

THE EFFECT OF LEADERSHIP STYLES ON THE EMPLOYEE  
PERFORMANCE: IN CASE OF ETHIOPIAN AGRICULTURAL  
INVESTMENT LAND ADMINISTRATION AGENCY

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# ST.MARY'S UNIVERSITY SCHOOL OF GRADUATE

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## ***ABSTRACT***

*This paper is aimed to assess the effect of different leadership style on employee job performance in Ethiopia agricultural investment land administration agency. The study identified the three leadership styles namely autocratic, democratic, and transformational and how they related in enhancing employee performance. Based on the objective and research questions the data was collected through questionnaire, interview and researcher personal observation. The data collected from employee and leader was analyzed and interpreted to make it meaningful and easily understandable. The finding of the study revealed that autocratic leadership style was the most commonly practiced leadership style and negatively associated with employee job performance in the organization. Whereas, democratic and transformational leadership were the least commonly used and had positive correlation with employee job performance in Ethiopia agricultural land investment agency. The result of the study revealed that employee job performance would be higher under democratic and transformational leadership and to be lowest under autocratic leadership. Hence, it is recommended that leaders should mostly practice democratic and transformational leadership style and autocratic leadership style should be used based up on the situation for better job performance.*





# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

There are several factors that determine the success of an organization. Technological advancement, globalization, competition, customer awareness and so on influence organizational performances. Although various factors influence the performance of organization the quality of leadership is the most decisive determinant of organization success.

The goal of any organization is not only to survive, but also to sustain its existence by improving performance. In order to meet the needs of the highly competitive markets, organizations must continually increase performance.

Effective leadership styles accelerate the development of most organization. It has been widely accepted that effective organization require effective leadership and that organizational performance will suffer in direct proportion to neglect of this Fielder and House (1988). Thus leadership style plays a very well important role in enhancing employee job satisfaction, work motivation and work performance.

Performance is also major multidimensional construct aimed to achieve the results and has a strong link to strategic goals of an organization. Every organization can achieve their goals by the collective effort of all the members of the organization. For this reason, employee performance is an important building block of an organization and factor which is laid the foundation for high performance must be analyzed by the organization.

Leadership is an aged concept. However, it remains complex term that the researcher and scholars tackle with continuously. One of the main reasons is the extensive number of definitions for this word. The definition of the term varies due to the long age of term and different view of the scholars and researcher.

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

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

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

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

Western countries have somewhat different management system from less developed countries like Ethiopia due to local culture and norms. Therefore, it is very crucial to examine how leaders in the world influence the performance of their subordinates in cultural environment.

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

According to many researchers the dominant leadership style in Africa is authoritarian, personalized, inflexible, insensitive and conservative. There is also same practice in Ethiopia for a long time.

In Ethiopian agricultural investment land administration agency leaders, especially middle level and

low level leaders behave authoritatively because many times they retain the decision authority; ignore employee well-being and emphasis more on task than people. These leaders exercise almost absolute power.

Leaders in this organization generally have well defined and controlled disciplinary process with an emphasis process on punishment / warning, penalty of salary, so on/ for non-compliance rather than coaching, inspiring and motivating. Furthermore, they put in a place prescribed policies, procedure, rules and goals. The leader/s use power to solve unexpected content and ethical problem occurred during work: there is no need to have long consultation process before making decision.

Employee motivation, participation in decision making, grow, development and instilling vision and mission of the organization and effective problem solving are not well considered. Since employees are not motivated and participate in decision making there is low job performance.

To increase organizational performance and level of competitiveness, In Ethiopian agricultural investment land administration agency should identify leadership approach that facilitates organizational performance. Therefore this research focuses on the effects of leadership style on the accomplishment of the organizational program, objective, and attainment of organizational goals.

## 1.2 Operational definition of terms

**Leader:** refers to person appointed by the organization to follow up the entire or sub activities of the organization as well as the subordinates

**Leadership style:** refers to a pattern of behavior and actions that leaders use to achieve the desired outcomes.

**Employee :**refers to person being hired

## 1.3 Statement of the problem

The achievement of organization objectives rests largely on the effective leadership and utilization of human resource in the organization. Organization are managed and staffed by the people, and without people organization cannot exist or function. According to (Bass1997:mullins1999) employees are of paramount importance the achievement of any organization.

Effective leadership style enable greater participation of the entire workforce and can positively influence both individual and organization performance. Thus the success of organization is reliant on the leaders' ability to optimize human resources.

In Ethiopian agricultural investment land administration agency employee are the one who plays the major roles and make significant contribution to the organization. Hence the leader of the organization should pay much attention to their employees in order to keep them in organization and influence them to increase their job outcome and eventually lead to greater achievement of the organizational vision and long term goals. This can be achieved by exhibiting effective leadership behavior because leader's plays crucial role to keep employee motivated inspired committed and even satisfied in performing organizational policies and objectives effectively and efficiently.

In Ethiopian agricultural investment land administration agency there are many problem related to leadership and employee job performance which affect the level of organization success. There are different causes of poor performance but the major is due to poor leader – follower relationship and poor leadership practice on the parts of leaders.

According to the annual performance of In Ethiopian agricultural investment land administration agency in 2015 poor performance is a fact which affects employee job performance in the organization. This report also revealed that the actual performance of employee is below the expected level of performance and achievement of planned targets.

Employees are not well-motivated in this organization. Rewarding and promoting system are weak. There are a lot of rules and **regulations which are difficult to implement** all of them are. The organization focused on control and supervision which hinder the employee to take responsibility. More attention is given to task than employees' morale and safety.

In Ethiopian agricultural investment land administration agency the majority of employees witnessed those leaders, especially, middle level and low level: behave authoritatively because many times they ignore employee well-being and emphasis more on task than employee. According to the information from annual report review meeting and **employees interview results**: some of these leaders exercise almost absolute power and one way communication style.

The employees of this organization also revealed the leaders generally have a well-defined and controlled disciplinary process with an emphasis of punishment/warning, Penalty of salary, and so for noncompliance rather than coaching, inspiring and motivating. Furthermore, they put in a place prescribed policies, procedure and rules and goals. These behaviors are generally believed to be

unsatisfactory and there is a need to identify situation that demand to employee autocratic for better performance and avoid the situations.

Hence to fill the gap the researcher will try to investigate the effect of leadership style such as autocratic, democratic, and transformational and employee performance in Ethiopian agricultural investment land administration agency. The researcher also tries to suggest solution to overcome unsatisfactory employee performance.

## **1.4 research question**

To assess the above problem and objectives, the researcher attempted answer the following basic following basic question

- What are the commonly practiced leadership style and In Ethiopian agricultural investment land administration agency?
- How leadership styles such as autocratic, democratic, and transformational affect the performance of employee?  
Which leadership style is appropriate for the improvement of employee work performance in
- In Ethiopian agricultural investment land administration agency?

## **1.5 .Objectives of the study**

### *1.5.1. General objective*

The main objective of this research is to assess the effect of leadership style on employee performance of Ethiopian agricultural investment land administration agency.

### *1.5.2 Specific objectives*

- ✓ To identify commonly practiced leadership style In Ethiopian agricultural investment land administration agency
- ✓ To examine how leadership style such as autocratic, democratic, and transformational affect the employee performance
- ✓ to suggest appropriate leadership style that will improve performance In Ethiopian agricultural investment land administration agency

## **1.6. Significance of the study**

In general, the researcher of this study believes that the finding of this study have the following significance

- ❖ The study may provide an information about the effect of leadership style on employee performance for the government/In Ethiopian agricultural investment land administration agency / senior officials
- ❖ The study may help the researcher who have an interest to make further study on the issue in organization

### 1.7. Scope of the study

There are a lot of problem to be studied In Ethiopian agricultural investment land administration agency. However, this study tried to address one problem, the effect of different leadership style on the employee performance in the organization. In doing so, the study focused on exploring how leadership style such as autocratic, democratic, and transformational leadership affect the performance of employee in the organization.

### 1.8. Limitation of the study

The researcher believes that the inclusion of large part of the employee in the study help to get more relevant and broader information. However, because of time, financial, and other resource material constraints, the researcher did not include large number of the employee in the study.

### 1.9. Organization of the study

#### **The thesis is organized into five chapters**

Chapter one presents backgrounds of the study, describe the problem statement, research objective, significance of the study. Chapter two provide literature review. Chapter three focuses on research methodology, describes data collection and analysis method. Chapter four analysis and presents the research finding by showing how each of the question has been answered and how the finding contribute to the purpose of the study. Chapter five provide conclusion and recommendation.

## CHAPTER TWO

### Review Literature

In this chapter the theory and empirical research on leadership style and its effect on employee performance is prescribed to answer research questions. Hence, this chapter is organized as follows: first, the researcher presents some theories relevant to leadership. Secondly, it conceptualizes the impact of leadership and subordinates job performance. Finally, empirical evidence and experiences related to leadership style and employee performance is explained.

#### 2.1 Theoretical framework

The theory and research on leadership can be divided into three historical periods: the trait period from, the beginning of the 20<sup>th</sup> century to World War II; the behavior period from the onset of World war to 1960s; and the contingency period, from the late 1960s to the present. To understand the nature of leadership and its different aspects, it's important to discuss different theories of leadership that have developed over time. Hence, in this study the researcher will review theories and researches related to topic such as trait theory, contingency theory, behavioral theory and transformational theory.

##### 2.1.1 Trait theory

Trait theory of leadership differentiate leaders from non- leaders by focusing on personal quality and characteristics. Trait theories of leadership sought personality, social, physical or intellectual traits that differentiate leaders from non-leaders.

According to Hersey and Blanchard (1988) the trait model of leadership was established in early 1900s, with its associated theories and perspectives. In essence, this was the first was the first attempt at the theoretical understanding of the nature of leadership. The trait approach attempt to explain leadership addictiveness in terms of personality and psychological trait of the leader (Anthony, 2005).

The trait approach is challenged by the researcher that questioned the universality of leadership traits. Stogdill(1948) suggested that no consistent set of trait differentiated leaders from non-leaders across a

variety of situations. An individual with leadership traits who was a leader in one situation might not be a leader in another situations rather than being a quality those individual possess.

Leadership was conceptualized as a relationship between people in social situations. Personal factors related to leadership would be important, but researchers contended that these factors would be as relative to the requirement of the situations.

It is difficult to isolate a set of trait that is characteristics of leaders without factoring situation and effect into the question. Some people might have the trait that help them emerge as a leader but not the trait that allow them to maintain their leadership over time. Therefore, its difficult to identify universal set of leadership into isolation from the context in which leadership occurs since traits approach has failed to take a situation in to account.

On the other hand<sup>7</sup> Mann (1959) less emphasis on how situational factor influenced leadership. He suggested that personality traits could be used to distinguish leaders from non-leaders. His study results identified leaders as a strong in six trait intelligence, masculinity, adjustment, extroversion, dominance and conservatism.

Stogdill's second survey, published in 1974, was more balanced the role of traits and leadership. Whereas, the first survey implied that leadership is determined principally by situational factors, and not by personality factors, the second survey argued that more moderately that both personality situational factors were determinant of leadership. In essence, the second survey validated the original trait idea that leader characteristics are indeed a part of leadership.

Therefore, as a critique argued by different researcher and scholars pertaining to this approach the recent researchers move from assessing individual in terms of traits toward assessing how behaviors contribute to the success or failure of leadership( Anthony,2005)

### **2.1.2. Behavioral Leadership theory.**

The failure of trait approach and growing emphasis on behaviorism lead researchers to direct their



attention to the behavior of leaders. This new approach prompted scholars and researcher to look beyond leaders' traits and how leaders' behavior predicted effectiveness.

Behavioral theories of leadership are classified as such because they focus on the study of specific behaviors of a leader. For behavioral theorists, a leader behavior is the best predictor of his leadership influences and as a result, is the best determinant of his or her leadership success.

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

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

According to senior (1977) the perception of leadership progressed past opinion that that there is one best way lead, and the theorists began focus on how a leader ought to behave in order to be effective. Although each study emphasizes the importance of different factors followed by adoption of the appropriate style to deal with each circumstance.

### **2.1.3 Contingency Theory.**

The contingency theory is a class of behavioral theory that contend that there is no one best way of organizing/leading / an organization because leadership style that is effective in some situation may not be successful in others. In other words: the optimal organization /leadership style is contingent upon on various internal and external constraints.

Situational theories are mainly concerned with diagnosing the effectiveness of a leader in a particular situation and defining the appropriate leadership style in that situation.

Fiedler's contingency theory emphasized the leader's personality, or psychological disposition, is a main variable in her/his ability to lead, and said that how the group receives the leader, the task

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

On the contrary side, the low LPC score, the respondent relies on the nature of the task to drive leadership. The task has to be well defined or manageable, or the leader will be in trouble. In natural disasters or survival situations, tasks are not always well defined or prioritized well. Human relations are vital. A classic scenario is depicted in William Golding's *Lord of the Flies*, where kids are stranded on a deserted tropical island and ultimately fall into fighting with each other. While they are youth, they exhibit many basic human qualities that emerge under duress. Situations, where tasks are structured such as in most blue collar environments or the military, a personable leader isn't as much of a required. Orders come to "do it, or else", and while cultivating a following based on personality never hurts, it is not a requisite, except when authority becomes overbearing, such as in tyrannical situations.

Leaders who have a low LPC scoring (task-oriented) are effective, regardless of whether the factors are highly favorable or not. Also, they will act in a more assertive manner. With high LPC scores (relations-oriented) are more effective when the three factors are middle-of-the-road. Fiedler claimed that the LPC scores could be used to identify the appropriate leader for a situation. If a leader is able to control the tasks to be done, leader-led situations, and have power, the leader can create a favorable leadership environment.

### *Critique*

The vagueness of the parameters in the LPC scale makes them open to interpretation and they are context-free. For example, "supportive" could mean anything. Giving criticism can be supportive, but in whose eyes? A leader who is egotistical may not see any criticism as supportive. As with any surveys, one must ask how dynamic are they? Personalities and judgments of them change over time and with circumstances.

Survey research is notoriously inaccurate, as Gabriel Almond found four decades ago and modern

survey techniques are very sophisticated, albeit fraught with problems. The proof of a theory is its ability to predict, but if the terms are vague enough, just about any prediction will do. As somewhat of a sidebar, controversies about "prophets" such as Nostradamus abound, but the fact is that his predictions were so general that many could be deemed accurate. Horoscopes are beset with the same difficulties, as the traits are so general that just about anyone would qualify as having those about any day and in the right circumstances - which also are usually described in vague terms.

### *Future of theory*

The LPC model appears very much like a Bayesian weighting scheme that might be integrated into a social networking model to test organizational integrity. However, the parameters would need to be quantified, and a research instrument tested. The ways in which such models can emerge is suggested by the diagrams of those giving their renditions of Fiedler's contingency theory and applications.

As with any theory, research awaits concerning how this theory might be compared or integrated with others, such as the Leader-Member Exchange, where a leader maintains leadership through working with her or his supporters. This involves more of an analysis of the particulars of group dynamics. There can be a refinement of the LPC with the Leadership Participation Inventory which identifies characteristics of a leader that followers admire and would cause them to follow.

This discussion would not be complete without a reference to a validation of the personality traits by cognitive neuroscience. We said earlier that refinement of these terms should be done, but their validation via brain scans, while sounding quite futuristic, is not out of the question, given developments in the field.

### **2.2.4 Transformational leadership theory.**

Before 1960, the examining of leadership was based on traits and situation. By 1960 leadership was changed to a study of trait and situation combined with transaction between leaders and follower's (Bass, 1990).

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

Transformational leadership is defined as a leadership approach that causes change in individuals and

social systems. In its ideal form, it creates valuable and positive change in the followers with the end goal of developing followers into leaders.

Enacted in its authentic form, transformational leadership enhances the motivation, morale and performance of followers through a variety of mechanisms. These include connecting the follower's sense of identity and self to the mission and the collective identity of the organization; being a role model for followers that inspires them; challenging followers to take greater ownership for their work, and understanding the strengths and weaknesses of followers, so the leader can align followers with tasks that optimize their performance.

Bass (1998) added to the initial concepts of Burns (1978) to help explain how transformational leadership could be measured, as well as how it impacts follower motivation and performance. The extent, to which a leader is transformational, is measured first, in terms of his influence on the followers. The followers of such a leader feel trust, admiration, loyalty and respect for the leader and because of the qualities of the transformational leader are willing to work harder than originally expected. These outcomes occur because the transformational leader offers followers something more than just working for self-gain; they provide followers with an inspiring mission and vision and give them an identity. The leader transforms and motivates followers through his or her idealized influence intellectual stimulation and individual consideration.

In addition, this leader encourages followers to come up with new and unique ways to challenge the status quo and to alter the environment to support being successful.

Finally, in contrast to Burns, Bass suggested that leadership can simultaneously display both transformational and transactional leadership. Now 30 years of research and a number of meta-analyses have shown that transformational and transactional leadership positively predicts a wide variety of performance outcomes including individual, group and organizational.

Furthermore, the behaviors or dimensions of transformational leaders are: individualized consideration, intellectual stimulation, inspirational motivation, and idealized influence.

## 2.2 Empirical Review

### 2.2.1 Leadership and Performance

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

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

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

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

Good leaders understand the importance of employee in achieving the goals of the organization and that motivating employees is paramount importance in achieving these goals. To have an effective organization the people within the organization need to be inspired to invest themselves in the organization mission: the employee need to be stimulated so that they can be effective: hence effective organization require effective leadership ( Wall, Solum and Soboletal 1992).

Fiddler and House (1988) indicated effective organizations require leadership and that organizational performance will suffer in direct proportion to neglect of this. To have an effective organization, there must be effective and stimulating relations between people involved in the organization. (Paulus, Seta and Baron, 1996). Hence from the finding of many studies it is generally accepted that the effectiveness of any set of people is largely dependent on the quality of leadership.

Preliminary research undertaken by Booysen and Vanwyk(1994) in South Africa context found that outstanding leaders. In terms of effectiveness, are perceived to show a strong and direct. But democratic and participate leadership style, and are seen as agent of change and visionaries who increase organizational performance.

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

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

In summary it is obvious that much of the above evidence presented as supporting claim of leadership-performance link is anecdotal and frequently over-concentrate on transformational role of leaders in a corporate success. The limited or inconclusive character of research finding in this area suggests the need to investigate further relationship between leadership and performance.

### *2.2.2 Style of Leadership*

Leadership style more than leadership trait, which determine leader effectiveness. Leadership style is one model of organization behavior. The leader style or manner of dealing with the organization members and communicating with them contributes to or detracts from the groups over all functioning.

Lippit and White (1943) identified three general approaches to these interactions: autocratic leadership style, democratic leadership style, laissez faire leadership style. Even though, there are various leadership styles having their own distinct impact on employees' performance in different situation and environments. In this thesis the researcher briefly reviewed relevant literature related to the three leadership style: democratic leadership, style autocratic leadership style and transformational leadership style.

To support with scientific with a relationship between leadership style and performance relationship many researcher have conducted on the topic. Among others study conducted by Nuhu(2005), to find the empirical relationship between perceived leadership style and its consequence in employee performance in public organization of less developed countries, he found that each leadership style differently affect employee performance and concluded that there is a positive relationship between democratic leadership style and employee performance. Whereas, the result of autocratic leadership style on the performance level was opposing to democratic style.

Similar study, to examine the relationship between leadership style and performance made in the context of less developed countries by Devi et al( 2011) presents result indicating that there is strong relationship between perceived leadership style and employee performance. They found that leadership was positively linked with employee performance for both transformational leadership behavioral and transactional contingent reward leadership behaviors.

The implication of these research finding is that the managers who perceived to demonstrate strong leadership behaviors, whether transformational or transactional, will be seen engaging in increasing the employee performance leadership. In the support of this argument parry (2003), specifically examined leadership style has a positive effect on the innovation and effectiveness of this organizational performance.

### *2.2.3 Democratic leadership style.*

Democratic leadership style involves consulting with subordinates and the evaluation of their opinion and suggestion before the manager makes a decision (Mullins, 2005). Democratic leadership is associated with consensus, consultation, delegation and involvement (Bass 1981.)

This implies that employees who perceive their managers as adopting consultative or participative leadership behavior are more committed to their organization, more satisfied with their jobs and higher in the performance. Because, of the consultative nature of participative leadership, it has the potential to enhance the dimension of organizational and managerial values to employees.

According to Bass (1981), employees who work for participative leader tend exhibit greater involvement, commitment and loyalty than employees who work under a directive leader. Consequently, employees who are allowed to participate in decision making process are likely to be more committed to that decision implementation and probably better outcome is expected to achieve.

The 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. Even though there is a general believe that democratic leadership style can increase employees' job satisfaction and positively contributes to the achievement of the organizational goals, the appropriate situation that demand that the practice of democratic leadership style were not satisfactory identifies.

### *2.2.4 Autocratic Leadership Style*

According to Cavanaugh and Ninemeire (2001) an autocratic style is embedded in leader who has full organizational power an authority for decision making without sharing it with their subordinates. This type of leader exercise almost absolute power and commands strict compliance and conformity. The autocratic leader generally has well-defined and controlled disciplinary process with an emphasis on punishment for non-compliance.

This leader determines prescribed policies, procedure, rules and goal. Therefore, the existing leadership literatures in a business world suggest that autocratic leadership is useful in some context and should be



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

### *2.2.5 Transformational leadership style.*

Transformational leadership style is the leadership style that inspires followers to transcend self-interests for good of the organization and is capable of having a profound and extra ordinary effect on the followers concern (Robbins, Judge & Sanghi (2009). Hence, transformational leadership begins with the leader/follower relationship with a sense of responsibility for the development of followers.

Researchers enhance the relationship that arouse and maintain trust ,confidence and desire of subordinates .The primary goal of this leadership is to transform followers toward a relationship that shift the dependent responsibility for into a relationship that is interdependent ,and people are responsible to each other .A transformational leader`s bottom line goal is to bring followers up to the level to confidentially accomplishing organizational task without direct leader intervention (Einstein and Humphreys,2001).

Bass (1985) stated that the attention to leadership has shifted to traditional to transaction model to a new style of leadership with an emphasis on transformational leadership .the current literature of leadership suggested that there is a positive impact this leadership style on employee performance. In this regard, various studies made in different parts of the world to now the relationship between transformational leadership style and employee performance suggested positive relationship between the two variables.

In a research survey conducted by Bono and Judge (2003) as to whether the follower of transformational leadership exhibit higher performance motivation, job satisfaction ,and organizational commitment in service and manufacturing organization ,it was found that transformational leadership behaviors, as evaluated by followers ,was positively related to follower` job performance. The transformational leadership style is believed to have a constructive impact on the effectiveness of an organization (Bass and Avolio,(1994).However ,the concept of organization effectiveness is

controversial and several contrasting view exist on the measurement of this concept ,yet it remain the critical dependent variable in research (Bass and Avolia,1994).

From the finding of the studies made in different parts of the world transformational leadership is positively related to the employee performance more than the others. In support the above argument the study conducted by Meyer and Botha (2000), has clearly shown that transformational leadership are more effective than transactional leaders, regardless of how effectiveness has been defined.

Ristow,etal.(1999) found a positive relationship between transformational leadership and organizational effectiveness in administration of cricket in south Africa .similarly ,Hayward ,et al.(2003) determine a positive linear relationship between transformational leadership and employee performance in a south Africa pharmaceutical organization. Furthermore, in the Canadian financial industry it was found that transformational leadership is more strongly correlated with higher employee satisfaction and individual/organizational performance than transactional leadership (Mayer and Botha, 2000).

#### *2.2.6 Employee/Individual performance*

Amos et al. (2004), state that the effective management of employee performance is critical to the execution of strategy and organizational achieving its strategic objectives. Performance cannot be left in anticipation that it will develop naturally, despite the employee`s natural desire to perform and be rewarded for it. This desire needs to be accommodated, facilitated and cultivated Amos et al. (2004).In return for this performance ,organization extend themselves in various forms of acknowledgement (Foot and Hook, 1999).

Employee performance has become a topical issue in today`s business environment, so that organization go to a great lengths to appraise and manage it (Armstrong and Baron, 1998). (Whitten and Cameron 1998) stated that employee performance is the product of ability multiplied by motivation.

Furthermore Cumming and Schwab (1973) concur with the belief that performance is ultimately an individual phenomenon with environmental factors influencing performance primarily through their effect on individual determinants of performance ability and motivation.

### *2.2.7 Current Leadership in Ethiopia*

The current government employed domestic and foreign consultants to study the capacity and effectiveness of the top management. The consultants identified that Ethiopia's public organization was characterized by;

- Highly centralized decision making organizational structure
- Lack of transparency and accountability in implementing developmental projects
- Lack of effective leadership style across public organization

The identified poor leadership and institution weakness across public organization in the meantime leads to widely perceived low employee performance. Consequently the government introduced a new strategy to address leadership related problem.

The study conducted by Rahel(2014), to assess the effect of different leadership style on the commitment of the employees toward their job performance in some public institutions have shown that transformational leadership has positive associations with employee performance.

Another study conducted by Helen (2014) indicated that the practical implementation of transformational leadership increase so that subordinate satisfaction with the leader and employee performance in public organization.

### *2.3.8. Research gap*

Effect of leadership is important to any organization success. Many researchers have been conducted to in identifying effective leadership style for enhancing employee performance in various sectors Ethiopia. These studies were focused on the relationship between leadership behavior and job performance, job satisfaction, employee commitment etc. However the researcher found that there are no studies on the effect of leadership style towards employee job performance Ethiopian agricultural investment land administration agency. Therefore, the study of the leadership effect on employee performance will be conducted to address the gap in this organization.

## 2.4 Conceptual Framework

The study will be based on a conceptual construct indicating a relationship exist between the different leadership style such as transformational, democratic and autocratic leadership style exercising by leaders on their followers and its consequence on employee performance, in the study area. Hence the dependent variable in this study will be performance according to Nuhuk, (2010). Performance will be perceived as the ability of employee to meet organizational task, requirement and objectives through strategic investment into organizing executing and accomplishing roles and duties in the minimum time possible.

Consequently, performance is operationally perceived as; Executing defined duties, meeting deadlines, team input, and achieving departmental goals. The above should lead to efficiency, specialization, effective feedback and good organizational relations. The cohesion of both leadership and performance should be evident through style and approach by managers in the attempt to cause efficiency which requires specific leadership approaches to unique performance challenges.

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

However these studies were generally conducted in business organization, yet there have been few researches conducted in public organizations specifically in Ethiopia. Thus, the aim of this research is to determine the relationship between leadership style and employee performance in Ethiopian agricultural investment land administration agency.

## CHAPTER THREE

### METHODOLOGY

This chapter explained the components of the appropriate methods to employ for the research. Thus, the chapter focused on the study area, the research design and methodology, the population and sampling procedures, the instruments of data collection and the data analysis was discussed.

Under this chapter the appropriate methods to undertake the research was planned. Moreover, the researcher focused on the study area, the research design and methodology, the population and sampling procedures, the instrument of data collection and the data analysis was discussed.

#### **3.1 Research design.**

The study will employ mixed research approaches to collect quantitative and qualitative data that will be used as valuable inputs to the completion of the study. It was assumed that collective diverse types of data from total population of the target organization can provide reliable answers to the research question of this study.

#### **3.2 Operational definitions of variables**

Operational variable in the study are employee performance, which is dependent variable in the study and perceived leadership style which are independent variable in the study.

##### *Leadership style*

Within the framework of contingency theory leadership style are described as task motivated or relationship motivated. Task- motivated leaders are center primarily reaching a goal, whereas relationship motivated leaders are concerned with developing close interpersonal relationship ( Fiedlrs).

##### *Employee performance*

Performance has been defined or described in various ways by scholars. however, in this study employee performance regard to the way and manner in which a staff in organization performs the duties assigned to him/her or expected of him/her in order to realize the organizational goals and Objectives (Olaniyan1999).

### 3.3 Population and Sampling

#### 3.3.1 Target population

The target population of the study is the leader/managers and employees of Ethiopian agricultural investment land administration agency

#### 3.3.2 Procedure of the Sample Technique

The whole staff of Ethiopian agricultural investment land administration agency organization formed the population of the study. They comprised employee, directors, department heads and team leaders which counts for 103. Thus census was used as sampling technique because number of population is manageable. Subsequently judgmental technique is used in the study for some leader the reason is that participants in leader positions are assumed to be a major source of information for the data gathering of the study. Likewise, they can positively or negatively affect the overall individual and organization performance in the organization. Consequently, 1 general director 2 directors 2 department heads and 2 team leaders are selected purposely for this study

### 3.4 Sources of the Data

The sources of the data for this study comprised both primarily and secondary sources of information.

Primarily data was collected by using various data collection instruments or tools. The respondents are the employees and leaders/managers of Ethiopian agricultural investment land administration agency

### 3.5 Data collection instrument.

To obtain reliable and objective information, data will be collected through different data collection methods. Three basic data gathering instrument will be used in the process of collecting the necessary data for the study

**Questionnaire;** The open ended and close ended questionnaire are prepared and carried out among employees who are selected to participate in the study to explore the effect of leadership styles in employee job performance.

**Interview;** an unstructured interview guide are prepared for managers, directors, department heads, and team leaders to explore the leadership style on employee performance.

**Observation;** in the process of data collection, the researcher observed facilities services available for employees, meeting, and performance report and so on. The observation data was contributed to a more accurate context that made it possible to interpret the meaning of variables indicators analysis.

### **3.6 Method of Data Analysis**

This study will attempt to catch information by using different techniques of data collection from different sources. Quantitative data will be collected through closed –ended items and supported by the data collected through open-ended questionnaire .Beside, qualitative data; interview form managers, directors, department heads and team leaders will be organized and described in to meaningful information. The statistical package for social science (SPSS) is used to analyze the data and descriptive analysis also used to presented and interpret data collected on various variable of leadership style and its impact on employee performance. Frequency tables and charts along with percentage are also employed

## CHAPTER FOUR

### RESULT AND DISCUSSION

The chapter was dedicated to present and discuss the result of the study. The study aimed at analyzing the effect of leadership style on employee performance in Ethiopian agricultural investment land administration agency. The chapter has two sections: the first chapter of the research has presented finding about demographic population of the study; the second presented finding statistical analysis used to answer the key research question and understand the results.

#### 4.1 Response Rate

One hundred five questionnaires were distributed to respondent in census survey. Out which – questionnaires were not returned and ---- questionnaires were discarded due to missing data. Hence, -- questionnaire were considered for the study.

#### 4.2 Demographic Data

Background of the respondent included sex, educational status, and place of birth, marital status, occupation and work experience. These demographic factors were analyzed in relation to the variable to be analyzed.

Table 4.1 Demographic Character of Respondents

No	Item	Frequency	Percent	Mean Value
1	Sex			
	Male	64	69.6	
	Female	28	30.4	
	Total	105	100	
2	Educational level			
	Undergraduate degree	73	79.3	
	Master's degree and above	19	20.7	
	Total	92	100	
3	occupation			
	employee	80	87	
	Contract	8	8.7	
	Freelancer	4	4.3	



	Total	92	100	
4	Work experiences			
	1-5 years	16	17.4	
	6-10 years	54	58.7	
	11 and above years	22	23.9	
	Total	92	100	

As indicated table 4.1 sixty four (69.6%) of the respondent were males and 28 %( 30.4%) of respondents were female. Hence, the questionnaire surveys collected from the respondents are showing the gender information on the composition of the respondent in terms of sex. The reasons that the researcher included this part to make sure that the respondent are appropriate in term of sex.

As indicated in table 4.1 the result show the educational level of seventy three (79.3%) of the respondent were degree graduate, while nineteen (20.7%) of the population were master’s degree and above graduate.

Table 4.1 indicated that the occupation of the respondent eighty (87%) of the respondents were employee, eight (8.7%) of the respondent were contract and four (4.3%) of the respondents were -----  
----.hence the result regarding the respondents occupation revealed that almost all respondent working in Ethiopian agricultural investment land administration agency

Table 4.1 also showed that sixteen (17.4%) of the respondents work experience were between 1-5 years. About fifty four (58.7%) and twenty two (23.9%) of the respondent were 6-10 years and above ten years work experience respectively.

### **4.3 Result of the study**

This section focuses on the result of the study in relation to the research question and objectives. Furthermore, the result of the study has been analyzed on the basis o that information has been gathered through questionnaire, interviews and observation.

### 4.3.1 Commonly Practiced Leadership Styles

### 4.2 Response on Commonly Practiced Leadership Styles

Item	Most commonly Used		Commonly Used		Least Commonly Used		Total	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Autocratic Leadership	32	34.8	41	44.6	19	20.7	92	100
Democratic leadership	2	2.2	34	37	56	60.9	92	100
Transformational leadership	3	3.3	20	21.7	69	75	92	100

Source Field Survey November 2016

As indicated in table 4.2 employee perception toward commonly practiced leadership style across their department was rated as autocratic, democratic, or transformational leadership style. Respondents ranked the three mentioned leadership style in order of their practice or preference by the leaders of their organization.

Thirty two (34.8%) of the participant responded that autocratic leadership style is most commonly practiced and forty one (44.6%) of the participant responded that autocratic leadership style is commonly practiced in the organization. Only nineteen (20.7%) of the participant the participant responded that autocratic leadership style is most commonly practiced in their organization. Hence autocratic leadership style is commonly practiced in their departments /organization.

As indicated in Table 4.2 fifty six (60.9%) of participant responded that democratic leadership style is least commonly practiced leadership style in their department; while thirty four (37%) and two (2.2%) of the participants responded that democratic leadership style is commonly and most commonly practiced in their organization respectively. Consequently democratic leadership style is the least commonly practiced leadership style performance in Ethiopian agricultural investment land administration agency.

Table 4.2 also showed that sixty nine (75%) of the research population responded that transformational leadership style is least commonly practiced in their department; while twenty (21.7%) and three (3.3%) of the participant responded that transformational leadership style is the least commonly practiced in selected organization.

Table 4.3 Descriptive Statistics on the main Variable

Item	N	Mean	Std.Deviation	
Autocratic leadership	92	3.60	.961	Commonly used
Democratic leadership	92	2.66	1.072	Least commonly
Transformational leadership	92	2.55	1.031	Least commonly

Participant response has been summarized in table 4.2 to get average score of each leadership style, consequently, highest mean score of 3.60 indicates that majority of the respondent working in Ethiopia agricultural investment land administration agency ranked autocratic leadership is commonly practiced in their departments. They also ranked democratic and transformational leadership the least practiced with a score of 2.66 and 2.55 respectively.

According to the interview I got form the leader and my observation, leaders in Ethiopia agricultural Investment land administration agency especially middle and low level leaders; behave authoritatively because many times they retain the decision authority, ignore employee well being and emphasis more on task than people. These leaders exercise almost absolute power and one side communication style. On the other hand, democratic and transformational leadership styles are the least practiced in this organization.

**In general**, the finding of this research explains that leaders in Ethiopia agricultural investment land administration agency prefer to get work accomplished by their subordinates through authoritative leadership style. They generally have well defined and controlled disciplinary process with an emphasis on punishment for non-compliance

Furthermore, they put in place prescribed policies, procedure, rules and goals. These behaviors are generally believed to be unsatisfactory and there is a need to identify situations and demand to employ autocratic for better performance and avoid in other situations. This is because different situation may request appropriate and more productive leadership style.

On the other hand democratic and transformational leadership styles are the least commonly used in Ethiopia agricultural investment land administration agency. Hence, to increase organizational performance and level of competitiveness, the organizational should identify leadership approach

especially democratic and transformational leadership style that facilitates organizational performance.

#### 4.4.2 Effect of leadership style on employee performance

##### 4.4.2.1 Perception toward different leadership styles

**Table 4.4 response on autocratic leadership styles**

Item	Strongly disagree		Disagree		Neither agree nor disagree		Agree		Strongly agree	
	Freq.	%	Freq	%	freq	%	freq	%	freq	%
Retain the final decision making authority	3	3.3	16	17.4	8	8.7	56	60.9	9	9.8
Never give time to consider my suggestion	3	3.3	14	15.2	8	8.7	59	64.1	8	8.7
Whenever I make a mistake my supervisor makes note on it and tells me strictly not do again	3	3.3	18	19.6	6	6.5	58	63	7	7.6
Am not allowed to make decision that my supervisor did not approve	5	5.4	16	17.4	6	6.5	57	62	8	8.7
Closely monitor me to ensure that I am performing correctly	5	5.4	17	18.5	4	4.3	59	64.1	7	7.6

Table 4.4 shows that around fifty six (60.9%) of the respondent responded that their leader retain the final decision making authority on different issues across their department, while sixteen(17.4%) participants on the other aspects disagreed that their leaders retain the final decisions making power in their departments. This implies that majority of the employees agreed that leaders are sole decision making bodies who hold absolute power over different administrative and strategic issues.

As indicated in table 4.4 fifty nine (64.1%) of the respondents agreed to the statement that their leaders never spent time with them. They also said their never gave time to hear their ideas and take in to consideration. On the other hand fourteen ( 15.2%) of them disagreed and said their leaders consider their ideas and properly listen their suggestions. This shows that most of the employee voted against the statement and expressed that their leaders never devote time with them so that to share ideas and new insights.

Regarding the way leaders treat their employees when they do mistakes in their work, about fifty eight(63%) of the respondent expressed their agreement to the statement and said that leaders deal in appropriately to correct their mistake and strictly inform them not to do again.

On other hand around eighteen(19.6%) of the respondents disagreed the statement and said that they are not treated wrongly by their leaders for their work related mistakes. Hence, the result of the participants response shows that majority of the respondent agreed that their leaders threat them inappropriately to correct their mistake.

Employees response in relation to their independence to take decision without their leaders approval resulted that fifty seven (62%) of the participant agreed to the statement and said that they are not allowed to take decision pertaining to their unless they receive go ahead from their leaders. Whereas, sixteen(17.4%) of the participant were disagreed to the statement and indicated that they could take decision independently. Therefore, this implied that most of the employees agreed that they have no opportunity to make decision without getting fist approval of leader.

When employees were asked if their leader closely monitor to ensure that they are performing well, fifty nine(64.1%) of the respondent agreed to and believed that their leader obviously supervises closely in order to ensure their performance. On other side around seventeen (18.5%) of the participant disagreed to the statement by indicating that they were not subjected to close supervision of their leaders. Hence, this shows that most of the participant supports the opinion that leaders exert close supervision on their on subordinates to ensure they are performing.

Table 4.5 response on democratic leadership style

Items	Strongly disagree		Disagree		Neither disagree nor agree		Agree		Strongly agree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Includes me in decision making but retain final decision making authority	4	4.3	52	56.5	8	8.7	27	29.3	1	1.1
Seek input from me for upcoming project	6	6.5	52	56.5	4	4.3	27	29.3	3	3.3
Create an environment where I take ownership of my project	5	5.4	54	62	8	8.7	21	22.8	1	1.1
Allow me to set my own priorities in line with his guidance	9	9.8	53	57.6	6	6.5	22	23.9	2	2.2
When there is difference in expectation my supervisor work with me to solve the problem	3	3.3	55	59.8	8	8.7	23	25	3	3.3

As indicated in table 4.5 employees were asked with their leaders include them in the decision making process, then around fifty two (56.5) of the participant disagreed to the statement and said that they were not allowed to involve in the final decision making process. On the contrary, twenty seven (29.3%) of the respondent were agreed to the statement and stated that their leaders include them in final decision making process in their departments. Hence, the employees witnessed that their leaders take final decision making authority even though they are consulted before deciding the issue under consideration.

Concerning input seeking from the employees, fifty two( 56.5%) of the respondents disagreed to the statement and said that their leaders do not seek input from them to have input in upcoming projects, while twenty seven(29.3%) of the respondent agreed and said that their leaders seek input from them for the upcoming projects. Therefore, the result shows that most of the participant disagree that their leaders seek input from them for upcoming projects.

Employees were then asked whether their leaders create an environment that helps them to have a sense of ownership toward ongoing project. In this regard, fifty seven (62%) of the participants disagreed that their leaders create favorite environment to have a sense of ownership.

On the other hand, twenty one (22.8%) of the participant agreed and said that their leader were effective to create attractive work environment and that they have already developed a sense of ownership of their own projects. This indicates that the majority of the respondents disagreed that their leaders promote favorite environment that can be established a sense of ownership in the employees for effective implementation of the organizational objectives.

As indicated in table 4.5 employees were asked whether their leader permit them to have their own priorities in line with the organizational work priorities. Around fifty three( 57.6%) of participant disagreed to the statement and said that their leader did not allow them to set their own priorities and acts accordingly. While twenty two(23.9%) of the participant responded that their leader let them to set their own priorities while performing their work. This implies that most of the participants disagreed that their leaders allow them to set and work according to their own priority of the leaders or managers. As stated in table 4.5 employees responded toward their leaders collaboration with them when there is difference in employees performance expectation to resolve the problem. Fifty five (59.8%) of the respondents disagreed and stated that their leaders did not collaborative with them to resolve problems that result difference in their expectatioans. On the other side twenty three (25%) of the respondentts agreed and said that the leader actively collaborate with them when there is difference in expectatiaon to resolve the problem. Hence, the majority of the participants disagreed that their leaders are effectively cooperate with them to resolve the problem. Hence, the majority of the participant disagreed that their leaders are effectively cooperate with them to resolve the problem

Table 4.6 response on transformational leadership style

Items	Strongly disagree		Disagree		Neither disagree nor agree		Agree		Strongly agree	
	Freq.	%	Fre q.	%	Freq.	%	Freq.	%	Freq.	%
Seek different perspective when solving problems	6	6.5	57	62	4	4.3	22	23.9	3	3.3
Specifies the importance of having a strong sense of purpose	6	6.5	59	64.1	4	4.3	22	23.9	1	1.1
Spending time teaching and coaching	5	5.4	65	70.7	4	4.3	17	18.5	1	1.1
Consider the ethical and moral consequence of decisions	2	2.2	64	69.6	5	5.4	20	21.7	1	1.1
Articulate a compelling vision of the future	5	5.4	59	64.1	5	5.4	20	21.7	3	3.3

As shown in table 4.6 all statements all statement are about assessing the leadership behavior in Ethiopian agricultural land investment agency as a being transformational leaders or not. So, the result on the first statement revealed that fifty seven (62%) of the respondents disagreed to the statement and stated that their leaders don not seek differing perspectives when resolving problems, while twenty two (23.9%) of the participants agreed that their leaders seek differing perspective to resolve problems. Seeking differing perspective while solving problems helps leaders to attain to the best possible solutions. This traits also helps leader to create positive perception in the minds of the followers and lead them to immediately implement decisions.

Employee were also expressed their perception toward their leaders status in specifying the importance



of having strong sense of purpose of their work. In this regard, if fifty nine(64.1%) of the respondent disagreed and stated that their leaders or managers do not specify the significance of having a strong sense of purpose their work, while twenty two (23.9%) of the respondent were agreed to the same question. This shows that most of the participants disagreed that their leaders clearly specify for their employees the importance of having strong sense of purpose to the work. This also show that leaders lack one of the key leadership qualities that helps employee to increase their importance. Concerning employee teaching and coaching around sixty five (70.7%) of the respondents agreed that their leaders do not spent time for teaching and coaching their employees, while seventeen(18.3%) of the participant agreed that their leaders spent time for teaching and coaching of them. This shows that majority of the respondents disagreed that their leaders invest time for teaching and coaching of their employees. This means that leaders are not helping their subordinates to acquire new skills and developing their strengths.

Regarding the ethical and moral consideration of decision, the result explained that sixty four (69.6%) of the participant expressed their disagreement and stated their leaders do not consider ethical and moral consequence of the decision that may affect their daily work. On the other hand, twenty (21.7%) of the respondent voted in favor of statement and stated that their leaders consider ethical and moral consequences of the decision related to the work.

This, indicates that majority of the participant disagreed and supported their leader do not consider decision from ethical and moral consequences before it is implementation. When a leaders consider the ethical and moral consequence of the decision he /she is thinking wellbeing of subordinates and employee performance.

In table 4.6 employees were rated whether their leaders articulately a compelling vision of the future. Fifty nine(64.1%) of the respondent disagreed that their leader articulate a compelling vision of future, whereas (21.7%) of the participant agreed to the statement. This shows that the majority of the participant agreed to the statement. This shows the majority of the participant disagreed that the leaders articulates a compelling future vision. This means the employees working in the organization were not clearly informed about the future image. Describing the future of the organization is very important as it keeps employee highly motivated and makes them proud as they feel that they are working in a very successful organization. This consequently leads to improved employee performance.

Table 4.7. Response on employee performance

Items	Strongly disagree		Disagree		Neither disagree nor agree		Agree		Strongly agree	
	Freq	%	Freq	%	Fre q	%	Fre q	%	Fre q	%
I always report at work on time	1	1.1	53	57.6	5	5.4	30	32.6	3	3.3
I am motivated to work	3	3.3	60	65.2	6	6.5	18	19.6	5	5.4
There is a team work spirit in my department	2	2.2	54	58.7	6	6.5	28	30.4	2	2.2
My supervisor is team player	4	4.3	54	58.7	9	9.8	22	23.9	3	3.3
My performance is assessed by my supervisor on daily basis	4	4.3	60	65.2	6	6.5	21	22.8	1	1.1

Table 4.7 showed response from the participants regarding their job performance. When employee were asked if they report at work on time, fifty three (57.6%) of the participant disagreed that they report at their work station timely, while thirty (32.6%) of the participant agreed to the same statement. This indicates that most of the employees in selected organization did not indeed arrive at work early. This can be a reason for the under performance of the employee. According to the information obtained the researcher through interview with some official, most of the employees were leaving work early for lunch and coming back to late in the afternoon.

Regarding actual performance of the employee most of the employee was agree that they were not motivated to perform. In this regard around sixty (65.2%) of them disagreed to the statement indicating

that most of the employee were motivated to perform. The demoralization behavior toward employees in performing their task may arise from the poor motivational rewarding system established by the leader of the organization. While eighteen (19.6%) of the participants have expressed their agreement to the statement. Hence, most of employees in Ethiopia agricultural investment land administration agency were not motivated to perform.

Regarding team work existence in the department of the organization around fifty four (58.7%) of the participant disagreed to the statement and said that there is strong less team work in their departments. Whereas, twenty eight (30.4%) of them agreed that there is strong team work in their departments. Even though teamwork is crucial in the organization, the results shows that most of the employee disagreed and insisted that they do not perform their task through team work sprit across their departments, which is indication of poor employee performance across department in the study organization.

As indicated in table 4.7 employees were asked if their leaders are team role players. Fifty four (58.7%) of the participant disagreed that their leaders are team role player in their departments, while twenty two (23.9%) of the respondent agreed to the statement and said that their leaders role team players in their departments. There for the result shows that majority of the participant disagreed that there are not team role player in their respective department and organization.

As indicated in table 4.7 employees were asked if their performance was assessed by their leaders alone, sixty (65.2%) of the participant disagreed that their performance was assessed by their close leaders on daily basis, while twenty one (22.8%) have shown their agreement that their performance is assessed by their leaders on daily basis. Consequently this shows that most of respondent clearly disagreed that their leaders are sole agent that assess the job performance on timely basis

#### .4.2.2 Descriptive statics for leadership style and employee performance

Table 4.8 descriptive statics on the main variables

Item	N	Mean	Std. Deviation
Autocratic leadership	92	3.60	0.961
Democratic leadership	92	2.66	1.072
Transformational leadership	92	2.55	1.031
Employee performance	92	2.55	1.031

The result of revealed that the descriptive statics of main variables of the study. The result showed that most of the respondent in selected organization practiced mixed leadership style in different extents. Accordingly leader practiced high level of autocratic leadership (mean.3.60 SD= 0961); low level of Democratic leadership (mean =2.66, SD= 1.072) and (mean = 1.072) and (mean=2.55, SD=1.031) transformational leadership behavior.

#### **4.4.2.3. The relationship between leadership style and employee performance**

To show the relationship between the variables and its statistical significance the researcher applied Pearson correlation coefficient techniques, to find the strength of the association between two variables. It is a value between  $-1 \leq r \leq 1$  inclusive. The value of  $r=1$  means that there is a perfect positive correlation while  $r=-1$  means that there is perfect negative correlation. A value  $r$  near zero means no clear relationship exist between the two variables.

##### **4.4.2.3.1 Correlation between Autocratic and Employee Performance**

The Pearson correlation was performed to assess the association between the autocratic leadership behavior and the effect it has on the employee performance. In this regard participant responses to five question or statement from the questionnaires considered very crucial to employee performance described under the main variable of performance were matched against response to five key question from the questionnaires under the main variables of autocratic leadership style.

## DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Shoa Jemal (ASST.PROFESSOR). All source of material used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted in part or in full to any other higher learning institution for the purpose of earning any degree.

Yiheyis Kokebu

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Name  
ST. Mary's University College, Addis Ababa

Signature & Date  
January, 2017.

## ENDORSEMENT

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

Shoa Jemal (Asst. Professor)

---

Advisor

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ST. Mary's University College, Addis Ababa

Signature & Date  
January, 2017.

## APPENDIX

### St. Mary University

#### Department of general business administration

Questionnaire: to be filled by employees Ethiopian agricultural investment land administration agency

Dear respondent:

This questionnaire is prepared to gather information, ideas and opinion of employees on the effect of leadership style on employee job performance. The purpose of this study is purely academic and it will be confidentially kept; by no means will it negatively affect your personal or your institution. Therefore the researcher kindly request you to extend your cooperation by providing relevant information by filling out the questionnaire provided.

Many thanks

Instruction: A. No need of writing your name

B. for alternative answer please put “  ”

C. for open ended question please briefly specify

Part1. Background information about respondent

1. Sex  male  female
2. educational status  10-12 grade  diploma  undergraduate degree  master's degree and above
3. experience  1-5 years  6-10 years  11-above
4. Field of specialization-----?
5. Department currently you are working in?

**Part 2. Question related leadership and employee performances**

**2.1 commonly practiced leadership styles**

No	Statements	Most commonly used	Commonly used	Least commonly used
1	Autocratic leadership			
2	Democratic leadership			
3	Transformational leadership			

**2.2 perception towards different leadership style**

**2.2.1 Autocratic leadership style**

No	Statements	Strongly disagree	Disagree	Neither agree nor disagree	agree	Strongly agree
1	Retain the final decision making authority					
2	Never give time to consider my suggestion					
3	Whenever I make a mistake my supervisor makes note on it and tells me strictly not do again					
4	Am not allowed to make decision that my supervisor did not approve					
5	Closely monitor me to ensure that I am performing correctly					



### 2.2.2 Transformational leadership style

No	Statements	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree
1	Seek different perspective when solving problems					
2	Specifies the importance of having a strong sense of purpose					
3	Spending time teaching and coaching					
4	Consider the ethical and moral consequence of decisions					
5	Articulate a compelling vision of the future					

### 2.2.3 Democratic leadership style

No	Statements	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree
1	Includes me in decision making but retain final decision making authority					
2	Seek input from me for upcoming project					
3	Create an environment where I take ownership of my project					
4	Allow me to set my own priorities in line with his guidance					
5	When there is difference in expectation my supervisor work with me to solve the problem					

**2.3. Employee perception toward their performance**

**2.3.1 Employee performance**

No	Statements	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree
1	I always report at work on time					
2	I am motivated to work					
3	There is a team work spirit in my branch					
4	My supervisor is team player					
5	My performance is assessed by my supervisor on daily basis					

**2.4** Which leadership style is appropriate for the improvement of employee work performance in EAILAA?

A, Autocratic B, democratic C, Transformational D, mixed of democratic and transformational E, mixed of the three F other specify -----

If your answer is A, B, C, D, OR E WHY?-----  
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## **Appendix**

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#### **Interview with the leaders of EALAA on leadership style and employee performance.**

The interview is prepared to gather data that are help full to identify effect of leadership style on employee performance. Hence the success of this of this research depends on willingness and sincerity

of your response.

Thank you for the willingness to be interviewed.

1. What are the mission, vision and goals of your organization?
2. How do you evaluate your subordinates and organization performance?
3. What is role of leaders and employee to achieve organizational mission, vision and goals of your organization?
4. What do you do if your subordinate doesn't accomplish the work given to him?
5. How do the leaders in your organization motivate/ initiate employee for enhancing employee and organizational performance?
6. What are the role of leader and employee in decision making? Who makes the final decision in your organization?
7. Which leadership style is practiced in your organization?
8. Which leadership style is has negative impact on employee/ organizational performance?
9. What is the appropriate leadership style that will improve employee performance in your organization?
10. Any additional comments will be appreciated

**THANKYOU**

