EFFECT OF LEADERSHIP STYLE ON EMPLOYESS PERFORMANCE AT WEGAGEN BANK S C

BY

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Thesis Submitted to School of Graduate Studies of ST. MARY'S UNIVERSITY for Partial Fulfilment of the Requirements of the Degree of Master in Business Administration in Management (MBA)

JANUARY 2018

DECLARATION

The undersigned, declare that this study entitledTHE EFFECT OF LEADERSHIP STYLE ON EMPLOYEES PERFORMANCE AT WEGAGEN BANL S.C
This research project is my original work and has not been presented for a degree in any other university and that all sources of materials used for the study have been properly acknowledge

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DEDICATION

This study is dedicated to my family especially my mother for their Constant encouragement and patience throughout continuous financial support academic struggle and my thus realizing my long

Cherished dream.

ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

"**EFFECT OF LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE ATWEGAGEN**

BANK S.C"

BY: LIYA G/MARIAM

Approved by

Board of Examiners'

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Acknowledgements

The completion of this study would have been impossible without the material and

Moral support from various people. It is my obligation therefore to extend my gratitude to

them. First, I thank the Almighty God for giving me good health, and guiding me through

the entire course. I am greatly indebted to Dr. Solomon markos who was my adviser for his

effective supervision, dedication, availability and professional advice. I extend my gratitude

to my lecturers who taught me in the MBA programme, therefore enriching my research

with knowledge. The University of sent merry, who were my respondents,

Deserve my appreciation for their support and willingness for providing the required

Information during my study. My appreciation finally goes to my classmates, with

Whom I weathered through the storms, giving each other encouragement and for their

Positive criticism

Abstract

The increasingly competitive global economy has pushed companies to exploit their available resources as a means of achieving competitive advantage. In this regard, leadership is criticallyimportant because it has a great impact on the condition of the organization. This study has targeted at identifyingthe relationship between the effects of leadership style on employees 'Performance. The research is cross-sectional one the research approach applied for this study was descriptive analyses has been deployed. The target population of this study wasemployees ofWegagen Bank S.C headquarter, with 552populations.The study used stratified sampling technique to select 232 employees' respondents. The primary data was collected using questionnaires and interview. The standardized questionnaires of effect of leadership style on employees 'performance were adapted from previous standard questionnaire Content analysiswas used to analyse qualitative data while the quantitative data was analysed using descriptive statistics using SPSS.20 software Regression and Correlation analysis was used to show the relationships among the variables. The data was presented through, means, and standard deviation Descriptive and inferential statistics along with Pearson correlation and linear regression were used to analysetheir relation and its effect between leadership style and employees' performance as predictor. The study found that The leadership style in place by leaders of Wegagen bank tends to be a mix of both the three major leadership styles the leadership style has significant contribution

for employees' performance. Managers using the transactional leadership style the leadership style employed by Wegagen Bank tend to be more of transformational though there is a sentiment of a laissez-faire and transactional at times.Moreover, the study has also revealed that there is a mix of other leadership styles observed.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

'Leadership is critically important because it affects the current or future condition of the organization Any organization requires effective leaders who can positively influence their followers by increasing employee performance and organizational commitment in order to achieve organizational performance'. According to (Kiue ,2010),

'Leadership is important for an organization to function efficiently and effectively. Leadership and job satisfaction play an important role in creating and maintaining the effectiveness of an organization stated that the negative effects Associated with a lack of employee commitment include Absenteeism and turnover' (Bennett and Durkin, 2000)

The concept of leadership is defined, according to (Hersey and Blanchard 1979), "as the process of influencing the activities of an individual or a group in efforts toward goal accomplishment" For (Senge1990), leadership is associated with stimulants and incentives that motivate people to reach common objectives.

According to (Yukl2005), numerous studies on the theory of leadership can be summarized into five broad theories, namely, trait, behavioural, contingency or situational approach, contemporary integrative approach, and power and influence approach. Early studies on leadership (frequently

categorized as „trait" studies on leadership) concentrated on identifying the personality traits which characterized successful leaders (Mahoney et al., 1960).

Leadership style is the combination of attitude and behaviour of a leader, which leads to certain patterns in dealing with the followers (Dubrin 2004). It is the result of the philosophy, personality and experience of the leader. There are several leadership styles such as: autocratic, bureaucratic, charismatic, democratic, participative, situational, transformational, and transactional and laissez faire leadership (Mosadeghrad, 2003a). Leadership style has been the deciding factor of more than one facet of employee behaviour in organizations. The most common styles are the Laissez-Faire, Authoritarian, and Democratic (Bass, 1990).

It is the responsibility of the individual supervisor to find the most appropriate style or combination of styles that works best for them. Even though one may find comfort in a specific style, as a supervisor they must demonstrate the ability to change their approach based on the situation as well as display openness to utilizing various other techniques Laissez-faire leadership style places no emphasis on any of the bases of power and is often referred to as the "hands-off" style. This approach is one in which the supervisor rejects control and allows the employees to have authority over decision making and group processes with minimal direction (Bass, 1990).

1.2 Relationship between Leadership style and Employee Performance

Leadership style is an important determinant of employee performance. The reactions of employees to their leaders will usually depend on the characteristics of the employees as well as on the characteristics of the leaders (Wexley&Yukl 1984). Performance effectiveness derives from human aspirations and human values that are invisible roots of organizational values, they determine the rational for which organizations exist. The task of a leader in the organization in this case will be too nurture the roots of organizational values, which consists of nothing but a basic human aspiration, that is the will to give Maurik (2001). The essence here is that corporate leadership is the methodology to be used in according responsibility however the challenge that lies in this aspect is that, only giving power to the subordinates may not be wise enough since delegation, empowerment and specialization are calculated risks. Therefore, in the perspective of this study such elements as what types of situations require the use of corporate approach were not satisfactorily explored hence the necessitation of this study.

Leadership is important for all organizations to achieve goals Since leadership is a key factor for improving the performance of the organization, the success or failure of an organization depends on the effectiveness of leadership at all levels. Researchers have stated that leadership is an ability to influence attitudes, beliefs, and abilities of employees to achieve organizational goals. However, over the years, leadership has been had a major topic between the researchers but dramatic social changes that have occurred over the past two decades makes the issue of leadership and its relationship with other organizational factors more remarkable (Duckett & Macfarlane, 2003). Transformational leadership style in new ideas is known as one of the effectiveness leadership style. The style has been composed of four dimensions of ideals influence, inspirational motivation, intellectual stimulation and individualized consideration (Storey, 2004). In fact, all of transformational leadership behavior (individualized consideration, inspiration, intellectual stimulation and charisma) that provide high-performance and active leadership has positive and high impact on employee satisfaction and improvement of organization situation (Hoy & Miskel, 2008).

Wegagen bank is one of the most known private banks in Ethiopian banking industry. It was established on June 11, 1997 G.C. it emerges as one of critical role-playing financial institutions in Ethiopia with an initial capital of 30 million birr. The board of directors consisting of a chairperson, vice chairpersons, and seven directors governs it. The overall management is entrusted to the management team, which comprises the president who is appointed by the board of directors, four vice presidents and sixteen directors, and 5000 total employees. The bank Operate in a similar manner with respect to policies and practices; their performance varies from branch to branch. When the performance evaluation is observed, some branches of the bank achieved their goals at the end of the year while the remaining did not. As per the information obtained from strategic planning office of the bank in 2014/15 budget year, from branches which are found in Addis Ababa city, only 100 (nearly 50%) branches achieved their goal and the remaining 100 (39%) branches did not meet their annual plan goals regarding with this information the bank did not have direct leadership style which promote or motive the employees to achieve the bank objective and alos the leader of the bank have different behavior to lead the follower this is one fact. As one of the profit, making business corporations Wegagen bank is also striving to increase its profit, and in order to achieve its goals the bank needs effective leadership style.

1.3 Statement of the Problem

Many literatures emphasise that leadership behaviours can simplify the improvement of both leadership capability and performance of employees. This eventually contributes to enhancing organizational performance.

Employee performance includes executing defined duties, meeting deadlines, employee competency, and effectiveness and efficiency in doing work. Various organizations need strong leadership styles that stimulate the employee performance. Some organizations such as manufacture factory face the problems: poor innovation, low productivity, inability to meet performance targets. This problem happened due to lack of strategic interventions of specific leadership styles to the particular Situations were predicted as the problem at hand. This problem was continuously affecting employee performance. That is why study investigates the best one leadership style that stimulates performance of employees. It is believed that an effective organization rooted from the propellers or on the business leaders. The idea of effective leadership is also adopted in the world of technology. The employees also perceived that there is a need of a leader who should not only have to lead people but also be effective. So, they need an effective leader who can lead the people toward the changes and performance improvement.

Leadership behaviour in an organization is one of the factors that play significant role in enhancing the interest and commitment of the individuals in the organization (Obiruwu et al., 2011).Leadership style is especially important to motivate employees' commitment to fulfil organizational objectives and increase job performance, (Riaz, Akram, &Ijaz, 2011; Chi, Lan, &Dorjgotov, 2012). Moreover, according to research study conducted by (HueryrenYeh 2012), leadership style is positively related to organizational commitment and job performance.

All branches of Wegagen bank s c operate in a similar manner with respect to policies and practices; their performance varies from branch to branch. When the performance evaluation is observed, some branches of the bank achieved their goals at the end of the year while the remaining did not. As per the information obtained from strategic planning office of the bank in 2014/15 budget year, from branches which are found in Addis Ababa city, only 100 (nearly 50%) branches achieved their goal and the remaining 100 (39%) branches did not meet their annual plan goals. This result clearly shows there is a great difference in performance among branches of the Bank and no previous study has been conducted on the effect of leadership style on employee's performance, even if there are many factors, which have an impact to employee performance such as motivation,

employee satisfaction, engagement, organizational culture etc. And the employee performance accumulation will lead to branches performance.

What pursues an answer to the question; which leadership style really influences wegagen bank employee's performance? Moreover, this study fills the contentious gaps of different research studies that have been conducted on leadership behaviors with respect to employee performance. Consequently, it contributes meaningfully to the body of growing literature and knowledge in this area of study in bank.

1.4 Research Question

➢ What kind of leadership style is currently practiced at WegagenBank S.C?

➢ How do employees perceive the effectiveness of leadership atwegagenbank ?

➢ What employees' performance improvement system is in please at wegagen bank?

➢ What are the effects of leadership styles on employee performance?

1.5 Research Objective

1.5.1 General objective

The general objective of Ethiopia, particularly in the case of Wegagen Bank S.C. this s study to investigate the main effects of leadership styles on performance of banks in

1.5.2 Specific objective

Specifically, the aim of this study will be to:

➢ To identify the existing leadership style in Wegagen Bank of Ethiopia.

➢ To examine the employees perception towards the existing leadership style of Wegagen bank.

➢ To examine the relationship between the leadership style and employee performance.

➢ To assess the effect of leadership style on employees' performance.

1.6 Significance of the study

The study can be significant at least for the following two reasons. First, as it has been discussed in the statement of problem part, empirical research few in number, the effect of leadership style on employee performance in Ethiopia banking industry. Therefore, the findings of this study can have a great contribution to the body of knowledge by identifying how leadership style affects the employee' performance of banks in the case of Wegagen Bank S.C. Second, it can serve as a base for other researchers who want to do a further research on this topic.

1.7 Scope of the study

To address the problem under consideration, this research is delimited to the effect of leadership style on employee performance at wegagen bank s.c. the study focus on the internal function of the organization which is leadership, and its effect on employees' performance. To measure the effect of leadership style the research will implement a regression model, and in order to identify the relationship the research will implement correlation using primary data. The geographic area in which the study has focused on is the banking industry, specifically Wegagen Bank S.C. and the respondents are all in Addis Ababa Ethiopia. The research is conducted on the Headquarter of the bank where the managerial and operational staff is combined. This research has incorporated data for the financial period 2016/17.

1.8 Organization of the study

This paper consists of five chapters of which the first chapter is devoted to introduction to the subject with the relevance and backgrounds of study the research questions, problem statement, objectives, scope and the limitations. Next, the literature review where the researcher analyzes the existing literature about the subject and develops a conceptual framework for the study. The third chapter comprises the research methodology the methods used to achieve the research objectives. The fourth chapter will deal with data analysis and interpretation based on the data gathered and finally the firth chapter that brings conclusion and recommendations of the study.

CHAPTER TWO
LITERATURE REVIEW

2.1 Leadership

The concept of leadership is defined, according to (Hersey and Blanchard 1979), "as the process of influencing the activities of an individual or a group in efforts toward goal accomplishment". For (Senge1990), leadership is associated with stimulants and incentives that motivate people to reach common objectives. (Hersey et al. (2001), states that the essence of leadership involves achieving objectives with and through people,(Weihrich and Koontz 1994) define leadership as the process of influencing people so that they make an effort by their own will and enthusiasm towards obtaining the group's goals. According to (Kotter1990), without leadership, the probability of mistakes occurring increases and the opportunities for success become more and more reduced. For these same authors, and in this context, leadership allows cooperation, diminishes conflicts, contributes to creativity and has an integrating role, as it keeps people united even when not physically so.

According to (Yukl 2005), numerous studies on the theory of leadership can be summarized into five broad theories, namely, trait, behavioural, contingency or situational approach, contemporary integrative approach, and power and influence approach. The trait approach refers to inherent personal characteristics of the leaders where original trait conception of leadership was founded on the major assumption that leaders possessed universal characteristics that made them leaders; those traits were seen to be relatively fixed, inborn, and applicable in various situations.

In this way, leadership, together with stimulants and incentives, promotes peoples motivation towards achieving common goals, having a relevant role in the processes of forming, transmitting and changing organizational culture (Senge, 1990). It has been a topic of interest among academicians and practitioner working in the area of leadership (Cannella& Rowe, 1995; Giambatista, 2004; Rowe et al., 2005). Perhaps the most prominent reason for this interest is the widespread belief that leadership can affect the performance of organizations (Rowe et al., 2005 p, 197; Ulgen&Mırze 2006).

Critical organizational outcomes, such as satisfaction, organizational performance, group performance, and commitment, have been associated with these leadership styles

(Kirkpatrick&Locke, 1996). Leadership has probably been written about, formally researched and informally discussed more than any other single topic in the management and organization literature (Daft, 1998; Luthans, 1995). Review of leadership research shows that, there are almost as many different definitions of leadership as there are people who have tried to define it. (Koçel, 2005; Northouse, 2004; Stogdill, 1974). Despite all this attention given to leadership, there is still considerable controversy. Some organizational behaviour theorists do not even recognize leadership. (Luthans, 1995) and in the past 50 years, there have been as many as 65 different classification systems developed to define the dimensions of leadership (Fleishman et al, 1991).

2. 2. Type Leadership style

2.2.1 Laissez-faire Style

The laissez-faire leader gives no continuous feedback or supervision because the employees are highly experienced and need little supervision to obtain the expected outcome. This type of style is also associated with leaders that do not lead at all, failing in supervising team members, resulting in lack of control and higher costs, bad service or failure to meet deadlines. In government, this is what the type of leadership, which may drive to anarchy (Lewin, Lippitt, & White, 1939). Laissez-Faire Leaders give group members the freedom to make their own decision in any process as leaders play no leadership role to subordinates (Griffin, 1993). Laissez- Faire Leaders need the less of management authority, leave responsibility to subordinates to decide goals, plans, and programs by their own within the source of possibility. In other words, laissez faire leaders do not take the responsibility and give subordinates the authority to use (Eren, 2010). Laissez-Faire Leaders do not form any control mechanism on group members, and they are completely free to take any decision (Vogt et. al., 2004). An avoidant leader may either not intervene in the work affairs of subordinates or may completely avoid responsibilities as a superior and is unlikely to put in effort to build a relationship with them. Laissez-faire style is associated with dissatisfaction, unproductiveness and ineffectiveness (Deluga, 1992).

2.2.2 Transactional Style

Transactional leaders focus mainly on the physical and the security needs of subordinates. The relationship that evolves between the leader and the follower is based on bargaining exchange or reward systems (Bass, 1985; Bass and Avolio, 1993). Transactional leadership "Using a carrot or a stick, transactional leadership is usually characterized as instrumental in followers" goal

attainment" (Bass, 1997). There are three components in transactional leadership – Contingent reward, whereby subordinates" performance is associated with contingent rewards or exchange relationship Active Management by exception, whereby leaders monitor followers" performance and take corrective action if deviations occur to ensure outcomes achieved; Passive Management by exception, whereby leaders fail to intervene until problems become serious (Bass, 1997).

The transactional leader is given power to perform certain tasks and reward or punish for a team's performance. It gives the opportunity to the manager to lead the group and the group agrees to follow his lead to accomplish a predetermined goal in exchange for something else. Power is given to the leader to evaluate, correct and train subordinates when productivity is not up to the desired level and reward effectiveness when expected outcome is reached (Burns, 1978). According to (Bass 1985), transactional leaders lead to employees by rewarding. The desired performance is based on when a leader explains what are aims, goals, results, and rewards to employees who achieved in their work.

Transactional Leadership is consisted of contingent reward, active management by exception, and passive management by exception. Contingent reward leadership may put forth a result of developmental plan, may explain why they desire to success, when they get the results, they will reward them for good performance (*Sosik and Godshalk, 2000*). Employ fulfill these requirements are explained explicitly (Pillai et.al, 1999). Transactional leaders choose the way of leading effective ongoing process. Leaders, who adopt this approach, especially reward employees with money, status and promotion while they pay less attention to creative and innovative acts (Eren, 2010).

2.2.3 Transformational Leadership

Transformational leadership was developed by (Bass in 1985)on account of stating behavior and characteristic to provide organizational change and stability while transformational leadership is comprised of idealized influence, individual consideration, intellectual stimulation, and inspirational motivation (Bass, 1990). Transformational leaders try to persuade followers that they are powerful enough to coping with individual needs and personal developments, which turn out to establish close relationship with employees. Leaders pay feel more special, motivated and encouraged. By this way, there is an enhancing effect on the success of the employees (Greenberg

& Baron, 2000).Transformational leadership is also explained for displaying higher to come to terms with team mission and goals and also the continuity of this process. Leaders encourage employees to see beyond what they already have (Bass, 1990).

The transformation leader motivates its team to be effective and efficient. Communication is the base for goal achievement focusing the group in the final desired outcome or goal attainment. This leader is highly visible and uses chain of command to get the job done. Transformational leaders focus on the big picture, needing to be surrounded by people who take care of the details. The leader is always looking for ideas that move the organization to reach the company's vision (Burns, 1978). This type of leader sets the criteria for their workers according to previously defined requirements. Performance reviews are the most common way to judge employee performance. Transactional, or managerial, leaders work best with employees who know their jobs and are motivated by the reward-penalty system. The status quo of an organization is maintained through transactional leadership. (James Mac Gregor Burns 1978) first introduced the concept of transforming leadership in his descriptive research on political leaders, but this term is now used in organizational psychology as well. According to Burns, transforming leadership is a process in which "leaders and followers help each other to advance to a higher level of morale and motivation". Burns related to the difficulty in differentiation between management and leadership and claimed that the differences are in characteristics and behaviors. He established two concepts: "transforming leadership" and "transactional leadership". According to Burns, the transforming approach creates significant change in the life of people and organizations. It redesigns perceptions and values, and changes expectations and aspirations of employees. Unlike in the transactional approach, it is not based on a "give and take" relationship, but on the leader's personality, traits and ability to make a change through example, articulation of an energizing vision and challenging goals. Transforming leaders are idealized in the sense that they are a moral exemplar of working towards the benefit of the team, organization and/or community. Burns theorized that transforming and transactional leadership was mutually exclusive styles. Transactional leaders usually do not strive for cultural change in the organization but they work in the existing culture while transformational leaders can try to change organizational culture.

2.3 Leadership Theories

2.3.1 Great-Man Theory

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

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

2.3.2 Trait Theory

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

Max Weber termed charisma as "the greatest revolutionary force, capable of producing a completely new orientation through followers and complete personal devotion to leaders they perceived as endowed with almost magical supernatural, superhuman qualities and powers "This initial focus on intellectual, physical and personality traits that distinguished non-leaders from leaders portended a research that maintained that only Min or variances exist between followers and leaders (Burns, 2003). The failure in detecting the traits, which every single effective leader had in common, resulted in development of trait theory, as an inaccessible component, falling into disfavor. In the late 1940s, scholars studied the traits of military and non-military leaders respectively and exposed the significance of certain traits developing at certain times.

2.2.3 Contingency Theories (Situational)

The theories of contingency recommend that no leadership style is precise as a stand-alone as the leadership style used is reliant upon the factors such as the quality, situation of the followers or a number of other variables. "According to this theory, there is no single right way to lead because the internal and external dimensions of the environment require the leader to adapt to that particular situation". In most cases, leaders do not change only the dynamics and environment, employees within the organization change. In a common sense, the theories of contingency are a category of behavioral theory that challenges that there is no one finest way of Leading/organizing and that the style of leadership that is operative in some circumstances may not be effective in others (Greenleaf, 1977).

Contingency theorists assumed that the leader was the focus of leader-subordinate relationship; situational theorists opined that the subordinates played a pivotal role in defining the relationship. However, the situational leadership stays to emphasis mostly upon the leader; it creates the significance of the focus into group dynamic. These studies of the relationships between groups and their leaders have led to some of our modern theories of group dynamics and leadership". The theory of situational leadership proposes that style of leadership should be accorded with the maturity of the subordinates (Bass, 1997). "The situational leadership model, first introduced in 1969, theorized that there was no unsurpassed way to lead and those leaders, to be effective, must be able to adapt to the situation and transform their leadership style between task-oriented and relationship oriented

2.3.4 Style and Behaviour Theory

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

The consideration is referred to the amount of confidence and rapport, a leader engenders in his subordinates. Whereas, initiating structure, on the other hand, reflects the extent, to which the leader structures, directs and defines his/her own and the subordinates" roles as they have the participatory role toward organizational performance, profit and accomplishment of the mission. Different researchers proposed that three types of leaders, they were; autocratic, democratic and laissez-faire. Without involving subordinates, the autocratic leader makes decisions, laissez-faire leader lets subordinates make the decision and hence takes no real leadership role other than assuming the position and the democratic leader accesses his subordinates then takes his decision. "He further assumed that all leaders could fit into one of these three categories".

2.3.5 Transactional Theory

The leadership theories, by the late 1970s and early 1980s, activated to diverge from the specific perspectives of the leader, leadership context and the follower and toward practices that concentrated further on the exchanges between the followers and leaders. The transactional

leadership was described as that in which leader-follower associations were grounded upon a series of agreements between followers and leaders (House & Shamir, 1993).

The transactional theory was "based on reciprocity where leaders not only influence followers but are under their influence as well". Some studies revealed that transactional leadership show a discrepancy with regard to the level of leaders" action and the nature of the relations with the followers.

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

2.3.6. Transformational Theory

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

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

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

In (Bass's 1998) current definition, leadership is an interaction between one or more members of a group. In another more recent definition, leadership is a relationship between leaders and followers where they influence each other and they intend real changes and outcomes that reflect their shared purposes (Daft, 2005).

According to (Northouse2007) leadership as a process means that, as mentioned earlier, it is not a characteristic someone is born with, it is an interaction between leaders and their 9 followers. The

leaders influence and are influenced by their followers Leadership is available to everyone; it is not limited to the person in power (Northouse, 2007).

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

One of the most prominent formats for classifying and studying leadership includes three styles – transformational, transactional and laissez-faire leadership. The present study uses charismatic leadership approach to identify the leadership style of public managers. In this approach, leadership is conceptualized by the behavioral areas from laissez-faire style (non-leadership), through transactional leadership (which hinges on reward system and punishments), to transformational leadership (which is based on inspiration and behavioral charisma) (Bass and Avolio, 1993).

2.3.7 Effect of leadership style on employees performance on banking industry

The banking sector is a fundamental component of economy in almost any given society (Belias & Kustelios 2014). Leadership teams at financial institutions seem to not have the courage and/or capacity to embrace change - and it is up to strong leaders to both allow and push their employees to be creative and innovative. Customer behaviour, technology and competition are rapidly evolving, on-going and simultaneously; therefore, bank leaders must be ready for challenges as well. Banks, similarly to any other industries, should start viewing change as a norm rather than an exception. (Pilcher 2015)

Chris Skinner (2015), one of the most influential people in financial industry the present moment, agrees that banks ignore the need for innovation and change, and focus too strongly on status and shareholder value. Skinner appeals to lead-ers in the bank industry to "give people the culture to create innovation".

Brand Finance, business valuation and strategy consultancy that annually holds a Banking Forum - event, focused one of their event mainly on leadership in bank-ing (2013). Forum discussed how leadership can valued and measured, the need that exists for strong leadership in banking, and why

it is so critical. Don Wood-land (2012) discusses five leadership qualities required for being a successful leader in the banking industry in the modern world; 1) vision, 2) authentic leader-ship and values, 3) ability to adopt to change, 4) networking and communicating, 5) preparation and risk management.

Evidently, the need for change and innovative mind-set is recognized widely within the bank industry. Some researchers (Belias & Koustelios 2014) argue that transformational leadership is the appropriate and most effective model, due to having positive influence on employee performance and job commitment

Belias & Koustelios (2014) do not only review the need for change, but also rec-ognize that banks and credit institutions are already adapting innovative mind-set by transitioning from strict traditional and hierarchical structure to a more flexible and communicative one.

2.4 Empirical Literature

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

As the performance of an organization is dependent on the quality of the workforce at all levels of the organization (Temple, 2002), it is essential to discuss the concept of individual performance. (Millcorvich and Bondream1997) define employee performance as the degree to which employees

accomplish work requirements. To them employee performance in effect reflects the efficiency of the organization. People are an organization's greatest assets: individuals and organizations have learned about the importance of the role of people in an organization, and how the success of an organization depends on its people (Bartlett and Ghoshal, 1995). The role of human resources is critical in raising performance in an organization (Armstrong and Baron, 1998).Ultimately it is the performance of many individuals, which culminates in the performance of an organization, or the achievement of goals in an organizational context (Armstrong and Baron, 1998). (Amos, et al. 2004) states, "The effective management of individual performance is critical to the execution of strategy and the organization achieving its strategic objectives". Performance cannot be left in anticipation that it will develop naturally, despite the employee's natural desire to perform and be rewarded for it. This desire needs to be accommodated, facilitated and cultivated (Amos, et al. 2004). In return for this performance, organizations extend themselves in various forms of acknowledgement (Foot and Hook, 1999).

Individual performance has become a topical issue in today's business environment, so much so that organizations go to great lengths to appraise and manage it (Armstrong and Baron, 1998). (Whetten and Cameron (1998), state that individual performance is the product of ability multiplied by motivation. (Furthermore, Cummings and Schwab 1973) concur with the belief that performance is ultimately an individual phenomenon with environmental factors influencing performance, primarily through their effect on the factors are those factors over which the organization has little or no control, such as demands for job grading systems (Hellriegel, et al., 1999).

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The success of an organization is reliant on the leader's ability to optimize human resources a good leader understands the importance of employees in achieving the goals of the organization, and that motivating these employees is of paramount importance in achieving these goals. To have an effective organization the people within the organization need to be inspired to invest himself or herself in the organization's mission- the employees need to be stimulated so that they can be effective; hence, effective organizations require effective leadership (Wall, Solum and Sobol, et al, 1996). (Fiedler and House,1988) indicate that organizational performance will suffer in direct proportion to the neglect of this. Ultimately, it is the individual employee who either performs, or fails to perform, a task.

In order for an organization to perform, an individual must set aside his personal goals, at least in part, to strive for the collective goals of the organization (Cummings and Schwab, 1973). In an Organizational context, the very nature of performance is defined by the organization itself (Cummings and Schwab, 1973). Employees are of paramount importance to the achievement of any

organization. Thus, effective leadership enables greater participation of the entire workforce, and can influence both individual and organizational performance (Bass, 1997; Mullins, 1999).
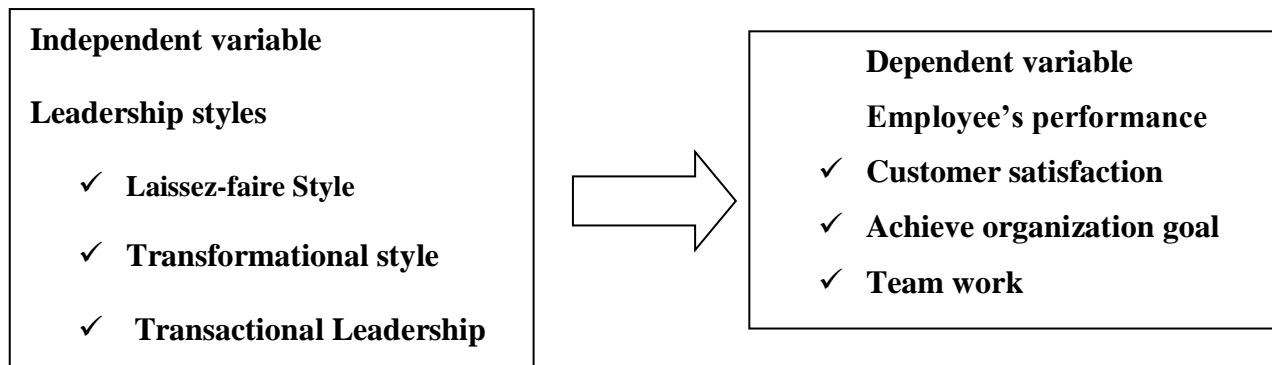
Effective leader behaviour facilitates the attainment of the follower's desires, which then results in effective performance (Fiedler and House, 1988; Maritz, 1995; Ristow, et al., 1999). Preliminary research undertaken by (Booysen and Van Wyk (1994, in Swanepoel, et al., 2000) effectiveness, are perceived to show a strong and direct, but democratic and participative leadership style, and are seen as agents of change and visionaries who increase organizational performance. (Maccoby1979), in Botha, 2001) indicates that the need of firms to flourish in the world of escalating competitiveness, of technological advances, of altering government regulations and of changing employee attitudes, requires an advanced level of leadership more than ever before. His views further demonstrate the importance of leadership in the business arena. According to (Bass 1997), in the modern business environment, much research has proved that leaders make a difference in their subordinate's performance, and make a difference as to whether their organizations succeed or fail. (Kotter1988) argues for the ever-increasing importance of leadership in organizations, 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. Leadership is perhaps the most thoroughly investigated organizational variable that has a potential impact on employee performance (Cummings and Schwab, 1973). 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 organization; excellent organizations begin with excellent leadership, and successful organizations therefore reflect their leadership. Leaders are effective when the influence they exert over their subordinates works towards achieving organizational performance (Jones and George, 2000) Furthermore, leadership is often regarded as the single most critical success factor in the success or failure of an institution (Bass, 1990). (Dimma1989) believes that leadership is undoubtedly the critical determinant of the success of an organization, and thus determines organizational

Research into organizational behaviour in different environments found that transformational Leadership has a positive influence on employee performance, and therefore organizational Performance (Bass and Avolio, 1994; Ristow, 1998). However, through research by (Pruijn and Boucher 1994) it was shown that transformational leadership is an extension of transactional leadership (Bass, 1997).The difference between these two models is that followers of transformational leadership exhibit performance which is beyond expectations, while transactional leadership, at best, leads to expected performance (Bass and Avolio, 1994). Ristow1998) states that transactional leaders were effective in markets, which were continually growing, and where there was little or no competition, but this is not the case in the markets of today, where competition is fierce and resources are scarce. Research data (Brand, et al., 2000) has clearly shown that transformational leaders are more effective than transactional leaders, regardless of how "effectiveness" has been defined.

Conceptual Framework

The study has independent variable and dependent variables. The leadership behavior plays an independent role and leader's commitment and organizational performance as dependent variables.

Independent variable		Dependent variable
Leadership styles	→	**Employee's performance**
✓ Laissez-faire Style		✓ Customer satisfaction
✓ Transformational style		✓ Achieve organization goal
✓ Transactional Leadership		✓ Team work

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 RESEARCH APPROCH AND DESIGN

3.1.1 Research Design

This study will employ descriptive research design. This kind of design aims at generating information after the incident has occurred. The research design will look at the reasons why the situation behaves the way it does and also what the weakness and strengths are. The design has also will exploit mixed approach. Qualitative approach included the use of interview, while the quantitative approaches planned to use of descriptive statistics.

3.1.2 Study Area

The area of the study is the Wegagen Bank s c .The company has about 229 branches but for the research paper will focus on head office human resources department. The data will be gathered from the internal environment of the company, no external environment will be assessed for data gathering.

3.2 Data Sources and Data Collection Method

3.2.1 Data Sources

Primary sources of data are main sources of data to use in this study. The study use questionnaire and interview guide. Primary data obtained through questionnaires and interview

The studying group used primary data sources that help to have more detailed information on the topic. The primary data collected through interview and group discussions conducted on the human resources managers and internal employees of the bank to whom this responsibility is directlygiven. The interview session will held on the human resources department director and three division heads of the departments' sections, and some internal employees And the group discussion will be conducted with the authorized staffs who are engaged in managing the status of leadership style of the bank.

3.3 Instrument Design and Measurement

This research paper conducted to analyze the effect of the independent variable, leadership style on dependent variable, which is employee performance, using regression analysis. And it will calculate the correlation of these factors for identifying their relationship. Using descriptive type of analysis study used a mean and standard deviation is calculated.

3.4 Sample Size and Sampling Technique

3.4.1 Study Population

For this study the information, obtain from the employees of Wegagen Bank S.C. The study population will include respondents from Human Resource, Finance and management and also branch operation section of the head quarter. The total population for the targeted organization is 552, and it's a combination of different demographic groups.

3.4.2 Sample Size

To determine the sample size and representative of the target population, the study uses statistical instrument formula.

As of Yemane (1967), a research with high population size needs to use the formula

$$n = \frac{N}{1+N(e)^2}$$

Where: n= Sample size

N= Population size

e= Precession rate

$$n = \frac{552}{1+552\ (0.05)^2}$$

= 1-n = 1-95%

N= 552

n= 232

Then, 232 sample populations will be taken from 552 of the total population with 95% confidence level.

3.5 Sampling Technique

The local area of the survey is to assess the relationship of leadership employees' Performance in wegagen bank s c whilst describing each variable and dimension regarding to leadership style ,

employees performance. The various documents of wegagen bank indicate that performance varies from branch to branch despite the fact that the branches of wegagen bank operate in a similar manner with respect to policies and practices. To get valid representative of the targeted population, the survey utilized stratified random sampling technique.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSES

In this chapter, the study attempted to examine the Relationship between leadership behaviour and employees' performance: mediating organizational commitment. Therefore, the findings of the study were presented and analysed in this chapter. The questionnaire were developed in five scales ranging from five to one; where 5 represents Strongly agree, 4 agree, 3 Neutral, 2 disagree, and 1 strongly disagree. . The study used Regression Analysis was also used to test the effect of independent variable on dependent variable. For the study, 232 questionnaires were distributed to employees and 230 (99%) questionnaire were obtained valid and used for analysis. The collected data were presented and analysed using SPSS 20 software version.

4.1 Demographic Background of the Respondents

The demographic profile of the respondents was presented in this section. The personal profile of the respondents were analysed as per their gender, age, levels of educational achievements, and years of service in the organization and service year. Descriptive statistics were performed on the demographic variables as a means of describing the respondents. In addition, statistical test was conducted to investigate the difference of effect of leadership style and employees performance.

Table 1General Characteristics of the Respondents

Sex of the Respondents		Frequency	Percent
Valid	Male	127	54.7
	Female	105	45.3
Age of the Respondents			
	20-39	222	95.7
Valid	40-59	7	3.0
	60-79	3	1.3
Level of Education			
	Diploma	14	6.0
Valid	First Degree	206	88.8
	Master's Degree	12	5.2
Marital Status			

Valid	Single	130	56.0
	Married	102	44.0
Work Experience in Wegagen Bank			
	1-10 Years	207	89.2
Valid	11-20 Years	22	9.5
	21-30 Years	3	1.3

As can be observed in the table above the respondents have been asked to questions related to their demographic characteristics and 127 (54.7%) of the respondents are male while the rest 105(45.3%) are female. Age wise 222 (95.7%) of the respondents are found between the age category of 20-39 years of age, 7(3%) of them are found between 40-45 years of age while the remaining 3(1.3%) of the respondents are found between 60-79 years of age. Respondents level of education is also taken in to consideration while collecting this data and 14 (6%) of the respondents are diploma holders, with quite large percentage of them, 206 (88.8%) of the respondents have first degree and the rest 12 (5.2%) of the respondents are graduates of master's degree. Marital status of the respondents is also taken in to account in this study and 130 (56%) of the respondents are single while the remaining 102 (44%) of the respondents are married. Finally, the respondents' work experience in their current company has been asked and 207 (89.2%) of the respondents have worked 1-10 years, 22 (9.5%) of the respondents have worked 11-20 years and the rest 3 (1.3%) of the respondents have served 21-30 years with in Wegagen Bank. It can be inferred from the above data that most of the respondents are male, yet quite larger number and representative number of female participants have participated in the study. Hence, it can be said that a proportional sample of both sexes have participated in the study. Most of the respondents of this study are said to be young and ones working at an adult level who have plenty more years ahead of them. They are believed to be evaluative of the leadership practice exercised in their respective work unit and their bank in general. The respondents' general characteristic also shows that quite most of the respondents are first degree holders who can clearly define evaluate and analyse the leadership practice of the bank. What is more, the result of the study has also proved that relatively proportional sizes of the respondents are married and slightly some most of the respondents are single. It shows that there are a number of respondents who can take leadership position. Finally, most of the respondents

have worked above 1 year and the respondents are adequately representative samples who can clearly explain the bank at its best.

4.2 Leadership Approach: Laissez Faire Style

Table 2 The practice of Laissez faire leadership style

Questions	SD		D		N		A		SA		Mean	Std Div
	F	%	F	%	F	%	F	%	F	%		
When performance requirements designed my supervisor relies only on his/her own judgment	26	11.2	67	28.9	72	31.0	61	26.3	6	2.6	2.8	1.03
My supervisor does not impose policies on me	6	2.6	65	28.0	68	29.3	85	36.6	8	3.4	3.1	.94
There is leadership freedom in my department	11	4.7	58	25.0	74	31.9	80	34.5	9	3.9	3.08	.96
My department performs without any leadership barriers or obstacle	6	2.6	116	50.0	61	26.3	39	16.8	10	4.3	2.7	.9
I encourage others to do things on my way	16	6.9	63	27.2	85	36.6	61	26.3	7	3.0	2.9	.96
The manger attends to my problems	3	1.3	24	10.3	85	36.6	117	50.4	3	1.3	3.4	.7
My supervisor allows me to express my point of view openly	34	14.7	40	17.2	1	.4	138	59.5	19	8.2	3.3	1.3

As can be observed in the table above the respondents have been asked to rate their level of agreement to the statement when performance requirements designed if the respective supervisor relies only on his/her own judgment. It follows that 26 (11.2%) of the respondents have strongly disagreed 67(28.2%) of the respondents disagreed, 72 (31%) of the respondents have remained neutral, 61 (26.3%) of the respondents have agreed and 6 (2.6%) of the respondents have strongly agreed to the statement and the mean and standard deviation are 2.8 and 1.03 respectively. To the statement that asked the respondents' level of agreement regarding the respective supervisor does not impose policies on the subordinates 65 (28%) of the respondents have disagreed, 6 (2.6%) of the respondents have strongly disagreed, 68 (29.3%) remained neutral 85(36.6%) of the respondents have agreed and the rest 8 (3.4%) of the respondents have strongly agreed to the statement and the mean and standard deviation values as computed are 3.1 and 0.938 respectively. The respondents have also been asked to rate their level of agreement regarding the statement that said there is leadership freedom in my department and 11 (4.7%) of the respondents have strongly disagreed, 58 (25%) of the respondents have disagreed, 74 (31.9%) of the respondents have remained neutral, 80 (34.5%) of the respondents have agreed and the remaining 9(3.9%) of the respondents have strongly agreed to the statement.

The respondents have been asked a statement that said their respective department performs without any leadership barriers or obstacle; accordingly 6(2.6%) of the respondents have strongly disagreed 116 (50%) of the respondents have disagreed to the statement 61 (26.3%) of the respondents remained neutral, 39 (16.8%) of the respondents have agreed and the rest 10 (4.3%) of the respondents have strongly agreed to the statement. a statement requiring respondents' level of agreement regarding the extent to which the respondent encourage others to do things on their way and 16 (6.9%) of the respondents have strongly disagreed, 63(27.2%) of the respondents have disagreed, 85 (36.6%) of the respondents have remained to be neutral, 61 (26.3%) of the respondents have agreed and the remaining 7 (3%) of the respondents have strongly agreed. Respondents have also been asked to express their level of agreement on the statement the respective manger attends to the subordinates' problems and 3 (1.3%) of the respondents have strongly disagreed 24 (10.3%) of the respondents have disagreed, 85 (36.6%) of the respondents have remained neutral, 117 (50.4%) of the respondents hav2.3.6e agreed and the rest 3 (1.3%) of the respondents have strongly agreed to the statement.

Finally, on the same table above the respondents have also been asked to express their level of agreement to the statement that said the respondents' supervisor allows me to express my point of view openly 34(14.7%) of the respondents have strongly disagreed, 40 (17.2%) of the respondents have disagreed, 1(0.4%) of the

respondents remained neutral 138 (59.5%) of the respondents have agreed and 19(8.2%) of the respondents have strongly agreed to the statement.

As can be inferred from the data above that leadership approach tends to be more of laissez faire at some point. Hence, the leadership as exercised by most of the work units lacks supervision and the employees act their own way with little if any supervision and control.4.3 Leadership Approach-Transformational Leadership

4.3 Leadership Approach: Transformational Leadership

Table 3: The practice of Transformational Leadership

Questions	SD		D		N		A		SA		Mean	Std Div
	F	%	F	%	F	%	F	%	F	%		
The employer has care and concern for individuals work as well as his personal issues	12	5.2	34	14.7	84	36.2	99	42.7	3	1.3	3.2	.89
My supervisor is quite open and receptive to new ideas	3	1.3	54	23.3	71	30.6	91	39.2	13	5.6	3.2	.91
My supervisor treats all subordinate employees like brother/sister	6	2.6	63	27.2	63	27.2	86	37.1	14	6.0	3.2	.98
My supervisor used the world WE instead of I	17	7.3	36	15.5	96	41.4	75	32.3	8	3.4	3.0	.95
My supervisor builds team sprites	12	5.2	32	13.8	98	42.2	84	36.2	6	2.6	3.2	.88
My supervisor gets people involvement in decisions making	14	6.0	55	23.7	73	31.5	87	37.5	3	1.3	3	.95

As shown in the table above the study participants have been asked to rate their level of agreement to the statement the employer has care and concern for individuals work as well as his personal issues. It follows that 12 (5.2%) of the respondents have strongly disagreed 34(14.7%) of the respondents disagreed, 84 (36.2%) of the respondents have remained neutral, 99(42.7%) of the respondents have agreed and 3(1.3%) of the respondents have strongly agreed to the statement. A statement requiring respondents' level of agreement regarding the extent to which the respondent the respective supervise is quite open and receptive to new ideas and 3(1.3%) of the respondents have strongly disagreed, 54(23.3%) of the respondents have disagreed, 71(30.6%) of the respondents have remained to be neutral, 91 (39.2%) of the respondents have agreed and the remaining 13(5.6%) of the respondents have strongly agreed. As shown in the same table above the study participants have been asked to rate their level of agreement to the statement the respective supervisor treats all subordinate employees like brother/sister. It follows that 6 (2.6%) of the respondents have strongly disagreed 63(27.2%) of the respondents disagreed, 63 (27.2%) of the respondents have remained neutral, 86(37.1%) of the respondents have agreed and 14(6%) of the respondents have strongly agreed to the statement. What is more, the participants of the study have also been asked to rate their level of agreement to the statement to the statement that said the respective supervisor used the world WE instead of I and 17 (7.3%) of the respondents have strongly disagreed 36(15.5%) of the respondents disagreed, 96(41.4%) of the respondents have remained neutral, 75(32.3%) of the respondents have agreed and 8(3.4%) of the respondents have strongly agreed to the statement.

Respondents have also been asked to express their level of agreement regarding the statement that said the respective supervisor builds team sprites 12 (5.2%) of the respondents have strongly disagreed 32(13.8%) of the respondents disagreed, 98 (42.2%) of the respondents have remained neutral, 84(36.2%) of the respondents have agreed and 6(2.6%) of the respondents have strongly agreed to the statement. Finally, regarding the transformational leadership style the respondents were asked to rate their level of agreement a statement that said the respective supervisor gets people involvement in decisions making and 14 (6%) of the respondents have strongly disagreed 55(23.7%) of the respondents disagreed, 73(31.5%) of the respondents have remained neutral, 87(37.5%) of the respondents have agreed and 3(1.3%) of the respondents have strongly agreed to

the statement. It can therefore be said that by far transformational leadership style is also experienced by quite most of the leaders in the respective work units.

4.4 Leadership Style: Transactional leadership Style

Table 4 Transactional Leadership

Questions	SD		D		N		A		SA		Mean	Std Div
	F	%	F	%	F	%	F	%	F	%		
My supervisor clearly clarify the responsibility for achieving targets	7	3.0	43	18.5	57	24.6	110	47.4	15	6.5	3.4	.96
I provide recognition rewards when others reach their goals	9	3.9	41	17.7	89	38.4	86	37.1	7	3.0	3.2	.89
I also provide punishments or demotion to subordinate workers when they are doing	17	7.3	31	13.4	117	50.4	61	26.3	6	2.6	3.0	.89
My supervisor content to tell other continue working in same way as always	7	3.0	56	24.1	87	37.5	76	32.8	6	2.6	3.1	.89

As can be seen in the table above the respondents were asked four different questions under the umbrella phrase transactional leadership style. Accordingly respective respondents of the study participants have been asked their level of agreement to the statement the respective supervisor

supervise clearly clarify the responsibility for achieving targets and 7(3%) of the respondents have strongly disagreed 43(18.5%) of the respondents disagreed, 57 (24.6%) of the respondents have remained neutral, 110(47.4%) of the respondents have agreed and 15(6.5%) of the respondents have strongly agreed to the statement.To the statement categorized under the same category and required the level of the respondents on the respondents themselves provide recognition rewards when others reach their goals and 9 (3.9%) of the respondents have strongly disagreed 41(17.7%) of the respondents disagreed, 89 (38.4%) of the respondents have remained neutral, 86(37.1%) of the respondents have agreed and 7(3%) of the respondents have strongly agreed to the statement. Similarly the respondents have also been asked that the respective supervisor is also provides punishments or demotion to subordinate workers when they are doing and 17(7.3%) of the respondents have strongly disagreed 31(13.4%) of the respondents disagreed, 117 (50.4%) of the respondents have remained neutral, 61(26.3) of the respondents have agreed and 6(2.6%) of the respondents have strongly agreed to the statement.Finally the respondents have also been asked to rate their level of agreement to the statement under this sub title that said the respective supervisor is content to tell others continue working in same way as always and 7 (3%) of the respondents have strongly disagreed 56(24.1%) of the respondents disagreed, 87 (37.5%) of the respondents have remained neutral, 76(32.8%) of the respondents have agreed and 6(2.6%) of the respondents have strongly agreed to the statement.

It follows that transactional style of leadership is also partly exercised by some leaders of the bank.

4.5 Employee Job Performance in view of Customer satisfaction

Table 5 Customer Satisfaction

Questions	SD		D		N		A		SA		Mean	Std Div
	F	%	F	%	F	%	F	%	F	%		
Customers have a positive feedback after they receive the service	5	2.2	23	9.9	76	32.8	97	41.8	31	13.4	3.5	.9
The service deliver processes takes short time	34	14.7			76	32.8	103	44.4	19	8.2	3.3	1.1

The respondents have been asked two questions each of which was gauged based on the level of agreement the respondents had. To begin with it said customers have a positive feedback after they receive the service 5 (2.2%) of the respondents have strongly disagreed 23(9.9%) of the respondents disagreed, 76 (32.8%) of the respondents have remained neutral, 97(41.8%) of the respondents have agreed and 31(13.4%) of the respondents have strongly agreed to the statement. Moreover, respondents were also asked to rate their level of agreement to the statement that said the service delivery processes takes short time and 34 (14.7%) of the respondents have strongly disagreed, 76 (32.8%) of the respondents have remained neutral, 103(44.4%) of the respondents have agreed and 19(8.2%) of the respondents have strongly agreed to the statement.

4.6 Leadership Approach employed in achieve organization goal

Table 6 Organizational Goal

Questions	SD		D		N		A		SA		Mean	Std Div
	F	%	F	%	F	%	F	%	F	%		
I worked keeping my skills up to date	6	2.6	7	3.0	55	23.7	138	59.5	26	11.2	3.7	.82
I actively participated in work meetings and training	11	4.7	16	6.9	84	36.2	103	44.4	18	7.8	3.4	.91
I were able to perform my work well with minimal time and effort	18	7.8			28	12.1	160	69.0	26	11.2	3.8	.94

As can be observed in the table above, the respondents were asked three questions associated with the leadership style in promoting the successful achievement of or realization of organizational goal and three statements have been presented to gauge study participants level of agreement in this

regard. It follows that to the statement that said respective respondents have worked keeping their skills up to date 6 (2.6%) of the study participants have strongly disagreed, 7 (3%) of the respondents have disagreed 55 (23.7%) have remained neutral, 138 (59.5) have agreed and the 26 (11.2%) of the respondents have strongly agreed with the mean and standard deviation values of 3.7 and .82 respectively. Moreover the respondents were asked to express their level of agreement with a statement the respective respondents have actively participated in work meetings and training and 11 (4.7%) of the participants have strongly disagreed, 16 (6.9%) of the respondents have disagreed, 84 (36.2%) of the study participants have remained neutral, 103 (44.4%) of the respondents have agreed and the remaining 18 (7.8%) of the respondents have strongly agreed to the statement with mean and standard deviation of 3.4 and 0.94 respectively.

Finally, on the same table above the respondents have been asked to rate their level of agreement regarding the statement that required them that they were able to perform my work well with minimal time and effort 18 (7.8%) of the respondents have strongly disagreed, none of them disagreed, 28 (12.1%) of the respondents remained neutral, 160 (69%) of the respondent have agreed and the rest 26 (11.2%) with a mean and standard deviation of 3.8 and .94 respectively.

4.7 Leadership style and Team work

Table 7 Teamwork

Questions	SD		D		N		A		SA		Mean	Std Div
	F	%	F	%	F	%	F	%	F	%		
There is team work in my department	7	3.0	16	6.9	55	23.7	124	53.4	30	12.9	3.7	.9
My supervisor is a team player	7	3.0	34	14.7	83	35.8	80	34.5	28	12.1	3.4	.98
I am given the needed support by my supervisor to builds team spirits	6	2.6	28	12.1	95	40.9	88	37.9	15	6.5	3.3	.7

As shown in the table the respondents have been asked to rate their level of agreement the team work practice in view of the leadership style in Wegagen Bank and three questions pertaining team work have been presented to them as shown in the above table. To begin with each of the statements, to the statement that said there is team work in their respective department 7 (3%) of the respondents have strongly disagreed, 16 (6.9%) disagreed 55 (23.7%) of the study participants have remained neutral, 124 (53.4%) of the respondents have agreed while the rest 30 (12.9%) of the respondents have strongly agreed with cumulative mean value of 3.7 and standard deviation of 0.9.Similarly for the statement that required the study participants' extent of agreement to the statement that said respective supervisor is a team player 7 (3%) of the respondents have strongly disagreed, 34 (14.7%) of the respondents have disagreed, 83 (35.8%) of the respondents have remained neutral, 80 (34.5%) of the respondents have agreed 28 (12.1%) of the respondents have strongly agreed to the statement with mean value of 3.4 and standard deviation of 0.98.Finally, respondents have been asked to rate their level of agreement regarding a statement that said if they are given the needed support by their supervisor to build team spirit they will continue to bloom and 6 (2.6%) of the respondents have strongly disagreed, 28 (12.1%) of the respondents have disagreed, 95 (40.9%) of the respondents have remained neutral, 88 (37.9%) of the respondents have agreed and 15 (6.5%) of the respondents have strongly agreed to the statement with cumulative mean of 3.3 and standard deviation value of 0.7.

It can, therefore, be said that teamwork is exercised and considered fundamental to leaders of respective units.

4.8 Summary of Mean and Standard Deviation of Leadership Style and Work Performance

	laissez faire	Transformational	Transactional;	Customer Satisfaction	Organizational Goal	Team work
Valid	232	232	232	232	232	232
Mean	3.04	3.13	3.175	3.4	3.63	3.47
Std. Deviation	0.97	0.93	0.9075	1	0.89	0.86

The above descriptive statistics clearly indicates the corresponding arithmetic mean and standard deviation of every construct totals (total of every individual categorical construct). Thus laissez faire categorical total has a mean of 3.04 and a standard deviation of 0.97, transformational leadership total has a mean of 3.13 and a standard deviation of 0.93, transactional leadership total mean of 3.175 and standard deviation 0.9075, customer satisfaction categorical total has a mean 3.4and standard deviation of 1, organizational goal categorical total has a mean of 3.63 and a standard deviation of 0.89, team work categorical total has a mean 3.47 and standard deviation .86.

4.9 Correlation Analysis

Correlation is the degree of correspondence between variables. This implies the relationship is mutual or reciprocating, but the correlation does notmakeany proposition that one thing is the cause and the other the effect.

Table 4.9 Pearson Correlation between Factors of Leadership Style and Customer Satisfaction

Leadership Style		Customer Satisfaction
	Pearson Correlation	.230**
Laissez faire	Sig. (2-tailed)	.000
	N	232
	Pearson Correlation	.638**
Transformational	Sig. (2-tailed)	.000
	N	232
	Pearson Correlation	.690**
Transactional	Sig. (2-tailed)	.000
	N	232

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

Correlation result as shown in table 4.9 above there is significant positive relation between Laissez faire and customer service (r= .230, sig= .000).There is significantly positive relation between transformational leadership and customer satisfaction (r= .638, sig= .000). There is significant positive relation between transactional leadership and customer satisfaction (r= .690, sig= .000).

Table 4.10 Pearson Correlation between Leadership Style andFactorsofOrganizational Goal Achievement

Leadership Style		Organizational Goal
Laissez faire	Pearson Correlation	.529[**]
	Sig. (2-tailed)	.000
	N	232
	Pearson Correlation	.375[**]
Transformational	Sig. (2-tailed)	.000
	N	232
	Pearson Correlation	.297[**]
Transactional	Sig. (2-tailed)	.000
	N	232
	Pearson Correlation	1
	Sig. (2-tailed)	
	N	232

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

There is significant positive relation between laissez faire leadership styleandorganizational goal achievement r= .529, sig= .000). There is significant positive relation between transformational leadership style and organizational goal achievement (r= .375,sig= .000). There is significant positive relation between transactional leadership and organizational goal achievement r= .297, sig= .000). Table intended to determine the correlation between factors of effective leadership style as implemented by all the three styles of leadership variables with organizational goal achievement. The findings have suggested that there was a strong correlation between the performance leadership style and organizational goal achievement.

Table 4.11 Pearson Correlation Leadership Style and Factors of Work Performance

Leadership Style		Work performance
Laissez faire	Pearson Correlation	0.3795[**]
	Sig. (2-tailed)	.000
	N	232
	Pearson Correlation	0.5065[**]
Transformational	Sig. (2-tailed)	.000
	N	232
	Pearson Correlation	0.4935[**]
Transactional	Sig. (2-tailed)	.000
	N	232
	Pearson Correlation	1
	Sig. (2-tailed)	
	N	232

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

As shown in table 4.11 above the correlation between the three leadership styles and the factors of work performance has been computed. As shown, there is significant positive relation between transformational leadership style and work performance (r= .3795, sig= .000). There is significant positive relation between transformational leadership style and work performance (r= .5065, sig= .000). What is more, there is significant positive relation between transformational leadership style and work performance (r= 0.4935, sig= .000).

4.10 Regression Analysis

In this study multiple regressions were conducted in order to examine the relationship between laissez faire, transformational and transactional leadership styles, with another constructs of the conceptual framework; work performance indicators: team work, customer service organizational goal achievement. Here, the regression between the components of performance appraisal quality and employee performance in the form of stepwise is analysed.

R-Square (coefficient of determination) is a commonly used statistic to evaluate model fit. R-square is 1 minus the ratio of residual variability.

Table 4.12Results of Multiple Regressions between the Effect of the three Leadership Styles Variables and Work Performance Indicators

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.749[a]	.561	.554	.72355
2	.683[a]	.641	.622	.73312
3	.721[a]	.531	.489	.71245

O

a. Predictors: (Constant), transformational, laissez fair, transactional,

b. Dependent Variable: team work, customer satisfaction and organizational objectives

R Represents the relationship between dependent and the independent variables.

R^2 Represent how much of the dependent variable can be explained by the independent variable.

From the equation, it was realized that the two dependent variables, they had a moderate relationship with the leadership styles. The correlation value are 0.749 and .721 which are both; MHconsidered a moderate relationship because the values fall greater than 0.70 (Pallant, 2011). The values are also positive indicating that, when the independent variables increase dependent variable also increases and vice versa. The R^2 indicate that 56.1 % (0.561), 64.1% (.641) and 53.1% (.531) of employee work performance could be explain using the independent variables (Required level of work performance).

Table 4.13 Results of Multiple Regressions between the Combined Effect of the three Leadership Styles Variables and Work Performance Indicator

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.573 [a]	0.426	0.409	0.559

From the equation, it was realized that the dependent variables, have a moderate relationship with the leadership styles. The correlation value 0.573 is having a stronger relationship because the values falls lessthan 0.70 (Pallant, 2011). The values are also positive indicating that, when the

independent variable increases dependent variable also increases and vice versa. The R^2 indicate that 42.26 % (0.426), of employee work performance could be explaining using the dependent variables.

Table 4.14 Regression Coefficients of the Relationship between Team Work and the Leadership Styles (Predictive Variables)

Coefficients[a]

U,H	Unstandardized Coefficients		Sig.
	B	Std. Error	
Teamwork (Constant)	.651	.340	.056
Laissez faire	.017	.060	.005
Transformational	.319	.063	.043
Transactional	.234	.062	.000

From the analysis, the co-efficient value for laissez faire leadership style was 0.170. This means that all things being equal, when the other independent variables (transformational and transactional leadership) are held constant, work performance increases by 1.7 % if there is 100% improvement in the supervisor's laissez-faire leadership style. This was statistically significant (0.00<0.05) i.e. the variable (laissez faire) is not making any significant unique contribution to the prediction of the dependent variable (teamwork).

From the analysis, the co-efficient value for transformational leadership was 0.329. This means that all things being equal, when the other independent variables (transactional and laissez-faire) are held constant, team work and the associated cohesion as a team would increase by 32.9% if there is 100% improvement in transformation. This was statistically significant (0.04<0.05) i.e. the variable (transformational leadership) is making a significant unique contribution to the prediction of the dependent variable (teamwork).

The co-efficient value for transactional leadership was 0.329. This means that all things being equal, when the other independent variables (transformational and laissez-faire) are held constant,

working as a team and cohesion among teammates both vertically and horizontally would increase by 32.9% if there is 100% improvement in transactional leadership. This was statistically significant (0.04<0.05) i.e. the variable (transactional leadership) is making a significant unique contribution to the prediction of the dependent variable (teamwork).

Table 4.15 Regression Coefficients of the Relationship between Organizational Goal and the Leadership Styles (Predictive Variables)

	Unstandardized Coefficients		
	B	Std. Error	Sig.
Organizational goal achievement (Constant)	.712	.321	.046
Transactional	.607	.085	.000
Laissez faire	.015	.093	.871
Transformational	.581	.073	.000

From the analysis, the co-efficient value for transactional it is indicated that 0.607. This means that all things being equal, when the other independent variables are held constant, organizational goal achievement would increase by 60.7 % if there is 100% improvement in laissez-faire. This was statistically significant (0.00<0.05) i.e. the variable (laissez faire) is making a significant unique contribution to the prediction of the dependent variable (organizational goal achievement).

From the analysis the co-efficient value for transformational leadership was 0.581. This means that all things being equal, when the other independent variables are held constant, organizational goal achievement would increase by 58.1 % if there is 100% improvement in quality of the leadership in being transformational. This was statistically significant (0.00<0.05) i.e. the variable (transformational leadership) is making a significant unique contribution to the prediction of the dependent variable (organizational goal achievement).

From the analysis, the co-efficient value for transactional leadership was 0.015. This means that all things being equal, when the other independent variables (transformational and laissez faire) are held constant, performance would increase by 1.5 % if there is 100% improvement in organizational goal achievement. This was statistically insignificant because it has value more than

0.871>0.05 i.e. the variable (laissez fair leadership) is not making any unique contribution to the prediction of (organizational goal achievement).

Table 4.16 Regression Coefficients of the Relationship between Leadership Styles and the work performance (Predictive Variables)

	Unstandardized		StandardizedCoefficients		
	B	Std. Error	B	Std. Error	Sig.
Work performance (constant)	.6815	0.3305	.072	0.321	0.031
Laissez faire	.012	0.0725	.012	0.0725	0.055
Transformational	.457	0.078	.457	0.078	0. 0
Transactional	.4075	0.0675	.4075	0.0675	.0420

From the analysis, the co-efficient value for Laissez faire leadership was 0.312. This means that all things being equal, when the other independent variables (transformational and transactional) are held constant, work performance would increase by 1.2 % if there is 100% improvement in organizational goal achievement. This was statistically insignificant because it has value 0.051>0.05 i.e. the variable (laissez fair leadership) is not making any unique contribution to the prediction of (organizational performance). Moreover, transformational leadership coefficient is shown as 0.457, which means work performance will increase, by 45.7% while other independent variables are set aside and this is statistically insignificant since 0.0025 is <0.05 Finally as shown in the above table the independent variable, transactional leadership has shown a coefficient of .4075 which also shows other two leadership styles remaining constant transactional leadership will enhance work performance by 40.75% and the value is significant at .00 as it is less than .05. As shown in the standardized coefficients the values are all under certain similarity as at each ends the correlation and significances are similar

CHAPTER FIVE

SUMMRY, CONCLUSIONS AND RECOMMENDATION

5.1 Summary of Major Findings

➢ The study has revealed that most of the study participants are first-degree graduates.

➢ The composition of marital status between married and single ones in the study revealed that there is somehow balanced , yet most of the study participants are singles, not married

➢ Most of the respondents of the study have served in the bank for less than a decade now and given the age of the bank, it is possible to infer that the participants can better describe the current leadership style.

➢ As can be observed in the study at some points weighed the leadership approach tends to be more of laissez faire at some point

➢ Regardless of some of the measures describing laissez-faire shown that there is tendency that the leadership practice experienced by the bank, the transformational parameters and the features describing transformational leadership have proved that the bank experiences transformational leadership.

➢ As the study, result has shown certain parameters of transactional leadership have been presented and the leadership style exercised by the bank is partly the transactional leadership style.

➢ Various questions have been presented in the study with regard to the job performance and customer satisfaction, customer satisfaction has weighed largely, and there is stronger view that customers have a positive feedback after they receive the service and the service deliver processes takes short time.

➢ The respondents firmly believe that the employee work towards the realization of the organizational goal is worth it.

➢ The respondents believe that team work is crucial in realizing job performance

➢ The regression and correlation results have shown that each of the leadership styles are at different level significantly correlated with job performance.

➢ The study has identified that the leadership style exercised by the bank is more contextual leadership.

5.2 Conclusion

➢ Managers using the transactional leadership style receive certain tasks to perform and provide rewards or punishments to team members based on performance results. While others implant high levels of communication from management to meet goals. Leaders motivate employees and enhance productivity and efficiency through communication and high visibility. The leadership style employed by Wegagen Bank tends to be more of transformational though there is a sentiment of a laissez-faire and transactional at times.

➢ Employees often describe their respective managers and the leadership styles employed by them in a different ways. As it stands the employees perceive their leaders tending towards transactional and transformational leadership approaches

➢ The style of leadership has a greater positive effect on employee performance in which situation employee feel power and confidence in doing their job and in making different decisions. The transformational leadership and the performance deliverable variables have been gauged and there has been a positive a strong and a significant relationship between transformational leadership and employee work performance. Similarly there is a strong, positive and significant relationship between transactional leadership style and employee work performance

➢ Overall, the leadership style in place by the bank has a significant effect on work performance of the employees. As attested the reactions of the employees have proved that the employees have partly lacked the required level of competence as they lacked the required level of leadership dexterity they have been provided. They also believe that the leadership in place didn't help them to realize the required level of performance

5.2 Recommendation

➢ The leadership style in place by leaders of Wegagen bank tends to be a mix of both the three major leadership styles dealt in this paper. However, most importantly the transformational leadership should be promoted and the other two transactional and laissez faire leadership styles should not be encouraged to be exercised. Considering the susceptible nature of the financial sector, the turbulent financial environment the country is facing and the market in itself as the youngest to the country, it becomes key moment to reconsider the leadership styles in view of looking into the leadership styles that can take the bank further than it currently is being managed.

➢ The perceptions of the employees are observed as a mix of the three leadership styles being in action within the bank's setting. Yet leaders influence and are expected to walk their talks. Hence, their actions are attributed idealized influence, characteristics of leaders are considered important. The actions of the leader are taken into consideration in behavioural influence. In inspirational motivation, leaders have an optimistic view and set high standards for followers.

➢ The current study has proved that there is a significant and positive relationship between the two dominant leadership styles: transactional and transformational leadership as correlated with employee job performance. By identifying the values and the benefits to be reaped, however, the bank needs to implant the transformational leadership style more engrained to the bank's culture.

➢ Employee performance is an outcome of the leadership practice employed by the institutions. Leaders often take the blame and the reward for certain failure or success. Hence, if leader fails to deliver the required level of performance his leadership qualities are often considered at stake. Leadership style as identified in this particular study is positively related to the employee performance and the employee has considered that the style of leadership is linked directly to the success factors. Yet the bank, Wegagen Bank, should be considerate of the performance of the bank basing its existing foundation on the style of leadership it intends to realize.

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Annex

St.Mary's University

School of Graduate Studies

MBA Program

Dear respondent,

First I would like to give heartily thanks for your welcome cooperation and devotion of precious time to fill this questionnaire. The survey should take no longer than 15-20 minutes to complete. The questionnaire primarily designed to collect relevant, crucial and truthful information to address issues in the study entitled **"Effect of leadership style on employees performance at Wegagen Bank S.C"** and to suggest possible recommendations on the trends of the findings. To this end, the research reliability and fruit fullness is highly depends on the information provided by you, to this understanding your honest full information is the foundation and pillar of the study. Your answers to the survey are completely confidential and operate under the ethics standard of the research.

Once again, I would like appreciate your responsiveness and taking the time to complete the questionnaires. For any further clarifications and comments you can contact the research through Tel no. 09 11 04 58 47   or through Email: gabermariamliya@yahoo.com

Best regards,

Liya G/Mariam

GENERAL GUDELINE: Please Mark symbol **"x"** in space of your category

Section 1: Respondent's Profile

1. Age

   1. 20-39 ☐   2. 40-59 ☐   3. 60-79 ☐

2. Sex

   Male ☐   Female ☐

3. Level of education

   1. Diploma ☐   2 degree ☐   3. Master's degree ☐

4. Marital status

   Single ☐   Married ☐

5. How long have you served as an employee

1-10 years ☐   11-12years ☐   21-30years ☐

SECTION 2: LEADERSHIP STYLES.

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

The response scale for the question gives as follows.

1= Strong Disagree 2= Disagree 3=Neutral 4= Agree 5=Strong agree

	Statement	Strong Disagree	Disagree	Neutral	Agree	Strong agree
	Laissez faire style					
1	When performance requirements designed, the supervisor relies only on his/her own judgment.					
2	My supervisor does not impose policies on me.					
3	There is leadership freedom in my department.					
4	My department performs without any leadership barriers. Or obstacle					
5	I encourage others to do things on my way					
6	The manager provide solution to my problems					
7	Whenever I have a different point of view from that of my leader am not mistreated					
8	My supervisor allows me to express my point of view openly.					
	Transformational style					
9	The employer has care and concern for individuals work as well as his personal issues					
10	My supervise Believes that when real learning and growth take place mistake may happen					
11	My supervisor builds team sprites					
12	My supervisor is quite open and receptive to new ideas					
13	My supervisor Treats all subordinate employees like his brother					
14	My supervisor used the world WE instead of I					
15	My supervisor gets people involvement in decisions					

	Statement	Strong Disagree	Disagree	Neutral	Agree	Strong agree
5	making.					
	Transactional leadership					
16	my supervisor clearly clarify the responsibility for achieving targets					
17	As long as things are working I do not try to change things					
18	I provide recognition rewords when others reach their goals					
19	I also provide punishments or demotion to subordinate workers when they are doing wrong					
20	My supervisor content to tell other continue working in same way as always					

SECTION 2: Employees job performance

	Customer satisfaction					
21	Customers have a positive feedback after they receive the service					
22	The service deliver processes takes short time					
	Achieve organization goal					
23	I worked keeping my skills up to date					
24	I actively participated in work meetings and training					
25	I was able to perform my work well with minimal time and effort					
	Team work					
26	There is teamwork in my department.					
27	My supervisor is a team player					
28	I am given the needed support by my supervisor to builds team spirits					

APPENDIX 2: Interview questions

> ➢ **Please give genuine answer to the following questions, Thank you for your cooperation.**

1) Dose the manger delegates the authority to the staff to do some of the tasks in order to achive bank objective.

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2) What is the most important significance you demonstrate as a leader?

----

3) What is the greatest strength and weakness   of the bank leadership style at wegagen bank s.c ?

----

4) How to measured Employees job satisfaction in terms of communication significantly influenced by any of the leadership in the organization?

----

5) Are you satisfied with the leadership style of this organization?

If your answer is yes how?

If your answer is no why?