. Error | 95% Confidence Interval | |
| | | | | | Lower | Upper |
| Being innovative to improve performance | Mean | 3.04 | .00 | .09 | 2.87 | 3.22 |
| | Std. Deviation | .811 | -.006 | .040 | .724 | .885 |
| | N | 89 | 0 | 0 | 89 | 89 |
| The leadership forces values & opinions on others. | Mean | 3.33 | .00 | .07 | 3.18 | 3.47 |
| | Std. Deviation | .687 | -.006 | .055 | .570 | .794 |
| | N | 89 | 0 | 0 | 89 | 89 |

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Table 4.3.2b Correlation

| | | Being innovative to improve performance | The leadership forces values & opinions on others. | | |
|--|------------------------|---|--|-------|-------|
| Being innovative to improve performance | Pearson Correlation | | 1 | .035 | |
| | Sig. (2-tailed) | | | .747 | |
| | N | | 89 | 89 | |
| | Bootstrap ^c | Bias | | 0 | .002 |
| | | Std. Error | | 0 | .105 |
| | | 95% Confidence Interval | Lower | 1 | -.173 |
| | | | Upper | 1 | .244 |
| The leadership forces values & opinions on others. | Pearson Correlation | | .035 | 1 | |
| | Sig. (2-tailed) | | .747 | | |
| | N | | 89 | 89 | |
| | Bootstrap ^c | Bias | | .002 | 0 |
| | | Std. Error | | .105 | 0 |
| | | 95% Confidence Interval | Lower | -.173 | 1 |
| | | | Upper | .244 | 1 |

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

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

c. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Overall, result of the study show that, the level of being innovative to improve performance and the leadership forces values and opinions on others is positively correlated to see leaders and subordinates relation; and the relationship between the two are statistically significantly at $P < 0.05$.

Table 4.3.3a Descriptive Statistics - 3

| | | Statistic | Bootstrap ^a | | | |
|---|----------------|-----------|------------------------|------------|-------------------------|-------|
| | | | Bias | Std. Error | 95% Confidence Interval | |
| | | | | | Lower | Upper |
| Employee's satisfaction. | Mean | 3.38 | .00 | .07 | 3.25 | 3.52 |
| | Std. Deviation | .649 | -.008 | .042 | .560 | .725 |
| | N | 89 | 0 | 0 | 89 | 89 |
| The leadership integrates people or things. | Mean | 2.69 | .00 | .10 | 2.49 | 2.85 |
| | Std. Deviation | .912 | -.006 | .064 | .789 | 1.034 |
| | N | 89 | 0 | 0 | 89 | 89 |

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Table 4.3.3b Correlations

| | | Employee's satisfaction. | The leadership integrates people or things. | | |
|---|------------------------|--------------------------|---|-------|-------|
| Employee's satisfaction. | Pearson Correlation | | 1 | .052 | |
| | Sig. (2-tailed) | | | .630 | |
| | N | | 89 | 89 | |
| | Bootstrap ^c | Bias | | 0 | -.005 |
| | | Std. Error | | 0 | .122 |
| | | 95% Confidence Interval | Lower | 1 | -.201 |
| | | | Upper | 1 | .283 |
| The leadership integrates people or things. | Pearson Correlation | | .052 | 1 | |
| | Sig. (2-tailed) | | .630 | | |
| | N | | 89 | 89 | |
| | Bootstrap ^c | Bias | | -.005 | 0 |
| | | Std. Error | | .122 | 0 |
| | | 95% Confidence Interval | Lower | -.201 | 1 |
| | | | Upper | .283 | 1 |

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

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

c. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Table 4.3.4a Descriptive Statistics - 4

| | | Statistic | Bootstrap ^a | | | |
|---|----------------|-----------|------------------------|------------|-------------------------|-------|
| | | | Bias | Std. Error | 95% Confidence Interval | |
| | | | | | Lower | Upper |
| Employees feel loyalty to the organization | Mean | 3.38 | .00 | .10 | 3.18 | 3.60 |
| | Std. Deviation | 1.006 | -.008 | .059 | .874 | 1.108 |
| | N | 89 | 0 | 0 | 89 | 89 |
| Overall, the entire organization is managed to excel. | Mean | 3.49 | .00 | .09 | 3.31 | 3.65 |
| | Std. Deviation | .827 | -.009 | .096 | .616 | .993 |
| | N | 89 | 0 | 0 | 89 | 89 |

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Table 4.3.4b Correlations

| | | Employees feel loyalty to the organization | Overall, the entire organization is managed to excel. | | |
|---|------------------------|--|---|-------|------|
| Employees feel loyalty to the organization | Pearson Correlation | 1 | .248* | | |
| | Sig. (2-tailed) | | .019 | | |
| | N | 89 | 89 | | |
| | Bootstrap ^c | Bias | 0 | -.004 | |
| | | Std. Error | 0 | .088 | |
| | | 95% Confidence Interval | Lower | 1 | .060 |
| | | | Upper | 1 | .400 |
| Overall, the entire organization is managed to excel. | Pearson Correlation | .248* | 1 | | |
| | Sig. (2-tailed) | .019 | | | |
| | N | 89 | 89 | | |
| | Bootstrap ^c | Bias | -.004 | 0 | |
| | | Std. Error | .088 | 0 | |
| | | 95% Confidence Interval | Lower | .060 | 1 |
| | | | Upper | .400 | 1 |

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

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

c. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples.

Table 4.3.5. Descriptive Statistics - Mean value

Report

| | to tel people I work for this organizati onk. | My organizatio n is one of the best companies to work. | My organizatio n treats me well. | In SNV, orderliness and consistency are stresse. | Managers encourage group loyalty. | A person's influence | In SNV people are concerned | The pay and plus system is designed. | Employees are encouraged. | Being innovative to improve performanc e | Employees feel loyalty to the organizatio n | Team work is valued. | Employee's satisfaction. | The leadership integrates people or things. | The leadership intellectual y stimulati ne | Important organizatio nal decisions. | The leadership forces values & opinions on others. | Overall, the entire organization is managed to excel. |
|-------------------|--|---|---|--|--|-------------------------|-----------------------------------|---|---------------------------------|--|---|-------------------------|-----------------------------|---|---|---|--|---|
| Mean | 4.34 | 4.27 | 3.94 | 3.58 | 3.60 | 3.43 | 3.34 | 3.47 | 3.25 | 3.04 | 3.38 | 4.00 | 3.38 | 2.69 | 3.61 | 3.02 | 3.33 | 3.49 |
| N | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 | 89 |
| Minimum | neutral | neutral | Dissatisfied | Very dissatisfied | neutral | Very Dissatisfied | Dissatisfied | Very Dissatisfied | Dissatisfied | Dissatisfied | Dissatisfied | Dissatisfied | Dissatisfied | Very dissatisfied | Very dissatisfied | Very dissatisfied | Dissatisfied | Very dissatisfied |
| Maximum | very satisfied | very satisfied | very satisfied | Satisfied | very satisfied | Very satisfied | Very Satisfied | Very Satisfied | Satisfied | Satisfied | Very satisfied | Very satisfied | Satisfied | Satisfied | Very satisfied | Very satisfied | Very satisfied | Satisfied |
| Sum | 386 | 380 | 351 | 319 | 320 | 305 | 297 | 309 | 289 | 271 | 301 | 356 | 301 | 239 | 321 | 269 | 296 | 311 |
| Std. Deviation | .602 | .687 | .921 | .998 | .750 | 1.260 | .783 | .893 | .679 | .811 | 1.006 | .707 | .649 | .912 | 1.154 | 1.118 | .687 | .827 |
| % of Total Sum | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| % of Total N | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

4.6. Findings

The report of employment period in SNV, table 4.1.4 shows that the vast majority only stayed up to 5 years and not beyond, which indicates the employees' dissatisfaction and high staff movement. According to the questionnaire result, 93.3% of the employees are proud to tell that they work for this organization and 87% believe that it is one of the best organizations to work for. The average result shown in the report table 4.3.5 also indicates that the variables measuring leadership practice in Netherlands development organization are mostly within the satisfied range. However, the next high range of the response falls into the neutral column. Thus, 48.75% of respondents were neither satisfied nor dissatisfied on issues in relation to the design of the pay and plus system of the organization. 50.56% of the respondents are neither satisfied nor dissatisfied for the important organizational decisions being made by leaders in dictatorial way. In similar way, the leadership is not democratic as 50.56% of the respondents are neither satisfied nor dissatisfied. However, the average result shown in the report table 4.3.5 indicated that the variables measuring leadership practice in Netherlands development organization has positive result.

The questionnaire report indicates that 12.4% of respondents specified that they are dissatisfied with the treatment of their organization, 7.9% were neither satisfied nor dissatisfied by the way the organization treats them, 52.8% indicated they are satisfied while 27% were very satisfied. On the other hand, 59.6% neither agree nor disagree that team work is valued in their organization.

82% of the respondents indicated that they are satisfied with the maintenance of orderliness and consistency within the organization. On the other hand, 51.7% neither agree nor disagree, 20.2% disagree, and 13.5% highly disagree that leadership integrates people and things. 24.7% respondents stated that they are very satisfied on the level of intellectual stimulation provided by leadership, 33.7% were satisfied, 25.8% were neither satisfied nor dissatisfied. The study shows the significant correlation of the two parameters, performance and employee satisfaction.

Based on the performance appraisal report (PAR), there is a performance difference between employees who are very satisfied with the SNV Ethiopia leadership execution as compared to the employees with the low level satisfaction. The performance of unhappy employees is most likely low.

Empirical evidence also shows that transformational leadership is strongly correlated with employee work outcomes such as: lower turnover rates, higher level of productivity, employee satisfaction, and goal attainment (Garcia-Morales, 2008). This shows that the overall performance of the SNV Ethiopia leadership is below expectation.

However, the study showed that 64.6% of respondents agree that the organization managed to excel, 28.1% neither agree nor disagree, 1.1% disagree, 6.7% very disagree, and none of the respondents were very agree.

Chapter 5

Conclusions & Recommendation

This chapter presents the conclusion and recommendation of the study. The conclusion part talks about the major issues and findings discussed in the study whereas the recommendation part presents the implication of the findings and suggest major areas that need attention and strategic approach.

5.1 Conclusion

There are various theories of leadership, which attempt to explain the dynamics of the leadership that had an influence on the employee performance. In spite of the numerous criticisms of transformational leadership, its popularity has grown in recent time (Yukl, 1999). Thus the study attempts to examine the execution of a transformational leadership style and its state of influence in excelling employees' job performance in SNV Ethiopia. And it also looked at the effect of a leader's behaviour on employee performance.

Consequently, the study questioned the correlation between different variables:

- The correlation between the level of managers encouraging group loyalty even if individuals' goals suffer and employees being encouraged to strive for continuously improved performance.
- The correlation between the level of being innovative to improve performance due to substantial rewards and the leadership forcing values and opinions on others.
- The correlation between the level of valued employee's satisfaction that contributes to the employee performance and the leadership integrating people or things into cohesive, working whole.
- The correlation between the level of employees loyalty to the organization and overall, the entire organization being managed to excel on all dimensions of services that are important to the customer.
- It examined the performance appraisal results in relation to the satisfaction level. It also looked at the staff movement based on the frequency and the stay within the organization.

The entire study showed that all the variables of leadership are accepted and are positively related to employee performance. From the supported material and results of the study it is also concluded that the leadership effect on employee performance is significant and there is a strong positive relationship between the two. The study also showed a significant correlation of the two parameters, performance and employee satisfaction.

While conducting this study, it is identified that the transformation leadership style as the most appropriate for modern-day organisations (Bass and Avolio, 1994; Meyer and Botha, 2000), which made a lot of contributions to the SNV objectives. However, the autocratic behaviour of the leadership stored a negative input against employee performance. The leadership is not concerned for the transformation of followers' values, needs and capabilities in building commitment to the organisation's mission and objectives.

Although the leadership showed limitations in meeting the expectations while practicing the transformational leadership style the performance result was above average. However, the organization didn't excel to its fullest capacity due to the partial use of the transformational leadership style techniques.

At large, the study advanced our understanding of the behaviours of transformational leadership style that can boost job performance in the organization and of the contingencies that may excel on every dimension to meet organizational goal.

5.2 Recommendation

Despite the limitations of the present study, it is one of the attempts to empirically investigate the effect of leadership style on employee performance in SNV Ethiopia. One of the major conclusions of the study is that as a practitioner of the transparent leadership style, the SNV Ethiopia management use its full capacity to meet the expectations of the transparent leadership style. It is an asset to be democratic and consider the importance of employee in job performance and meeting organizational goals. It is therefore, recommended that:

The organization's Management should focus its attention on evolving strategies to address the identified skill gaps in meeting the expectation. Besides, the organization should work on leadership to bring about the leaders to advance the level of influence.

Attention should be paid by the leadership to review the organization's policies and procedures in the areas of authority on decision making and the overall working environment.

Leaders in the organization should work for a proper and appropriate direction on the essence and importance of good leadership, democracy, and a cordial relationship with their subordinates, who are important assets to the organization.

As the results of the study indicate that effective leadership development is a fundamental need and critical issue in job performance. Therefore, SNV Ethiopia leadership needs to use the findings of this study and the theories of the study variables as an input. As a practitioner of transparent leadership style the leaders should qualify to meet the demands and challenges of organisations functioning in complex competitive environments.

References

- AVOLIO, B.J., WALDMAN, D.A. and YAMMARINO, F.J. 1991. "Leading in the 1990's: The Four I's of Transformational Leadership", **Journal of European Industrial Training**, 15:1-8.
- BASS, B.M. 1985. **Leadership and Performance Beyond Expectations**. New York: Free Press.
- BASS, B.M. 1997. "Concepts of Leadership". In Vecchio, R.P. (ed). **Leadership: Understanding the Dynamics of Power and Influence in Organizations**. Notre Dame: University of Notre Dame Press.k.
- BASS, B.M. 1998. **Transformational Leadership: Industrial, Military, and Educational Impact** Mahwah, New Jersey: Lawrence Erlbaum and Associates.
- BASS, B.M. 1990. **Bass and Stogdill's handbook of leadership: Theory, Research and Managerial applications**. New York: Free Press.
- BASS, B.M. and AVOLIO, B.J. 1994. **Improving Organizational Effectiveness: Through Transformational Leadership**. Thousand Oaks: Sage Publications Inc.
- BASS, B.M. and AVOLIO, B.J. 1997. **Full Range Leadership Development: Manual for the Multifactor Leadership Questionnaire**. Redwood City: Mind Garden Inc.
- BASS, B.M. and AVOLIO, B.J. 1990a. "Developing Transformational Leadership: 1992 and Beyond", **Journal of European Industrial Training**, 14(5): 21-27.
- BASS, B.M. and AVOLIO, B.J. 2000. **Multifactor Leadership Questionnaire**. Redwood City: Mind Garden Inc
- BARLING, J., FULLAGAR, C. and BLUEN, S. 1983. **Behaviour in Organisation: South African Perspective (2nd Edition)**. Johannesburg: McGraw-Hill Book Company.
- BEHLING, O. and MCFILLEN, J. 1996. "A syncretical model charismatic/transformational leadership", **Group and Organisation Management**, 21(2): 120-160.
- BENNIS, W. and NANUS, B. 1985. **Leaders: The Strategy for Taking Charge**. New York: Harper and Row Publishers.
- BERNARD, L.L. 1926. **Introduction to Social Psychology**. New York: Holt.
- BRAND, C., HEYL, G. and MARITZ, D. 2000. "Leadership". In Meyer, M. and Botha, E. (eds). **Organisational Development and Transformation in South Africa**. Durban: Butterworths.

- BURNS, J.M. 1978. **Leadership**. New York: Harper and Row Publishers.
- CARLTON, G. 1993. **Leadership: The Human Race (2nd Edition)**. Kenwyn: Juta & Co.
- CHARLTON, G. 2000. **Human Habits of Highly Effective Organisations**. Pretoria: Van Schaik Publishers.
- Cole, G.A. 2006 **Management Theory and Practice. (6th ED.)** Lonndon: Book Power
- CUMMINGS, L.L. and SCHWAB, D.P. 1973. **Performance in Organisations: determinants and appraisal**. Glenview: Scott, Foresman and Company.
- DIMMA, W.A. 1989. "Leadership", **Business Quarterly**, 23(2): 20-41.
- DRAFT, R.L. 1999. **Leadership Theory and Practice**. Fort Worth: The Drydon Press.
- FIEDLER, F.E. and HOUSE, R.J. 1988. "Leadership Theory and Research: A Report of Progress", **International Review of Industrial and Organisational Psychology**, 19(88): 73-91
- Garcia-Morales V.J., Llorens-Montes, F.J. and Verdu Jover, A.J. (2008) **The Effects of Transformational Leadership on Organizational Performance through Knowledge and Innovation**. *British Journal of Management*. 19(4): 299–319
- GERBER, P.D., NEL, P.S. and VAN DYK, P.S. 1996. **Human Resource Management**, Johannesburg: International Thompson Publishing.
- HATER, J.J. and BASS, B.M. 1988. "Superiors evaluations and subordinates perceptions of transformational and transactional leadership" **Journal of Applied Psychology**, 20(1): 695-702.
- HAYWARD, B.A., DAVIDSON, A.J., PASCOE, J.B., TASKER, M.L, AMOS, T.L. and PEARSE, N.J. 2003. **The Relationship between Leadership and Employee Performance in a South African Pharmaceutical Company**. Paper presented at the Society for Industrial and Organisational Psychology 6th Annual Conference, 25-27 June 2003, Sandton, Johannesburg.
- HELLRIEGEL, D. and SLOCUM, J. 1996. **Management (7th Edition)**. Cincinnati: South-Western College Publishing.
- HELLRIEGEL, D., JACKSON, S.E. and SLOCUM, J.W. 1999. **Management**. Cincinnati: South-Western College Publishing.
- HELLRIEGEL, D., JACKSON, S. E., SLOCUM, J.W., STAUDE, G., AMOS, T., KLOPPER, H.B., LOUW, L. and OOSTHUIZEN, T. 2004. **Management: Second South African Edition**. Cape Town: Oxford University Press Southern Africa.

- HERSEY, P. and BLANCHARD, K.H. 1988. **Management of Organizational Behavior: Utilizing Human Resources (5th Edition)**. Englewood Cliffs: Prentice-Hall.
- House, R.J., Wright, N.S. & Aditya, R.N. (1997). **Cross-Cultural Research on Organizational Leadership**. A Critical Analysis and a Proposed Theory.
- HOWELL, J.M. and AVOLIO, B.J. 1993. "Transformational Leadership, Transactional Leadership Locus of Control and Support for Innovation: Key Predictors of Consolidated Bossiness Performance", **Journal of Applied Psychology**, 78(1): 891-902.
- JOHNSON, M. 1995. **Managing in the Next Millennium**. Oxford: Butterworth-Heinemann.
- JONES, G.R. and GEORGE, J.M. 2000. **Essentials of Managing Organisational Behavior**. Upper Saddle River: Prentice-Hall.
- KENT, A. and CHELLADURAI, P. 2001. "Perceived Transformational Leadership, Organizational Commitment, and Citizenship Behavior: A Case Study in Intercollegiate Athletics", **The Journal of Sport Management**, 15: 135-159.
- KILBOURNE, C.E. 1935. "The Elements of Leadership", **Coats Artillery Journal**, 11(1): 437-439.
- KOTTER, J.P. 1988. **The Leadership Factor**. New York: The Free Press.
- Lewin, K., Liippit, R., & White, R. (1939). **Patterns of aggressive behaviours in experimentally created social climates**. **Journal of Social Psychology**, 271-301.
- MARITZ, D. 1995. "Leadership and mobilising potential", **Human Resource Management**, 10(1): 8-16.
- MAUDE, B. 1978. **Leadership in Management**. London: Business Books.
- MEYER, M. and BOTHA, E. 2000. **Organisation Development and Transformation in South Africa**. Durban: Butterworths.
- MESTER, C., VISSER, D. and ROODT, G. 2003. "Leadership Style and its Relation to Employee Attitudes and Behaviour", **SA Journal of Industrial Psychology**, 29(2): 72-80
- MULLINS, L. 1999. **Management and Organisational Behaviour**. London: Pitman Publishing.
- Ogbonna, L., & Harris 2000. **Leadership style, organizational culture and performance: Empirical evidence from U.K. companies**, **International Journal of Human Resource Management**, 11, 766-788.
- PAULUS, P.B., SETA, C.E. and BARON, R.A. 1996. **Effective Human Relations: A Guide to people at work (3rd Edition)**. Boston: Prentice-Hall.

- RISTOW, A., AMOS, T. and STAUDE, G. 1999. "Transformational leadership and organisational effectiveness in the administration of cricket in South Africa", **South African Journal of Business Management**, 30(1): 1-5.
- ROBBINS, S.P. 1996. **Organisational Behavior: Concepts, controversies, applications**. Upper Saddle River: Prentice-Hall.
- ROBBINS, S.P. and Coulter, M. 2007 Management (9th ed.). **London: Prentice - Hall**.
- RUTTER, G. 1995. "Leadership: directing people for their genuine long-term good", **Human Resource Management**, 10(2): 27-28.
- SENIOR, B. 1997. **Organisational Change**. London: Pitman Publishing.
- SHRIBERG, A., LLOYD, C., SHRIBERG, D.L. and WILLIAMSON, M.L. 1997. **Practicing and Applications Leadership: Principles**. New York: John Wiley & Sons.
- STOGDILL, R.M. 1974. **Handbook of Leadership: A Survey of Theory and Research**. New York: The Free Press.
- STUART, A. and PAUQUET, A. 2001. "Emotional Intelligence as a determinant of Leadership Potential", **Journal of Industrial Psychology**, 27(3): 30-34.
- SWANEPOEL, B., ERASMUS, B., VAN WYK, M. and SCHENK, H. 2000. **South African Human Resource Management: Theory and Practice**. Kenwyn, Juta and Co. Ltd.
- TICHY, N.M and DEVANNA, M.A. 1986. **The Transformational Leader**. New York: John Wiley and Sons.
- WALL, B., SOLUM, R.S. and SOBOL, M.R. 1992. **The Visionary Leader**. Rocklin: Prima Publishing.
- WHETTEN, D.A. and CAMERON, K.S. 1998. **Developing Management Skills (4th Edition)**. London: Addison-Wesley Educational Publishers Inc.
- Wehrich, H., Cannice, M.V. and Koontz, H. (2008) Management (12th ed.). New Delhi: Mc Graw Hill.
- YUKL, G. 1998. **Leadership in Organisations**. Englewood Cliffs: Prentice-Hall.

Appendixes

- Questioner
- SNV PAR form

Assessment Questionnaire

Information for participants: The purpose of this study is entirely academic and the objective of the research is to assess the Impact of Leadership Style on Employee Performance, the case of SNV, the Netherlands Development Organization. I assure you that all the information you will provide to the study will be kept strictly confidential. Filling out this questionnaire doesn't take more than 10 - 15 minutes.

Your genuine, frank and timely responses will have immense on contribution for the success of the study.

Thank you very much!

SECTION A: Socio-Demographic Data

1. Sex:

Male:

Female:

2. Age category:

18 - 25 years

26 -30 years

31 -35 years

36 -40 years

41 -45 years

> 45 years

3. What is the highest level of education you achieved?

Grade 12 complete

Certificate

College Diploma

1st degree:

2nd degree & above

4. For how many years have you worked in this organization?

| | | | |
|---------------|----------------------|----------------|----------------------|
| 1-5 years | <input type="text"/> | 6 - 10 years | <input type="text"/> |
| 11- 15 years | <input type="text"/> | 16 -20 years | <input type="text"/> |
| 21 - 25 years | <input type="text"/> | above 25 years | <input type="text"/> |

5. Field of specialization? _____

6. The department you are currently working in? _____

SECTION B: Beliefs about what the norms, values, and practices are in SNV.

(Put only '✓' of you answer for each statement that most closely represents you observations)

| No. | Statements | Very satisfied | Satisfied | Neither satisfied nor dissatisfied | Dissatisfied | Very dissatisfied |
|-----|---|----------------|-----------|------------------------------------|--------------|-------------------|
| 1. | I am proud to tell people I work for this organization. | | | | | |
| 2. | My organization is one of the best firms to work for. | | | | | |
| 3. | My organization treats me well. | | | | | |
| 4. | In SNV, orderliness and consistency are stressed. | | | | | |
| 5. | Managers encourage group loyalty even if individuals' goals suffer. | | | | | |

| | | | | | | |
|-----|--|--|--|--|--|--|
| 6. | A person's influence is based primarily on one's ability and contribution to the organization. | | | | | |
| 7. | In SNV, people are generally very concerned about others. | | | | | |
| 8. | The pay and plus system is designed to maximize collective interests. | | | | | |
| 9. | Employees are encouraged to strive for continuously improved performance. | | | | | |
| 10. | Being innovative to improve performance is substantially rewarded. | | | | | |
| 11. | Employees feel loyalty to the organization. | | | | | |
| 12. | Team work is valued | | | | | |
| 13. | Employee's satisfaction that contributes to employee's performance is valued. | | | | | |
| 14. | The leadership integrates people or things into cohesive, working whole. | | | | | |
| 15. | The leadership is intellectually stimulating; encourages others to think and use their minds. | | | | | |
| 16. | Important organizational decisions are made in dictatorial way. | | | | | |
| 17. | The leadership forces values and opinions on others. | | | | | |
| 18. | Overall, the entire organization is managed to excel on all dimensions of services that are important to the customer. | | | | | |

SECTION C: Descriptive Questions

1. What do you think in general about the SNV leadership performance and its impact on employee performance?

2. What other ideas do you have concerning Leadership style impact on employee performance and the organization as a whole?

3. What do you recommend for SNV of possible opportunity and improvement?
