

ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES

THE EFFECT OF TRANSFORMATIONAL LEADERSHIP ON ORGANIZATIONAL PERFORMANCE: THE CASE OF SELAMTA FAMILY PROJECT

BY

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ADDIS ABABA, ETHIOPIA

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THE EFFECT OF TRANSFORMATIONAL LEADERSHIP ON ORGANIZATIONAL PERFORMANCE: THE CASE OF SELAMTA FAMILY PROJECT

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DECLARATION

I hereby stated that this thesis is for the Degree of Master of science entitled "EFFECT OF TRANSFORMATIONAL LEADERSHIP ON ORGANIZATIONAL PERFORMANCE THE CASE OF SELAMTA FAMILY PROJECT." The research is the original work and has no submitted any previous research on this title. The researcher then declared that the thesis is his own authentic work and confirmed by his signature singed below.

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ST. MARY'S UNIVERSITY

DEDICATION

Above all God is the reason for all and I'm thankful for everything he has done in my life.

I appreciate you for being around when I needed you the most, and may God bless you for giving me our precious bliss Ahava Kidus, this is dedicated to you, my wonderful husband Kidus Liknaw.

Mom, Thank you for everything. you are the strongest woman I know who supports me with encouragement, advice, and your prayer, that works like a miracle. I'm glad you're alive so you can see your effort. Dear mom (Lemlem Bekele) may God bless you.

I LOVE YOU ALL.

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ABSTRACT

The study's overall objective was to determine the effect of transformational leadership on the Selamta family project's organizational performance. More specifically, the study was aimed to determine the effect of the dimensions of transformational leadership namely idealized influence, inspirational motivation, individualized stimulation, and intellectual stimulation on the Selamta family project's organizational performance. This research used a descriptive research design. The sampling method was simple random sampling technique. A sample of one hundred eighty five was selected out of the total population. Primary data were gathered using survey instrument. Secondary data were gathered through the review of previously established literature for achieving the research objectives. SPSS software was used to process quantitative data and analyzed via data descriptive and inferential statistical tools were used. The result of Pearson correlation analysis shows that there is a strong positive relationship between inspirational motivation and organizational performance (r = 0.619, p = 0.000), individualized stimulation and organizational performance (r = 0.926, p = 0.000) and intellectual stimulation and organizational performance (r = 0.803, p = 0.000). All the three variables of transformational leadership covered had a significant strong positive relationship with the organizational performance of Selamta family project. However, idealized influence does not have a statistically significant effect on organizational performance (r = -0.038, p = 0.605). Therefore, to increase organizational performance, leaders should focus on inspirational, individualized and intellectual stimulation dimensions of transformational leadership. Moreover, the study recommends that Selamta family project management should continue to promote transformative leadership to sustain the exemplary performance in the organization.

Key words: Transformational leadership, inspiring motivation intellectual stimulation, idealized influence, and individual consideration, and organizational performance

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List of acronyms

MLRM	Multiple Linear regression model
NGO	None Governmental Organization
VIF	Variance Inflation Factor

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Chapter One

1. Introduction

1.1. Background of the study

The role of leadership in non-governmental organizations becomes more important as contributes to improvement of the organizational performance. Today NGOs come across with different challenges due to technological change, global economic environment, globalization and widely access to information, due to these challenges; NGOs have come under pressure on which leadership style can serve them better to improve organizational performance. Theory of transformational leadership is very important in field of leadership and many studies show that there is positive relationship of transformational leadership and other dependent variable like satisfaction, commitment, motivation and performance of the employees (e.g. Kane & Tremble, 2000; Lowe et al., 1996).

Back in the 1930's social scientists began to examine leadership. Through these studies, it was determined that leadership is something people do; therefore, it is something people can learn to do. Up to late 1940s the scholars introduced trait approach which is one of the earliest approaches to studying leadership, evolving from the "great man" theories that "asserted that leadership qualities were inherited, especially by people from the upper class. Great man were born, not made (in those days, virtually all business leaders were men)" (Kirkpatrick & Locke, 1991). In the late 1940s to 1960s, the focus of leadership research shifted from leader traits to leader behavior. The researchers were particularly interested in identifying leader behaviors that enhanced the effectiveness of subordinates. With that shift in research, the former common opinion that leaders with the right qualities have to be selected changed into the opinion that, knowing the effective leadership behaviors, leaders can be trained to become successful (Bryman, 1992).

Any organization's goal is to improve leadership in order to not only succeed, but also to thrive. Organizations must continuously improve their efficiency in order to meet the demands of highly competitive fairs (Arslan & Staub 2013). According to previous studies, leadership has a vital role to play in achieving organizational performance success (Martorana & Owens 2003). Prior research on the effect of leadership on improving organizational performance, on the other hand, has shown mixed results. a few researches suggest that for an organization to achieve a high level of success, the position of leadership is crucial (Finkelstein & Hambrick, 1996).

The recent studies and literature point that transformational leadership style is the most appropriate, effective compared to other leadership styles, many scholars have suggested that transformational leadership style when properly applied to the organizations may result in better performance especially when properly promoting elements of transformational which are individualized consideration, intellectual stimulation, and inspirational motivation and idealized influence. ,,"Transformational leaders achieve the greatest performance from subordinates since they are able to inspire their subordinates to raise their capabilities for success and develop subordinates" innovative problem solving skills"" (Bass, 1985).Cheung and Wong (2010) found that there is positive relationship between transformational leadership and employee creativity.

Different authors have different views of the concept of leadership, as well as different definitions of leadership. For example, authors in politics, social work, and even entrepreneur use the term to express a variety of meanings and expectations (Yusuf, M.O. Muhammad, 2014). A variety of alternative ways to conceptualize and exercise leadership have had a significant influence on how leaders and CEOs run organizations.

According to research on the subject of organizational performance, this is one of the most significant variables for leaders to consider when working to establish and develop their operations. Despite the importance of organizational performance, few researchers have looked at what services expect to achieve in terms of performance (Kroll, 2016). The organization's leadership system has been identified as a potential source of improved performance (Overall, 2015). Transformational leadership, in particular, has been recognized as a "major and significant" way to helping staff, with the potential to significantly improve organizational performance (Pradhan, 2015). Organizations must create the supports required to attain targeted performance results as the organization environment grows increasingly (Al-Mawali, 2013).

Transformational leadership defines how a leader may alter a group or an organization by developing, communicating, modeling, and encourage employees to work toward a common goal (Mesahne, S.L & Von Glinow, M.A, 2003). These activities indicate that the fundamental root of transformational leadership is the process of altering individuals' perceptions of own selves (Lord, R.G., Brown, D.J., and Shamir, 2004). According to Kiue (2010), top-level actions have a major

effect on the organization. Leadership studies have been thoroughly studied and found to have a substantial effect on organizational performance (Casico, Mariados, & Mouri, 2010).

From the 1980s onward, the new leadership method, also known as transformational leadership, was a major topic of research. This leadership technique is commonly referred to as transformational, charismatic "leaders," visionary or value-based, transforming, and inspirational. The adjectives transformational and charismatic are frequently used (Hunt, 1999). Theories about this style of leadership try to analyze how certain leaders acquire extraordinary levels of admiration, loyalty, trust, dedication, follower motivation, and performance.

1.2. Background of the organization

The Selamta Family Project was founded in 2006 E.C with the objective of providing assistance to Ethiopia's neediest children and families. Their mission is to get children out of homes and into communities and build Forever Families for those who have lost their own. Selamta takes a holistic, in-country, community-based approach to equipping and empowering all families. They build their family's base on four pillars: Education, Fitness & Well-being, Psychosocial Care, and Spiritual Growth are also vital facets of life. Their goal is to demonstrate that children belong in homes, not institutions or the streets. Due to severe poverty and other problems that leave families with little resources and little opportunities, an estimated 5 million children have been orphaned or abandoned in Ethiopia. Their sustainable development goal is: No Poverty, Zero Hunger, Good Health and Well-being, Quality Education, Gender Equality, Clean Water and Sanitation, Decent Work and Economic Growth Reduced Inequalities, and Sustainable Cities and Communities.

1.3. Statement of the problem

Transformational leadership is a new type of leadership in which the leader collaborates with staff to identify required change, create a vision to drive the change with inspiration, and implement the change with the help of dedicated members of the organization (Riggio & Conger, 2008). Good interactions with all organizational members are the benchmark for all organizational activities, per the good leaders. The most significant predictors of organizational performance are great quality relationships established on respect and trust. Because the performance of an organization is determined by the quality of interactions among its teams at all levels.

In organizations, leadership was the most major element; without it, goals and objectives might not be met. A number of studies have been conducted to determine the role of good leaders in enhancing organizational performance. The relationship between organizational leadership and performance, as well as building an environment, in which excellent relationship can exist, both can contribute to higher organizational performance (toor & Ofori, 2009).

As a result, this study will address a gap in the non-governmental organization sector's research. In addition, this study could bring value by focusing on the selamta family project mediating effect and its role on the relationship between transformational leadership parts and organizational performance.

1.4 Objective of the study

1.4.1. General Objective

The general objective of the study is to examine the effect of Transformational leadership on organization performance in the case of the Selamta family project.

1.4.2. Specific Objectives

The specific objectives of the current study are:

- 1. To identify the effect of transformational leadership components on organizational performance at selamta family project.
- 2. To assess the levels of organizational performance at selamta family project.
- 3. To examine the relationship between transformational leadership components and organizational performance at selamta family project.

1.4.3. Research question

The following research questions will be addressed by the study:

- **1.** What is the effect of transformational leadership (components) on organizational performance?
- 2. What is the level of organizational performance in selamta family project?

3. What is the relationship between transformational leadership components and organizational performance in selamta family project?

1.5. Significance of the Study

Using the Selamta Family Project as a case study, the study will seek to assess current practice organization performance, analyze the effect of transformational leadership on organization performance, and mediate the function of leadership involvement. The findings of this study will be useful for non-governmental organizations in determining the extent to which transformational leadership components have an effect on organizational performance. It will also assist the managers and staff of the Selamta Family Project in developing a clear idea of transformational leadership and how it may improve employee performance in the workplace. As a result, it is critical to ensure that the organization has high-performing personnel who can help the organization meet the objectives and goals set forth in the implementation plan.

It will also provide data to officials and assist organization in understanding the performance of organizations in the non-governmental sector. Furthermore, the research will assist the firm in implementing transformational leadership practices to improve their overall performance. The study may also add to the existing literature by identifying the effect and link between transformational leadership and organizational performance, as well as the mediating role of leadership engagement empirical data in the Ethiopian setting. It will serve as a starting point for interested research to perform more detailed studies in the area in the future.

1.6. Scope of the Study

The main goal of this research is to look at how transformational leadership affects organizational performance in the Selamata family project. The participants in this study are workers and representatives of the Selamata Family Project in Addis Ababa. The sampling frame for this study was limited to one institution, so the findings cannot be applied to the entire NGOs or other types of organizations in the country. As a result, every word used in this research should be viewed in light of the effect of leadership on organizational performance.

1.7. Limitation of the study

It would have been more interesting if the study looked at other organizations and measured the effect of transformational leadership with each one, and the results would be even more significant. Due to time and cost limits, unfortunately, it is difficult to address various organizations.

1.8. Definition terms

A leader: establishes a clear vision and mission, motivates employees, leads individuals through the work process, and improves productivity (Riggio and conger, 2008)

Leadership: The act of leading individuals in an organization towards attaining goals (Kim & Yoon, 2015).

Transformational leadership: focuses on inspiring individuals to attain desired goals by addressing their basic and higher-order needs (Kim & Yoon, 2015).

Individualized Consideration: A leader's socio-emotional support for their followers, tailored to their individual needs and promoting their development and empowerment (Riggio and conger, 2008).

Intellectual stimulation: entails coming up with new and unique answers to common issues as well as working in novel methods (Yusuf, Mohammed and Kazeem, 2014).

Idealized influence: Transformational leaders that act in ways that make them role models for their followers. These people look up to, respect, and trust these leaders. Followers look up to and desire to be like the leaders (Bain & Company, 1999).

Inspiration motivation: is the leader's promotion of a consistent vision to the members, which provides them with a set of values that create purpose. Members put forth a lot of effort to complete their responsibilities because they are confident in their skills.

Organizational performance: refers to a company's performance in relation to its goals and objectives (Cho and Dansereau, 2010).

CHAPTER TWO 2. REVIEW OF RELATED LITERACURE

2.1. Introduction

This chapter reviews related literatures that support the study. It deals with the definition of leadership and theories about leadership. Among theories of leadership this chapter focuses on transformational leadership mainly on its definition, components and its relation with organizational performance.

2.2. Definition of Leadership

Leadership may be defined in a variety of ways. Leadership is an engagement relationship between leaders and followers who want to see genuine changes and outcomes that represent their common goals. Leadership entails influence, it takes place among people, those individuals consciously seek substantial changes, and the changes reflect shared goals between leaders and followers as a result, leadership is a collaboration between leaders and followers who work together to achieve a common goal (Richard L. ,2008). Motivating people to work together towards a common vision and to bring change to a planned vision is an essential leadership technique (RichardL ,2008).

Leading is an effort that focuses on supporting or providing direction to reach a set of points or points, and the effort is intentional or the point and the point is programmed (Anna Beerel ,2014). The practice of motivating and encouraging people to use their potential to achieve a stated objective is known as leadership (OdetayoT. A and Sajuyigbe ,2012).

Leadership is a process in which a leader engages in a variety of actions in order to attain a certain objective. Leadership refers to a leader's actions and attitude in gathering and directing people toward a common objective. Leadership is a two-way communication process between the leader and the people he or she leads. As a result, the effectiveness of an organization is determined by its effective leader, who is defined as someone who has an effective leadership style. Leadership is a critical component of every organization (Anees Ullah Karamet, 2013). According to Anees Ullah Karamet, leadership puts three perspectives:

1. Leadership is attaining goals via others: In this view, leadership is collaborating with the team to achieve objectives. Leaders are required to work hard to guide their teams toward the objective, and everyone in the group must participate in order to accomplish it.

2. Leadership with dominating power: This form of leadership entails gaining control of a group and acting as a leader. It is in charge of the top spot for a set period of time. This sort of leadership form necessitates the people's mutual understanding that they will follow the rules. It is not necessary to be a good motivator or a relationship leader of people in this form of leadership.

3. Positive change for the better: This form of leadership is essentially a challenge to the established order in the direction of a better world. Leaders are considered to have the guts to speak up and be heard, even if it puts them in danger. However, under this form of leadership, the leader not required to have a formal appointment; if they believe that change is required, they go ahead and question the existing quo. This also offers employees the opportunity to become leaders even if they lack the necessary skills or authority to do so.

2.3 Transformational leadership

Leadership expert James McGregor Burns created the notion of transforming leadership in his 1978 book, Leadership. Great leaders, according to Burns, "help each other in rising to a higher degree of morality and motivation." Great leaders, according to Burns, "improve individuals and organizations by making radical adjustments in their life." They accomplish this by expressing a compelling vision and setting ambitious goals. Developing a high-performance workforce is becoming more important, and leaders must be able to push people to go above and beyond their work responsibilities to accomplish it (James Burns, 1978).

As a result, new leadership concepts such as transformational leadership have emerged. The term "transformational leadership" was created by (Bass in 1985) to define a collection of actions and traits that foster organizational change and stability. Idealized influence, individual concern, intellectual stimulation, and inspirational drive are all characteristics of transformational leadership (Bass, 1990). Transformational leaders strive to demonstrate to their followers that they are capable of coping with personal demands and changes, resulting in close working relationships. At all levels of an organization, including teams, departments, divisions, and the broader company, transformational leadership can be seen. Such leaders are visionary, motivating, daring, risk-takers, and thoughtful thinkers. They have a captivating demeanor. Charm, on the other hand, is insufficient to change the way a firm operates.

Another researcher, (bass, B.M, 1985), expanded on (burns, 1978)'s work by explaining the physiological processes that support transforming and transactional leadership; bass also used the

term "transformational" instead of "transforming." Bass added to (Burns, 1978)'s initial concepts to help explain how transformational leadership could be measured, as well as how it impacts follower motivation. The followers are used to determine the level to which a leader is transformational.

The followers of such a leader have faith in, admiration for, loyalty to, and respect for the leader, and are prepared to work more than expected because of the transformational leader's qualities. These outcomes arise because the transformational leader provides followers with more than just a way to make money; they supply them with an inspirational purpose and vision, as well as a sense of belonging. Through his or her idealized impact (charisma), intellectual stimulation, and personalized concern, the leader changes and motivates. Furthermore, this leader pushes followers to think of fresh and creative methods to disrupt the existing system. to change the environment in order to achieve success Finally, in contrast to Burns, Bass proposed that leadership may be both transformative and transactional at the same time. The spectrum of leadership, according to Yukl (1994), introduces four Characteristics of transformational leaders.

2.3.1. Characteristics of Transformational Leadership

Creating high-performance workforce has become increasingly important and to do so business leaders must be able to inspire organizational members to go beyond their task requirements. As a result, new concepts of leadership have emerged - transformational leadership being one of them. Transformational leadership may be found at all levels of the organization: teams, departments, divisions, and organization as a whole. Such leaders are visionary, inspiring, daring, risk-takers, and thoughtful thinkers. They have a charismatic appeal. But charisma alone is insufficient for changing the way an organization operates. For bringing major changes, transformational leaders must exhibit the following four factors:

1. Inspirational Motivation (IM)

The cornerstone of transformational leadership is the distribution of a consistent vision, mission, and set of values to the members. They have such a clear vision of what they want to get out of any engagement. Transformational leaders guide their followers and offer them with a feeling of purpose and challenge. They develop an atmosphere of cooperation and loyalty with energy and hope. Transformational leaders act in a manner that motivates and inspires people around them by

giving their task purpose and challenge. The team spirit has been sparked. There is a lot of enthusiasm and hope. Leaders engage followers in imagining appealing future states; they establish clearly articulated expectations that followers desire to fulfill, as well as demonstrating dedication to the shared vision and goals. "The leader articulates a compelling vision of the future," for example, is an MLQ item for IM. In most cases, charismatic-inspiring leadership theory combines a single component to provide idealized impact leadership and inspirational motivation (Bass & Avolio, 1993).

2. Individualized stimulation (IS)

Leaders act as role models to their subordinates, encouraging them to be creative and innovative. Followers are treated differently depending on their abilities and competence. They have the power to make decisions and are always provided with the resources they require to carry out those decisions. By serving as a mentor, transformational leaders give specific attention to each individual follower's desire for accomplishment and progress. Followers and colleagues are developed to higher levels of potential as time goes on (House, 1977). When fresh learning opportunities and a supportive environment are established, individualized consideration is exercised. Individual differences in wants and aspirations are acknowledged. Acceptance of individual diversity is demonstrated through the leader's actions (For example, certain staffs are offered more encouragement, full independence, tougher criteria, and more task structure). Communication is encouraged to be two-way, and "management by strolling around" workplaces are used. Interactions with followers are tailored to each individual (e.g., the leader remembers person rather than as just an employee) (House, 1977).

3. Intellectual Stimulation (IS)

These leaders inspire their followers to be imaginative and inventive. They inspire their followers to come up with new ideas and never publicly blame them for their mistakes. Leaders concentrate on the "what" of issues rather than the "blaming" aspect. They have no qualms about abandoning an old procedure if it is found to be unsuccessful. By challenging assumptions, reframing issues, and tackling old circumstances in new ways, transformational leaders encourage their people to be inventive and creative (Yukl, 1994). The use of imagination is encouraged. Individual members' errors are not publicly criticized. Followers are asked for new ideas and innovative problem-

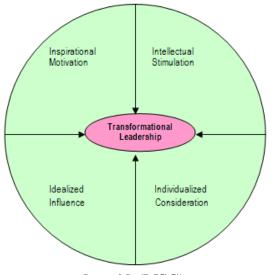
solving solutions. Who is involved in the problem-solving and problem-solving process? Followers are encouraged to explore new ways, and their ideas are not dismissed just because they differ from those of the leaders. "The leader gets people to look at challenges from many different angles," according to a sample item from the MLQ that indicates intellectual stimulation (Yukl ,1994).

4.Idealized influence (II)

They assume that a leader will only influence followers if he follows through with what he preaches. Leaders serve as role models for those who want to follow in their footsteps. Through their actions, such leaders gain the confidence and admiration of their followers. They usually prioritize the interests of their followers above their own, sacrificing personal benefit in the process, and exhibiting strong ethical standards. The use of influence by such leaders is intended to persuade them to work against the organization's shared objectives (Yukl ,1994).

A team is inspired and motivated to be more productive and successful by the transformation leader. Communication is the foundation of goal completion because it keeps the group focused on the desired outcome or success. This leader is well-known and completes tasks by working across the line of command. While focusing on the broad picture, transformational leaders need to be surrounded by individuals who can handle the details. The leader is always on the lookout for innovative ideas that will assist the company achieve its objectives (Burns, 1978).

Idealized influence has two components: the leader's actions and the elements assigned to the leader by followers and other associates. These two elements of idealized influence, which are measured by distinct sub factors of the MLQ, indicate the interactional character of idealized influence, which is represented in both the leader's conduct and followers' attributions about the leader. "The leader stresses the significance of having a group sense of mission," according to an example MLQ item that depicts idealized influence behavior. "The leader reassures others that the issue will be overcome," says an example item from the idealizes influence ascribed factor. Furthermore, leaders with a lot of idealized influence are more ready to speak risk and consistency rather than arbitrary decisions. They can be depended on to do the right thing and maintain high ethical and moral standards (Burns, 1978).



Source: management study guide(MSG)

Figure 2. 1 Model of Transformational Leadership

2.4. Organizational performance

Organizational performance has become an important part for evaluating whether or not an organization has reached its goals and objectives. Organization performance, according to Richard et al. (2009), is a factor that determines how effectively an organization achieves its goal. For researchers interested in any aspect of management, organizational performance is considered as the ultimate dependent variable of interest. One of the most prevalent international trends in organization administration has been the introduction of measuring techniques during the last two decades (Pollitt, 2006). Furthermore, performance is defined as an organization's success or failure in carrying out main responsibilities and activities in order to achieve the stated goals, objectives, vision, and purpose. This is sometimes referred to as accomplishments over a period of time.

2.5. Transformational Leadership and Follower Performance

The charismatic-transformational approach to leadership has evolved based on two key views, Max Weber's Theory of Charisma (1947) and Burns' Transforming Leadership Theory (1978), according to Flávia Cavazotte et al (2013). Bass (1985) used the phrase transformational leadership to describe leaders who inspire and alter their followers' beliefs, attitudes, and motivations. These leaders give their followers a vision and build an emotional bond with them, raising their awareness and encouraging them to believe in greater objectives that are more important than their own. Employee task performance is boosted by transformational leaders who create trust in their abilities.

Performance refers to an individual's knowledge, competence, and skills in relation to the work at hand. The characteristics of transformational leader's aid in the development of better relationships with followers, which encourage workers. Leaders will be able to encourage followers to work effectively for the organization, which will ultimately enhance their organizational effectiveness. leaders should be recognized for their role in motivating staff and encouraging them to come up with fresh ideas (Jeevan and Sonia Bhau, 2015).

Transformational leaders influence workplace and organization performance by improving followers' personality and encouraging individual and collective identification with both the leader's and the organization's goals and objectives (Bernard M. Bass and Ronald E. Riggio, 2006). Employee engagement grows when they are encouraged to participate in work-related decision-making, and they become accountable for their own duties and performance (Azka et.al, 2011).

Effective leadership leads to high levels of performance and enjoyment among followers, and transformational leaders are more effective in this regard. Furthermore, a single person's leadership style has an impact on the success of a group or organization (Ingo Winkler ,2010).

Leadership that is transformational has a beneficial effect on performance. Today's leaders have a critical responsibility to improve employee performance. The performance of organizations and the transformational leadership have a positive relationship. All of the characteristics of transformational leadership work together to improve performance (Azka et.al, 2011).

2.6. Transformational leadership and organizational performance

According to K. Rukmani et al. (2010), transformational leadership has an effect on organizational performance. Transformational leadership is required to establish a vision and motivate people. The transforming method produces change in people's lives and in organizations by redesigning perceptions and values, as well as changing performance standards and ambitions. Transforming leaders provide an example for their followers by working for the group's and organization's benefit.

Leadership practices influence organizational performance through articulating policies and plans, rules and regulations, creating support, instructions, co-operation, and creating an efficient work environment, all of which inspire people to do their best. According to Krishnan (2004), Avolio and Bass said in 1988 and 1994 that a leader has ethical qualities and that the leader puts the group's interests first. Transformational leadership is the ability of a leader to inspire people to achieve more than they had anticipated (M. Suleman Sabir, et.al, 2011).

2.6.1. Relationship: Transformational Leadership and organizational

Performance

In the introduction to this research, the relation between transformational leadership and organizational performance was briefly described. Various researchers have focused at how transformational leadership affects certain aspects of organization and individual activity to shape outcomes in order to better understand the effect it plays in the development of organizational performance. Akhtar and Zaheer (2013), for instance, show how transformational leadership might improve an organization's ability to change and create by proving the effect of this approach on organizational performance. This can lead to development and growth.

De Jong and Bruch (2013) concluded that transformational leadership has a direct influence on organizational environment. De Jong and Bruch suggest that via transformational leadership, the organization's atmosphere may be improved, resulting in a more engaged and energetic workforce. This makes it easier to meet organizational objectives, resulting in improved performance (De Jong & Bruch, 2013). Giroux and McLarney (2014) give a more comprehensive assessment of transformational leadership's effect on organizational change, emphasizing that this result has fundamental effects on employees, customers, and owners. 2014 (Giroux & McLarney).

2.6.2. Relationship: Idealized Influence and Performance

One of the four components of transformative leadership found as an independent variable in this study is idealized influence. According to researchers studying this process, idealized influence refers to the belief that followers can trust and respect leaders to give assistance and resources (Chu & Lai, 2011). Followers will be willing to accept the leader's orders, regardless of their complexity or difficulty, as a result of this conviction (Chu & Lai, 2011).

Since idealized influence and its consequences for organizational performance are frequently viewed as part of transformational leadership, research suggests that idealized influence may have an effects on certain areas of organizational performance. Idealized influence, in particular, may have consequences for employee performance and satisfaction, as well as facilitating level of motivation on the workplace (Chen, 2004). Considering the effects of idealized influence on organizational performance is critical for a better understanding of how transformational leadership affects organizational performance (Chu & Lai, 2011).

2.6.3. Relationship: Inspirational Motivation and Performance

Another aspect of transformational leadership that is studied as an independent variable in this study is inspirational motivation. Doody and Doody (2012) examine inspirational motivation in depth, arguing that the process entails persuading followers to match personal objectives with the organization's aims. Doody and Doody (2012) claim that the organization's objectives are concurrently attained through this process, with the outcomes having consequences for both the employee and the organization. Inspirational motivation and its effect on the organization, like idealized influence, has not been studied much outside of the setting of organizational performance (Doody and Doody ,2012).

Rawung and Elvinita (2015) address the role of inspirational motivation in building employee trust and satisfaction. According to these experts, inspiring motivation may act as a framework for knowledge exchange, which is a critical component of ensuring the organization's performance. The lack of knowledge about the extent to which inspiring motivation impacts organizational performance outcomes necessitates examining this component separately in order to have a more thorough sense of its effect (Rawung and Elvinita ,2015).

2.6.4. Relationship: Intellectual Stimulation and Performance

Intellectual stimulation is a key element of transformational leadership and is included as an independent variable in the assessment process. According to an evaluation of this characteristic, intellectual stimulation encourages followers to discover issues and solutions through discussion and support (Smothers, Doleh, Celuch, Peluchette, & Valadares, 2016). The impact of intellectual stimulation on organizational performance as an independent variable affecting employee

outcomes has been studied more thoroughly in the literature. Anjali and Anand (2015) claim, in particular, that intellectual simulation leads to the formation of employee commitment.

The influence of intellectual stimulation on organizational performance as an independent variable affecting employee outcomes has been studied more thoroughly in the literature. Intellectual simulation, according to Anjali and Anand (2015), contributes to the growth of employee commitment to the organization. As a result, the organization's capability to achieve goals based on the passion and hard work of members is impacted (Anjali & Anand, 2015).

2.6.5. Relationship: Individual Consideration and Performance

Individual consideration is the final independent variable under evaluation in this study. Rooney and McKenna (2014) look at the extent of individual consideration, emphasizing that the process is reliant on the leader's willingness and capacity to offer nurturing care to each follower. In terms of the impact of individual consideration on organizational performance, Snell, Stanley, Zhang (2013) believe that this approach can improve employee employee performance, resulting in better levels of engagement and motivation. When all employees see this result, the company's performance would increase (Snell et al., 2013).

2.7. Research Gap

Researchers looked at the issues that organization leaders have in being transformational leaders, as well as the components of transformational leadership that non-governmental organization leaders in Ethiopia are lacking. The study was conducted with the goal of determining the effectiveness and efficiency of the structural reforms. The main objectives were to determine to what extent non-governmental organization leaders become transformational leaders and to develop their organizations in order to implement the reform plans.

However, their study did not examine the effects of transformational leadership on organizational performance. This study examines the effect of transformational leadership on organizational performance utilizing its aspects in the Selamta family project.

2.8. Theoretical Framework

The characteristics of transformational leadership in the framework under have been addressed here in order to demonstrate the effect of a leadership role in increasing organizational performance. The study evaluates the effects of transformational leadership utilizing its dimensions for organizational performance in the Selamta family project, based on the theories of Bass and Riggio (2006).

A theoretical framework to understand how transformational leadership affects organizational performance is generated based on an understanding of the four key dimensions of transformational leadership. Idealized influence, inspiring motivation, intellectual stimulation, and individual consideration are all proposed as independent variables in the framework. The dependent variable is organizational performance.

Transformational leadership

- Idealized influence
- inspirational motivation
- intellectual stimulation
- individual consideration

Organizational performance

Source: generated from a literature review

Figure 2. 2 the relationship between transformational leadership and organizational performance

2.9. Research hypotheses test

The following are the study hypotheses, which are offered to test the statements put forward as part of the theoretical model:

H₀₁: There is a significant relationship between Individual consideration and Organizational Performance.

H₀₂: There is positive significant relationship between Idealized Influence and Organizational Performance.

H₀₃: There is a significant relationship between Inspirational Motivation and Organizational Performance.

H₀₄: There is a significant relationship between Intellectual Stimulation and Organizational Performance.

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1. Introduction

According to Kothari (2004), research methodology is a technique that specifies how a research is carried out in a methodical manner, as well as a basic concept that drives one's research activity (Dawson, 2002). It covers the research methodologies, instruments, and procedures, as well as the actions that must be done to complete the study. As a result, this chapter discusses the research methodology, which includes the study strategy and design, research equipment, and data collecting procedures utilized by the researcher, all of which are based on the above conception. The chapter also explains how the data was structured, summarized, analyzed, and interpreted using statistical methods suited for the data type. This chapter also includes a review of the research's validity and dependability, as well as the ethical issues involved in conducting it.

3.2. Research Methodology

Research methodology refers to the procedures or strategies used to find, select, process, and analyze information about a topic. A research paper's allow the researcher to critically evaluate the study's overall validity and dependability. The research methodology answers two fundamental questions: how was the data collected or generated, and how was it examined, and what approach was used to investigate it (Igbokwe 2009). The research methodology of transformational leadership is a representative study in design with a cross sectional component whereby all relevant parties were involved. It looked at the selamta family project management and all the relevant staffs involved in the organization leadership.

3.3 Description of study Area

Selamta family project is the focus of the research. The emphasis of the study paper is on the human resources department and management, as well as staff. The data was collected from the company's own environment.

3.4. Research Design Approach

Research design, according to John W. Creswell (2009), is a plan and technique for conducting research that includes everything from broad assumptions to specific data collection and analysis methodologies. In this study, the descriptive analysis design will be applied. This design aims to collect data after an event has occurred. The study design will look at the reasons behind the situation's behavior, as well as the situation's strengths and weaknesses. A mix technique will also be used in the concept. Interviews are used in a qualitative method, whilst descriptive statistics are used in a quantitative approach.

3. Data Sources and Data Collection Method

3.4.1 Data Sources

Both primary and secondary data sources were used in order to acquire appropriate data for this research. Primary data is information that is directly acquired from a source and is original data. Secondary data is information that has been gathered and organized by another individual. Secondary data assists the researcher in obtaining additional information on the chosen issue (C.R.Kothari, 2004).

3.42 Data Collection Method

Primary data was gained in this study primarily through the use of a questionnaire that was issued to respondents, while secondary data was gathered through the organization annual work accomplishment reports and by examining literatures connected to the topic area.

3.5 Measurement and Instrument Design

The aim of this study is to use regression analysis to examine the effect of transformational leadership on organization performance. It can also quantify the association of these variables in order to determine their relationship. A mean and standard deviation were estimated using descriptive type of analysis.

3.6 Sample Size and Sampling Technique

3.6.1 Study Population

Sampling is the process of selecting a sample of people from a population to estimate the characteristics of the entire population. The two main advantages of sampling are that it collects data faster and costs less. Robert (2004) and Kish (1965). Each observation assesses one or more characteristics of observable subjects who are treated as different individuals. Sampling is commonly utilized in many studies to gather information about a population. The information for this analysis is obtained from the employees of the Selamta Family Project. Respondents from Human Resources, Finance, and Management will represent approximately the study's population. The total population for the targeted organization is 200, and it's a combination of different demographic groups.

3.6.2 Sample Size

In the Selamta Family Project, the researcher collected 185 participants from a total population of 200.

3.6.3 Sampling Technique

In the research, the procedure for selecting individuals on whom information will be based has been detailed (Kish 1965, Gupta and Kapoor 1970). The assessment's objective is to explore the effect of transformational leadership on organizational performance in the Selamta family project, as well as to describe each element and dimension of transformational leadership style and organizational performance. The Selamta Family Project's various records show that, despite the fact that plans and processes are similar, performance varies from one individual to the next. The sample will be used a simple random sample technique to gather a correct representation of the target demographic. Each unit in the sample has an equal probability of being included in the sample when using the simple random sampling approach. If the population is homogeneous, this technique provides an unbiased and superior estimation of the parameters.

3.7 Study Variables

In this study, the variables included in the study are dependent and independent variables Dependent variable is the variable that is affected by independent variables. The dependent Variable of this study is organizational performance.

In other case, independent variables are variables that can influence on the dependent variables. These are included the following: -

- Inspirational Motivation
- Intellectual Stimulation
- Idealized Influence
- Individualized Consideration

3.8 method of Data analysis

The activity of methodically using statistical or logical tools to explain and demonstrate, summarize and review, and assess data is known as data analysis. Various analytic processes "offer a way of drawing inductive inferences from data and differentiating the signal (the event of interest) from the noise (statistical fluctuations) present in the data," according to Shamoo and Resnik (2003). In this study both Descriptive and inferential statistical method was used to analyze the data by using statistical software SPSS. Descriptive statistics includes among many a process of data collection, organization, presentation and summarization of the data into in a meaningful form by using frequency distribution, graphs and diagrams to describe the pattern and structure of the data and also helps us to clear some anomalies in the data.

Inferential Statistics is the objective of statistics, especially in decision making and prediction plays important role in individual life. Therefore, the objective of statistics is to make inference about a population based on the information of the sample. Since, population is characterized by numerical descriptive measures called parameters.

Statistical inference is concerned with making inferences about population parameter based on estimating the sample data. Data were analyzed by multiple regression analysis. In this context, a multiple regression analysis was performed by making use of all the dependent and independent

variables available in the dataset. The dependent variable is organizational performance and Inspirational Motivation, Intellectual Stimulation, Idealized Influence and Individualized Consideration are independent variables. Multiple regression analysis was performed to identify the predictors of organizational performance.

Furthermore, hypothesis tests were performed using regression analysis. Kerlinger and Lee (2000) pointed that regression analysis is a statistical method that relates one dependent variable to a linear combination of one or more independent variables. A regression analysis technique identifies how much each independent variable has an impact on dependent variable. Multiple regression analysis calculates multiple correlation coefficients. It is the proportion of variance in the dependent variables explained by the independent variables. The contribution of independent variables towards dependent variables is measured by the Beta value and can be explained on the basis of p or t value. The analysis results were presented in tables and charts.

3.9 Multiple Linear Regression

The general objective of regression analysis is to describe the model relationship between one dependent variable and more than one independent variables. In this study there are more than two independent variables and one dependent variable. The multiple linear regression equations are: -

$$\hat{Y} = \beta o + \beta 1 x 1 + \beta 2 x 2 + \cdots \beta k x k + \epsilon$$

Where

 \hat{Y} = is the predicted or expected value of the dependent variable

X1 through Xk are k distinct independent or predictor variables,

β0 is the value of Y when all of the independent variables (X1 trough Xk) are equal to zero

 β 1 through β k are the estimated regression

€=random error

3.9.1 Model Adequacy Checking

The model adequacy checking is a way of checking whether the assumption of multiple linear regressions is meeting or not.

I. Normality Test: -

An important assumption is that normality test is checked by Kurtosis and Skewness. If Kurtosis and Skewness statistics calculation are in between -2 and +2, thus the data is normally distributed and had a reasonable variance to use subsequent analysis.

II. Auto Correlation: -

The Error terms should be independent. There is no relation between successive error terms. The Durbin -Watson method is uses to check the presence or absence of autocorrelation. If the Durbin -Watson values are between 0 (zero) and 2 there is no autocorrelation problem. However, if its' value out of this interval there is autocorrelation problem.

III. Multicollinearity: -

Multicollinearity refers to the existence of high (perfect) linear relationship among regressors. It can be tested by using VIF (variance Inflation factor).

given by: - VIF =
$$(\frac{1}{(1-Ri^2)})$$

Where Ri^2 is coefficient of determination that we will obtain from Xi on the other explanation variance. If the value of VIF less than 10 then there is no multicollinearity in the data.

3.9.2 Pearson Correlations

It is used to know the strength of the variables. A correlation coefficient has a value ranging from -1 to 1. The values that are closer to the absolute value of 1 indicate that there is a strong relationship between the variables being correlated whereas values closer to 0 indicates that there is a little or no linear relationship. The sign of a correlation coefficient indicates that there is a positive and negative linear relationship between the variables. Then as one variable increases in value, so does the other.

3.9.3 Model Checking

To check the model whether the model is strong or not, applies coefficient of determination R^2 .

$$R = \frac{\text{Explained sum square}}{\text{Total sum square}}$$

If $R^2 > 0.75$, the model is strong otherwise, poor.

3.9.3.1 Test of Significance

At 95% confidence level, the t and F-test were used in determination of statistical significance of this research. Significance of regression coefficients was tested by t - test whereas determination of significance of regression equation was tested by F-test.

H0: the variable has no significant effect on the response variable

H1: the variable has a significant effect on the response variable

Ho will be rejected at a given significance level or we reject Ho if α value is greater than the corresponding P-value and fail to reject otherwise.

3.10 Instruments Validity and Reliability

3.10.1Validity

Validity refers to the degree to which evidence and theory support the interpretation of test scores entailed by use of tests. The validity of instrument is the extent to which it does measure what it is supposed to measure. According to Mugenda and Mugenda (1999), Validity is the accuracy and meaningfulness of inferences, which are based on the research results. It is the degree to which results obtained from the analysis of the data actually represent the variables of the study. The research instrument was validated in terms of content and face validity to determine all the possible areas that needed modification so as achieve the objectives of the study.

3.10.2 Reliability

Reliability is the ability of a research instrument to consistently measure characteristics of interest over time. It is the degree to which a research instrument yields consistent results or data after repeated trials. If a researcher administers a test to a subject twice and gets the same score on the second administration as the first test, then there is reliability of the instrument (Mugenda & Mugenda, 1999). Reliability is concerned with consistency, dependability or stability of a test (Nachmias & Nachmias, 1996). The researcher measured the reliability of the questionnaire to determine its consistency in testing what they are intended to measure. The test re-test technique was used to estimate the reliability of the instruments. This involved administering the same test twice to the same group of respondents who have been identified for this purpose.

3.11 Ethical Consideration

In this study, formal consent was obtained from each participant/sampling unit before data collection was commenced. Informed consent was sought from the management of the selected organizations before the commencement of this research initiative.

The researcher undertook to protect the rights of the respondents by:

- Ensuring that none of the respondents were not named during the research or subsequent thesis;
- Respondents were selected to participate without compulsion;

All respondents were properly informed of the reason and purpose of the research.

CHAPTER FOUR 4.RESULTS AND DISCUSSION

4.1 INTRODUCTION

This chapter presents and analyses the data collected from the participants. The findings about the relationships and effects of leadership style with organizational performance relevant statistical analysis to answer the research questions will also be presented and analyzed.

4.2. Demographic Characteristics of Respondents

Table 4. 1 Frequency Distributions of Respondent with respect to their Gender

Gender								
					Cumulative			
		Frequency	Percent	Valid Percent	Percent			
Valid	male	118	63.8	63.8	63.8			
	female	67	36.2	36.2	100.0			
	Total	185	100.0	100.0				

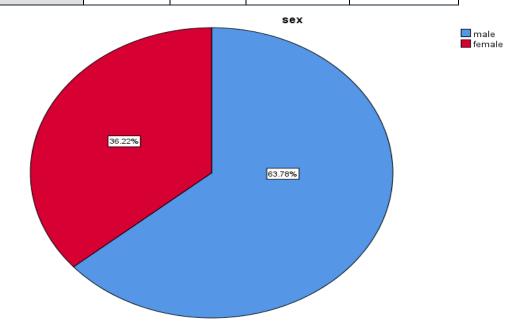


Figure 4.1 Gender

There were a total sample of 185, who participated in this study from various departments and positions of Selamta Family Project. Table 4.1 indicate that the gender allocation of the sample of respondent from the Selamta Family Project department employees which the research was conducted. As depicted on Table 4.1, 63.8% were male, while the remaining 36.2% comprised of female respondents. This implies that the numbers of female employees in Selamta Family Project are lesser than male employees.

What is your age							
-					Cumulative		
		Frequency	Percent	Valid Percent	Percent		
Valid	below 25	52	28.1	28.1	28.1		
	25 - 35	70	37.8	37.8	65.9		
	above 35	63	34.1	34.1	100.0		
	Total	185	100.0	100.0			

Table 4.2 Frequency Distributions of Respondent with respect to their Age

According to Table 4.2 the age of majority employees were below 25 years old that account 28.1% employees who were between 25 to 35 years are 37.8% and above 35 years olds were 34.1%. This implies that most of the staffs are under the age category which commonly identified as young. So that having a group of employees that belong to the most active and energetic age group might help the organization to give better service to community.

Table 4. 3 Frequency Distributions of Respondent with respect to their Educational background what is your level of education

				Valid	Cumulative
		Frequency	Percent	Percent	Percent
Valid	diploma	70	37.8	37.8	37.8
	degree	94	50.8	50.8	88.6
	masters	21	11.4	11.4	100.0
	Total	185	100.0	100.0	

As shown from the above table 4.3 the respondent education level divided in to three groups i.e. 37.8% were certificate diploma, 50.8% were first degree holders and the remaining 11.4% were second degree holders. Here we can say that respondent was educated, this implies that the

respondent the project has taken advantage of utilizing its human resource for organizational management performance application and they can give the project competitive advantage were the competition will exist in the future.

	how long have you served as an employee								
					Cumulative				
		Frequency	Percent	Valid Percent	Percent				
Valid	below 5 years	102	55.1	55.1	55.1				
	6 -10 years	38	20.5	20.5	75.7				
	above 10 years	45	24.3	24.3	100.0				
	Total	185	100.0	100.0					

Table 4. 4 Distributions of Respondent with respect to their Work Experience

In order to determine the length of service in the organization, 55.1% of the respondents worked below 5 years which is followed by 20.5% worked 6 to 10 years, 24.3% worked above 10 years respectively. This indicates that most of the employees have well experienced in the selamta family project so that they may know well about the Organization and how that leadership style can affect their organizational performance in the project and that there is a relatively lower employee turnover as a result the selamta family project reduce cost of hiring new employee and saves time .as a result the selamta family project can achieves its objective and can maximize its profit.

	Marital status						
		Frequency	Percent	Valid Percent	Cumulative Percent		
Valid	Single	57	30.8	30.8	30.8		
	Married	102	55.1	55.1	85.9		
	Divorce	26	14.1	14.1	100.0		
	Total	185	100.0	100.0			

Table 4. 5 Frequency Distributions of Respondent with respect to their marital status

The above table shows that most of the respondents were married that accounts 55.1 % of the total participants of the study. 30.8 % of the respondents were single and others are divorced. This

indicates that most of the respondents have had family administration role in addition to their work and professional persons. This indicates that they were expected to be responsible in their office tasks. Overall, the respondents of this study were comprised from well-educated and familyoriented workers. It is believed that the study got data from responsible and accountable persons.

4.3 Reliability and validity of the survey instrument

Construct and item	Loadings	Communalities	КМО	Reliability
Idealized Influence	<u> </u>		0.672	0.854
II1	0.72	0.85		
II2	0.84	0.81		
II3	0.62	0.72		
II4	0.59	0.62		
II5	0.75	0.73		
II6	0.64	0.69		
II7	0.93	0.86		
II8	0.57	0.64		
Inspirational Motivation			0.531	0.808
IM1	0.5	0.65		
IM2	0.6	0.67		
IM3	0.8	0.83		
IM4	0.9	0.91		
IM5	0.54	0.74		
IM6	0.58	0.85		
Intellectual Stimulation			0.67	0.91
IS1	0.75	0.58		
IS2	0.94	0.89		
IS3	0.59	0.5		
IS4	0.67	0.6		
IS5	0.84	0.8		
IS6	0.74	0.9		
IS7	0.71	0.54		
IS8	0.63	0.58		
IS9	0.86	0.5		
IS10	0.95	0.86		
Individualized Consideration			0.713	0.84
IC1	0.64	0.74		
IC2	0.84	0.79		
IC3	0.67	0.5		
IC4	0.56	0.6		
IC5	0.87	0.8		
IC6	0.82	0.9		
IC8	0.57	0.54		
IC9	0.63	0.58		

Table 4. 6 Factor analysis of Transformational leadership

Construct and item	Loadings	communalities	КМО	Reliability
Customer satisfaction			0.762	0.984
CS1	0.82	0.95		
CS2	0.64	0.61		
Achieve organizational goals			0.708	0.817
AOG1	0.56	0.75		
AOG 2	0.63	0.57		
AOG 3	0.68	0.83		
AOG 4	0.89	0.71		
AOG 5	0.94	0.64		
AOG 6	0.78	0.58		
Organizational Performance in Team work			0.867	0.91
TW 1	0.65	0.51		
TW 2	0.74	0.69		
TW 3	0.81	0.55		
TW 4	0.67	0.63		

Table 4. 7 Factor analysis of organizational Performance

The survey instrument with 45 items was developed based on two variables Transformational leadership as independent variables with four dimensions; Idealized Influence (II1-II8), Inspirational Motivation (IM1-1M6), Intellectual Stimulation (IS1-IS10), and Individualized Consideration (IC1-IC9). Organizational performance as dependent variables with three dimensions: Customer satisfaction (CS1-CS2), Achieve organizational goals (AOG1-AOG6) and Organizational Performance in Team work (TW1-TW4).The instrument was evaluated for reliability and validity.

Factor analysis and reliability analysis were used in order to determine the data reliability for the Transformational leadership, and organizational performance dimensions. The results of the factor analysis and reliability tests are presented in Table 4.6 and Table 4.7. All individual loadings were above the minimum of 0.5 recommended by Hair et al. (1998). For exploratory research, a Chronbach α greater than 0.80 is generally considerate reliable (Nunnally, 1978). Kaiser-Meyer-Olkin has been used as Pre-analysis testing for the suitability of the entire sample for factor analysis as recommended by Comrey (1978), the value of The Kaiser-Meyer-Olkin measure was used to assess the suitability of the sample for each unifactorial determination. The KMO values found (see Table 4.6 and 4.7) are generally considered acceptable (Kim and Mueller, 1978).

4.4 Transformational leadership

4.4.1 Idealized Influence

Table 4.8 Descriptive Statistics of Idealized Influence

Idealized Influence	Mean	Std. Deviation
Leaders in your firms exhibit idealized influence form of leadership characteristic	3.1838	1.43662
Idealized influence leadership is positively related to common-source and multi-source perceptual performance outcomes (subordinate's positive work attitude	3.0378	1.48312
Part of my job is to inspire my employees constantly with a shared vision of the future.	2.7730	1.59562
I practice integrity, sets clear goals, clearly communicates a vision, sets a good example, expects the best from employees, encourages, inspires and supports, recognizes good work	3.2703	1.38800
I provides stimulating work and helps people see beyond their self-interests and focus more on team interests and needs.	3.21	1.404
For the sake of the team, the leader goes above self-interest.	1.89	1.088
Leaders in your firms exhibit idealized influence form of leadership characteristic	3.33	1.369
In what extent do your organization's leaders show ethical and moral conduct in order to achieve organizational goals?	3.26	1.445

Descriptive Statistics

The first objective of the study was to investigate the influence of Idealized Influence on organizational performance of Selamta family project. The respondents were also asked to comment on statements regarding influence of Idealized Influence on organizational performance of Selamta family project. The result in table 4.8 revealed that majority of the respondent with a mean of 3.184 agreed with the statement that leaders in their firms exhibited idealized influence form of leadership characteristic. The measure of dispersion around the mean of the statements was 1.44 indicating the responses were varied. The findings revealed that majority of the respondent as indicated by a mean of 3.04 agreed with the statement that Idealized influence leadership is positively related to common-source and multisource perceptual performance outcomes (subordinate's positive work attitude).

The Standard Deviation for comments for poor performance was 1.48 showing a variation. The result revealed that majority of the respondent 2.77 agreed with the statement Part of the manager's job was to inspire my employees constantly with a shared vision of the future. The results were varied as shown by a Standard Deviation of 1.596. Findings also showed that majority of the respondent 3.27 agreed with the statement managers agreed to practice integrity, sets clear goals, clearly communicates a vision, sets a good example, expects the best from employees, encourages, inspires and supports, recognizes good work. The results were varied as shown by a Standard Deviation of 1.388 Further results indicated managers agreed to In what extent do your organization's leaders show ethical and moral conduct in order to achieve organizational goals? The mean for this comment was 3.26 accompanied by a varied response of 1.445.

Final results indicated managers or team leaders provided stimulating work and helped people see beyond their self-interests and focus more on team interests and needs. The mean for this comment was 3.21 accompanied by a varied response of 1.404. The study findings mirrored those of Bass (2016) who in his study noted that the idealized influence represents the ability of building confidence in the leader and appreciating the leader by the followers, which forms the basis for accepting radical change in the organization. Without such confidence in the leader, that is, in his motives and aims, an attempt to redirect the organization may cause great resistance. You can "lead" people if you make them ready to engage.

4.4.2 Inspirational Motivation

Table 4. 9 Descriptive Statistics of Inspirational Motivation

Inspirational Motivation	Mean	Std.
		Deviation
Supervisor shows an interest in the willingness of the employees to give their best	3.65	.897
When I fulfill the leader's expectations, they become impressed.	3.58	1.061
My supervisors takes time to convince employees that they have the ability to surpass set goals	3.62	.972
The leader embraces the importance of completing the task at hand.	3.40	1.269
To what degree do your organization's leaders motivate and inspire you to perform at your best?	2.11	1.651
Supervisor help employees enjoy their work as part of self-development?	2.23	1.545

Descriptive Statistics of Inspirational Motivation

The second objective of the study was to investigate the influence of Inspirational Motivation on organizational performance of selamta family project. The respondents were asked to comment on statements regarding Inspirational Motivation influence on organizational performance of Selamta family project.

The result in table 4.9 revealed that majority of the respondent with a mean of 3.65 agreed with the statement that Supervisor showed an interest in the willingness of the employees to give their best. The measure of dispersion around the mean of the statements was 0.897 indicating the responses were varied. The findings revealed that majority of the respondent as indicated by a mean of 2.23 agreed with the statement that Supervisor helped employees enjoy their work as part of self-development. The Standard Deviation for comments for poor performance was 1.545 showing a variation. The result revealed that majority of the respondent 3.62 agreed with the statement the supervisors took time to convince employees that they have the ability to surpass set goal. The results were varied as shown by a Standard Deviation of 0.972.

The result revealed that majority of the respondent 3.58 agreed with the statement when I fulfill the leader's expectations, they become impressed. The results were varied as shown by a Standard Deviation of 1.061.

Findings also showed that majority of the respondent 2.11agreed with the statement Supervisor showed an interest in the willingness of the employees to give their best.

The results for the objective on inspirational struck a note with majority of reviewed studies. For instance, it was a reflection Bass, (2016) who opines that Inspirational motivation is the ability of transformational leadership, to inspire and motivate people to adopt the appropriate behavior. In the conditions when transformational change is being conducted in an organization, the leader has the task of clearly and continuously stimulating others to follow a new idea.

Transformational leaders should behave in such a way, which motivates and inspires people. Such behavior includes implicitly showing enthusiasm and optimism, stimulating team work, pointing out positive results, advantages, emphasizing aims and stimulating followers. Also this mood can be captured by Femi (2014) who examined the significant relationship between communication as a way of inspiration and worker's performance in some selected organizations in Lagos State, Nigeria. Data for the study was collected through questionnaire with sample population of 120 respondents. The result of the study revealed that a relationship exists between effective communication and worker's performance, productivity and commitment.

4.4.3 Individualized Consideration Table 4. 10 Descriptive Statistics of Individualized Consideration

Descriptive Statistics

Individualized Consideration	Mean	Std. Deviation
The leader encourages me in enhancing my skills.	3.5784	1.06095
The leader sees me as having needs, abilities, and goals that are distinct from those of others.	3.4865	1.19831
Rather of considering me as a part of a group, the leader treats me as a person.	3.0919	1.40542
The leader spends time instructing and mentoring colleagues.	3.3622	1.26992
How much attention do your leaders give to individuals?	3.5946	1.02839
Do you consider your organization is effective?	3.5838	1.06054
Collaboration with employees is done in consideration to their individual's strengths and weaknesses	3.5459	1.11282
Supervisor is willing to sacrifice his time and again so as to empower staff	3.5568	1.06233
Supervisor is keen to create a sense of joint mission and ownership of organizational goals and objectives.	2.8595	1.61573

There was also need to establish how Individualized Consideration influenced organizational performance of Selamta family project as the third objective.

The result in table 4.10 revealed that majority of the managers with a mean of 3.55 agreed with the statement that Collaboration with employees is done in consideration to their individual's strengths and weaknesses. The measure of dispersion around the mean of the statements was 1.113 indicating the responses were varied.

The findings revealed that majority of the respondent as indicated by a mean of 3.5568 agreed with the statement that Supervisor is willing to sacrifice his time and again so as to empower staff. The Standard Deviation for comments for poor performance was 1.06233 showing a variation.

The result revealed that majority of the respondent 2.8595 agreed with the statement the Supervisor was keen to create a sense of joint mission and ownership of organizational goals and objectives. The results were varied as shown by a Standard Deviation of 1.6157. The result revealed that

majority of the respondent 3.5784 agreed with the statement the The leader encourages me in enhancing my skills. The results were varied as shown by a Standard Deviation of 1.06095.

The findings revealed that majority of the respondent as indicated by a mean of 3.4865 agreed with the statement the leader sees me as having needs, abilities, and goals that are distinct from those of others. The Standard Deviation for comments for poor performance was 1.19831 showing a variation. The result revealed that majority of the respondent 3.0919 agreed with the statement the Rather of considering me as a part of a group; the leader treats me as a person. The results were varied as shown by a Standard Deviation of 1.4054.

The result revealed that majority of the respondent 3.362 agreed with the statement the leader spends time instructing and mentoring colleagues. The results were varied as shown by a Standard Deviation of 1.2699.

Literature agrees with our results as updated by the fact that Individualized consideration constitutes developing followers through coaching, mentoring and teaching are the central indicator of the factor (Kirkbride, 2016). Individualized consideration is the first factor of transformational leadership style. The individualized consideration leader demonstrates high concern for their followers, treats them as individuals, and gets to know well about them and listens to both their concerns and ideas (Kirkbride 2016). Individualized consideration deals with fundamental transformational leadership behaviours of treating individuals as important contributors to the organization. Leaders who use this style of leadership give due consideration for their employee needs and coach them to bring sustainable development (Sarros & Santora, 2013).

4.4.4. Intellectual Stimulation

Table 4. 11 Descriptive Statistics of Intellectual Stimulation

	Mean	Std.
Intellectual Stimulation		Deviation
The leader provides opportunity for fresh creative problem-solving ideas.	2.281	1.5169
When solving difficulties, seeks out other points of view	2.108	1.6548
The leader suggests innovative approaches to completing duties.	2.22	1.545
The leader encourages me to consider challenges from a variety of perspectives.	2.37	1.667
To what level do your organization's leaders encourage individuals' intelligence and	2.59	1.593
inventiveness by empowering them?		
I am open-minded and tend intellectually influence their subjects.	1.9405	1.32359
With more cognitive thinking, the employees are able to gain more knowledge, which	2.6649	1.58667
helps to better their lives	2.0047	1.50007
I encourage employees to think critically and make mistakes as it is the only way they	2.4108	1.67588
are able to learn new ways of doing things	2.4106	1.07500
I challenge the norm and make a case out of every argument; this encourages the	2.6486	1.68781
subordinates to intellectually challenge themselves more	2.0400	1.00701
I provide solutions to my employees indirectly by tapping to their creative thinking.	2.6270	1.59698
Valid N (listwise)		

Descriptive Statistics

There was also need to establish how Intellectual Stimulation influences organizational performance of Selamta family project.

The findings revealed that majority of the respondent as indicated by a mean of 2.281 agreed with the statement leader provides opportunity for fresh creative problem-solving ideas. The Standard deviation for comments for poor performance was 1.5169 showing a variation.

The result revealed that majority of the respondent 2.108 agreed with the statement When solving difficulties, seeks out other points of view. The results were varied as shown by a standard deviation of 1.655.

The result revealed that majority of the respondent 2.22 agreed with the statement leader suggests innovative approaches to completing duties. The results were varied as shown by a standard deviation of 1.545.

The findings revealed that majority of the respondent as indicated by a mean of 1.94 agreed with the statement they were open-minded and tend intellectually influence their subjects. The Standard deviation for comments for poor performance was 1.324 showing a variation.

The result revealed that majority of the respondent 2.665 agreed with the statement with more cognitive thinking, the employees were able to gain more knowledge, which helps to better their lives. The results were varied as shown by a standard deviation of 1.587. Findings also showed that that majority of the respondent 2.41 agreed with the statement they encouraged employees to think critically and make mistakes as it is the only way they were able to learn new ways of doing things. The results were varied as shown by a standard deviation of 1.676.

Further results indicated managers agreed to challenge the norm and make a case out of every argument; this encourages their subordinates to intellectually challenge themselves more. The mean for this comment was 2.649 accompanied by a varied response of 1.688. Further final results indicated managers agreed to provide ding solutions to their employees indirectly by tapping to their creative thinking. The mean for this comment was 2.627 accompanied by a varied response of 1.597.

4.5 Levels of Organizational Performance in Selamta Family Project

According to Akmaliah (2009), mean score measurement can be used while interpreting the data. As he further specified, if the mean score is greater than 3.79, it will be considered as high; if it is between 3.40 and 3.79, it will be considered as moderate; and if the mean score is below 3.40, it will be considered as low.

Table 4. 12 Customer satisfaction in Organizational Performance

As shown from the below Table 4.12, the mean score for overall perception of employees towards their Customer satisfaction in Organizational Performance is 3.462 and Standard deviation is 0.804. This implies that the Customer satisfaction in Organizational Performance practice of Selamta Family Project is moderately because the mean score of Customer satisfaction in Organizational Performance is above 3.40.

	Customer satisfaction in	Frequ	ency					
NO	Organizational Performance	SDA	D	N	A	SA	Mean	Standard deviation
1	After receiving the service, users	11	11	97	65	1	3.184	.79997
	have provided positive	5.9%	5.9%	52.4	35.1%	0.5%		
	feedback.			%				
2	The service delivery processes	5	3	3	14	160	3.74	.808
	are smooth.	2.7%	1.6%	1.6%	7.6%	86.5%		
	Overall Customer satisfaction i	3.462	0.804					

Table 4. 13 Customer satisfaction in Organizational Performance

Table 4. 14	Achieve	organizational	goals in	Organizational	Performance
			800000	0 - B	

NO	Achieve organizational goal	Frequency					Mean	Standard divation
		SDA	D	N	А	SA	Wiedh	urvation
1	I worked hard to keep my skills	3	8	13	150	11	3.800	.85846
	current	1.6%	4.3%	7%	81.1%	5.9%		
2	I was a regular attendee at work	8	3	3	17	154	3.65	.938
	meetings and training sessions.	4.3%	1.6%	1.6%	9.2%	83.2%		
3	I was able to do a good job with little	5	3	3	18	156	3.71	.814
	time and effort.	2.7%	1.6%	1.6%	9.7%	84.3%		
4	I'm ok with the performance results	5	4	4	14	158	3.71	.841
	I've gotten so far	2.7%	2.2%	2.2%	7.6%	85.4%		
5	the leadership style affects my	3	4	13	160	5	3.86	.560
	organization performance	1.6%	2.2%	7%	86.5%	2.7%		
6	The company's structure is conducive	6	5	11	159	4	3.79	.755
	to high performance.	3.2%	2.7%	5.9%	85.9%	2.2%		
7	The leader offers every necessary	5	3	3	15	159	3.73	.809
	assistance and makes every effort to	2.7%	1.6%	1.6%	8.1%	85.9%		
	ensure a productive working							
	atmosphere.							
	Over all Achievement of organizational	goal M	EAN sc	ore		1	3.75	0.8

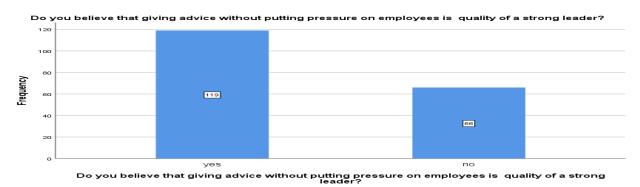
As shown from the above Table 4.13, the mean score for overall perception of employees towards their Achieve organizational goal in Organizational Performance is 3.75 and Standard deviation is 0.8. This implies that the Achievement of organizational goals in Organizational Performance practice of Selamta Family Project is moderately because the mean score of Achievement of organizational goal is above 3.40.

	Organizational Performance in	Frequ	uency					
N O	Team work	SDA	D	N	А	SA	Mean	Standard deviation
1	In my department, we work as a team.	5 2.7%	5 2.7%	12 6.5%	157 84.9%	6 3.2%	3.82	.696
2	My boss works well with others.	23 12.4%	12 6.4%	18 9.7%	19 10.3%	113 61.1%	3.03	1.448
3	My boss provides me with the required assistance in order to boost team spirit	18 9.7%	13 7%	18 9.7%	21 11.4%	115 62.5%	3.09	1.3702
4	Teamwork between or among staff has a significance	22 11.9%	5 2.7%	19 10.3%	21 11.4%	118 63.8%	3.12	1.383
Over	r all Organizational Performance in Team	work Ml	EAN scor	e			3.27	1.22

 Table 4. 15 Organizational Performance in Team work

As shown from the above Table 4.14, the mean score for overall perception of employees towards their Organizational Performance in Team work is 3.27 and Standard deviation 1.22. This implies that the Organizational Performance in Team work practice of Selamta Family Project is low because the mean score of Organizational Performance in Team work is less than 3.40.

Figure 4. 2 Do you believe that giving advice without putting pressure on employee is quality of a strong leader



From the above figure 4.1, 119 respondents out of 185 believe that giving advice without putting pressure on employees is quality of a strong leader but 66 of the respondents said we cannot believe that giving advice without putting pressure on employees is quality of a strong leader.

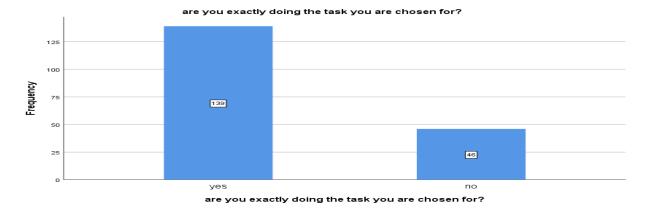


Figure 4. 3 Are you exactly doing the task you are chosen for

From the above figure 4.2, 139 respondents out of 185 were doing exactly the task they were chosen for but 46 of the respondents said they are not doing the chosen task. This shows that more respondents work for the projects interest.

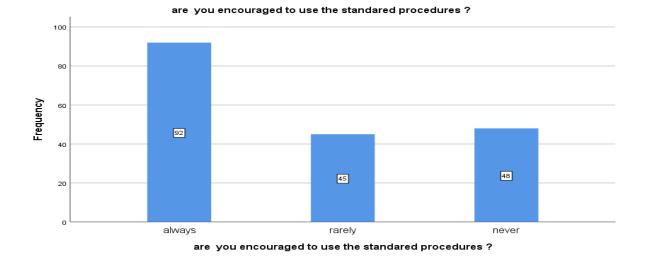


Figure 4. 4 Are you encouraged to use the standard procedures

From the above figure 4.3, 92 respondents stated that they are always encouraged to use the standard procedures and 45 respondents replied that they are rarely encouraged to use the standard procedures. 48 respondents replied never to this question. This means that the selamta family project has strong policy to encourage the use of standard procedures.

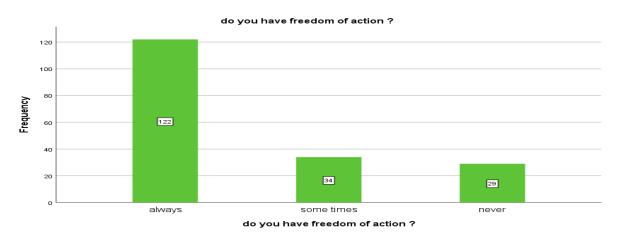


Figure 4. 5 Do you have Freedom of action?

From the above figure 4.4, 122 respondents out of 185 said that they always have freedom of action whereas 34 of them replied that they sometimes have freedom of action and 29 said never has freedom of action. This shows that most of the people in the selamta family project have freedom of action regarding their work issues.

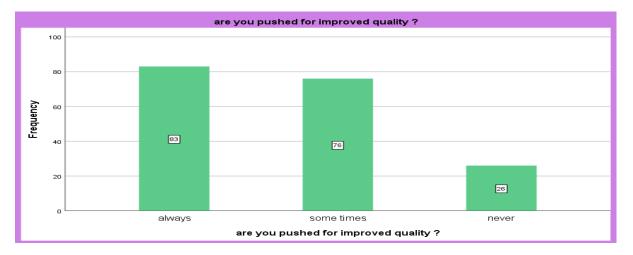
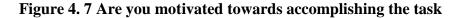
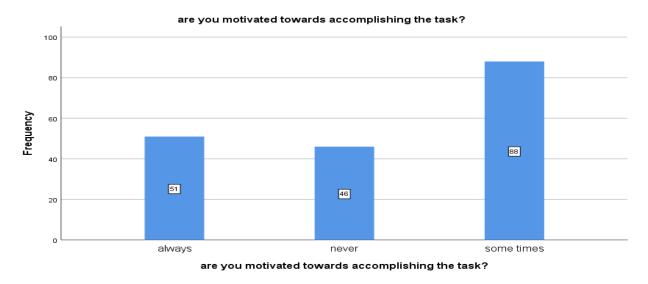


Figure 4. 6 Are you pushed for improved quality

From the above figure 4.5, 83 Respondents out of 185 are always pushed for improved quality. 76 of them said that this happens sometimes and there was 26 saying that selamta family project do not go for improvements in quality. This means that management in the project is well organized.





From the above figure 4.6, there are 51 respondents out of 185 who said that they are always motivated towards accomplishing the task. 88 of the respondents said there is motivation

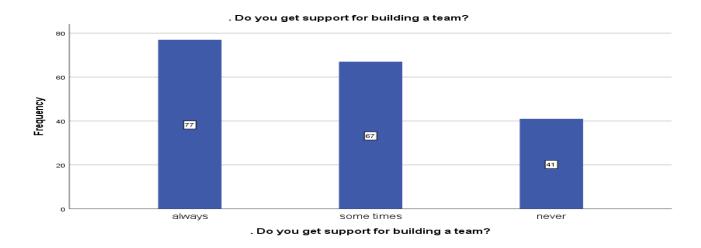
sometimes whereas 46 said that there is lack of motivation. This means that the employees are highly motivated towards their tasks in the company.



Figure 4.8 Are you allowed to have their own judgment in solving problems

From the above figure 4.7, 99 out of 185 respondents said that they are allowed to have their own judgment in solving problems but 80 of them said that it happens sometimes. There are six respondents who said never about the allowance of own judgment in solving problems. This means that the selamta family project also gives the chance to the employees to be broad minded.

Figure 4. 9 Do you get support for building a team?



There are 77 respondents who said that they get support for building a team, however, 67 of them said they get the help sometimes and 41 of them said that they do not get the needed support. This means that there are good team leaders and the managers in the selamta family project to support their teams.

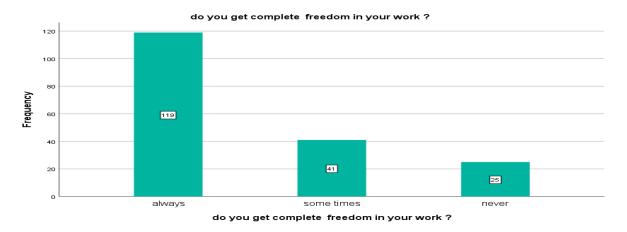


Figure 4. 10 Do you get complete freedom in your work?

From the above figure 4.9, 119 respondents out of 185 said that they always had freedom of action in their work. 41 of them said that they have the freedom sometimes and 25 of them responded never to get freedom of work.

Figure 4. 11 Do you get the opportunity to work in the best way you think?



65

From the above figure 4.10, out of 185 respondents said that they had the opportunity work in the best way they think. 67 of them told that they said sometimes have the opportunity to work in the way they think is best. 53 of the respondents replied that they never had this opportunity.

4.6 The Relationship between dimension of transformational Leadership and

organizational Performance

Correlation is a statistical method used to determine whether a relationship between variables exists and to determine whether two or more variables are related and to determine the strength of the relationship between or among the variables are used Allan, (2009). If the correlation result lies between -1 and 0, the two variables are negatively related. But if the correlation result of the two variables lies between 0 and 1, the two variables are positively related. When we come to this study, the research would identify the relationship between leadership style and perceived organizational performance. Based on the questionnaires that were filled by the employees of the Selamta family project on leadership style and organizational performance, the result of the correlation analysis between those variables is listed in the table below.

Table 4. 16 Pearson Correlation co	oefficient
------------------------------------	------------

Correlations

		Idealized	Inspirational	Individualized	Intellectual	organizational
		Influence	Motivation	stimulation	stimulation	performance
organizational	Pearson	038	.619**	.926**	.803**	1
performance	Correlation	038	.019	.920	.805	1

Sig. (2-tailed)	.605	.000	.000	.000	
Ν	185	185	185	185	185

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

Correlation analysis was used to determine both the significance and degree of association of the variables and also predict the level of variation in the dependent variable caused by the independent variables. The correlation summary shown in Table 4.16 indicated that the associations between each of the independent variables and the dependent variable were all significant at the 95% confidence level except Idealized Influence. The correlation analysis to determine the association between Idealized Influence and organizational performance of Selamta family project, Pearson correlation coefficient computed and tested at 5% significance level. The results indicate that there was a weak negative relationship (r = -0.038) between Idealized Influence and organizational performance of Selamta family project. In addition, the researcher found the relationship to be statistically insignificant at 5% level (p = 0.605 > 0.05).

The correlation analysis to determine the association between Inspiration Influence and organizational performance of Selamta family project, Pearson correlation coefficient computed and tested at 5% significance level. The results indicate that there was a strong positive relationship (r=0.619) between Inspiration motivation and organizational performance of Selamta family project. In addition, the researcher found the relationship to be statistically significant at 5% level (p=0.000, <0.05).

The correlation analysis to determine the association between Individualized stimulation and organizational performance of Selamta family project, Pearson correlation coefficient computed and tested at 5% significance level. The results indicate that there was a strong positive relationship (r=0.926) between Individualized stimulation and organizational performance of Selamta family project. In addition, the researcher found the relationship to be statistically significant at 5% level (p=0. 000, <0.05).

The correlation analysis to determine the association between intellectual stimulation and organizational performance of Selamta family project, Pearson correlation coefficient computed and tested at 5% significance level. The results indicate that there was a strong positive relationship (r=0.803) between intellectual stimulation and organizational performance of Selamta family project. In addition, the researcher found the relationship to be statistically significant at 5% level

(p=0.000, <0.05). Hence, it was evident that all the independent variables could explain the changes in the performance of Selamta family project on the basis of the correlation analysis. Intellectual stimulation has an important role in the transformation process of organizations. Transformational leaders stimulate permanent reexamination of the existent assumptions, stimulate change in the way of thinking about problems, and plead the use of analogy and metaphor. By constantly searching for new knowledge, transformational leaders constantly teach, illustrate, but also promote and get new and creative ideas for solving problems from all organizational members (Bass, 2016).

4.7 Multiple linear regression

According to Pallant (2005), multiple regressions is not just one technique but a family of techniques that can be used to explore the relationship between one continuous dependent variable and a number of independent variables or predictors (usually continuous). And so, critical information can be obtained from Multiple Linear Regression; such as the overall significance of the model, the variance in the dependent variable that comes from the set of independent variables in the model, the statistical significance of each individual independent variable (controlling for the others), the direct effect (the direction of the effect) of each independent variable on the dependent variable and the relevant strength of the independent variable. However, before the actual regression analysis is made, it is necessary to check the assumptions of multiple linear regressions.

4.7.1 Assumptions of multiple linear regressions

4.7.1.1 Normality Test

Table 4.17 The Normality Test

	Ν	N Skewness		Kurtosis	
	Statistic	Statistic	Std.	Statistic	Std.
			Error		Error
Idealized Influence	185	.120	.179	-2.007	.355
Inspirational Motivation	185	.164	.179	-1.995	.355
Intellectual stimulation	185	.230	.179	-1.968	.355
Individualized stimulation	185	.208	.179	-1.978	.355
organizational performance	185	.366	.179	-1.887	.355
Valid N (listwise)	185				

Descriptive Statistics

As we can see from the above descriptive statistic from Table 4.17, Kurtosis and Skewness statistics calculation demonstrates that the distribution is normal because Kurtosis and Skewness are in between -2 and +2, thus data is normally distributed and had a reasonable variance to use subsequent analysis.

4.7.1.2 No autocorrelation problem by Durbin –Watson test

The Durbin -Watson method is uses to check the presence or absence of autocorrelation. If the Durbin -Watson values are between 1 and 2 there is no autocorrelation problem. However, if its' value out of this interval there is autocorrelation problem. As we see the model summary from the table 4.4 Durbin –Watson test is 1.939, it satisfies the rule and this tells us that the model have no autocorrelation problem. Now, the model was satisfying one of the assumption multiple linear regression.

Table 4. 18 Model Summary autocorrelation test

	Woder Summary							
Mode	R	R Square	Adjusted R	Std. Error of	Durbin-			
1			Square	the Estimate	Watson			
1	.939 ^a	.882	.880	.17106	1.939			

Model Summary^b

a. Predictors: (Constant), Individualized stimulation , Idealized Influence , Inspirational Motivation , Intellectual stimulation

b. Dependent Variable: organizational performance

4.7.1.3 Testing of multi co linearity

Multicollinearity refers to a situation in which there is exact (or nearly exact) linear relation among two or more of the input variables (Uma, 2003). The VIF (Variance Inflation Factor) for each term in the model measures the combined effect of dependence among the regressors on the variance of that term. One or more large VIF indicate multicollinearity. Practical experience indicates that if any of the VIF results exceeds 10, it is an indication that the associated regression coefficients are poorly estimated because of multicollinearity (Uma, 2003).

Test of Multi co linearity by using Tolerance and Variance inflation factors (VIF) From the below table 4.3 the researcher observed that the model variables are free from multi colinearity problem this is due to VIF less than 10 and Tolerance approximately greater than 0.2. Therefore, we conclude that the model was really mates one of the assumption multiple linear regression which is no multi co linearity problem.

Table 4. 19 Testing of multi co linearity VIF

Model		Collinearity Statistics		
		Tolerance	VIF	
	(Constant)			
	Idealized Influence	.988	1.012	
4	Inspirational Motivation	.672	1.487	
1	Intellectual stimulation	.334	2.992	
	Individualized stimulation	.278	3.596	

 $Coefficients^{a}$

a. Dependent Variable: organizational performance

As we can see from the above table 4.19 collinearity Statistics shows that the VIF value of Idealized Influence, Inspirational Motivation, Intellectual stimulation and Individualized stimulation are 1.012, 1.487, 2.992 and 3.596 respectively which is less than 10 so we conclude that no collinaritry is observed on this data.

4.7.2 Model Summary of Regression Analysis

Regression analysis shows that independent variables explain the dependent variable, a regression analysis was performed. The regression was made between the independent variables and the dependent variable organizational performance. The multiple regression models are the Model Summary table. This table provides the R, R square (R^2) adjusted R square (R^2), and the standard error of the estimate, which can be used to determine how well a regression model fits the data. The multiple correlation coefficients, R, can be considered to be one measure of the quality of the prediction of the dependent variable. The R square value (also called the coefficient of determination) is the proportion of variance in the dependent variable that can be explained by the

independent variables.

Table 4. 20 Model Summary

Model Summary ^b							
Mode	R	R Square	Adjusted R	Std. Error of	Durbin-		
1			Square	the Estimate	Watson		
1	.939 ^a	.882	.880	.17106	1.939		

a. Predictors: (Constant), Individualized stimulation , Idealized Influence ,

Inspirational Motivation , Intellectual stimulation

b. Dependent Variable: organizational performance

From the above table 4.6, it can be observed that, R=0.939 is approximately one indicates that there is strong relation between dependent and independent variables. $R^2 > 0.75$, the model is strong Also R² and R² (adjusted) were good. More over R²=0.882 indicates that about 88.2% of the total variation of dependent variables organizational performance is explained by the independent variables. The remaining 11.8% is explained by another factor not included in the model. However, R square tends to somewhat overestimate when applied to the real world, so an Adjusted R² is calculated which takes into account the number of variables and the number of observations. Adjusted R Square value 0.880 it means; about 88% of variability in the determinant of profitability is explained by the total variability of independent variables in the estimated regression and other non-mentioned factors in the estimated regression.

4.7.3 The overall test of multiple linear regression model (ANOVA)

The ANOVA (Analysis of Variance) table shows that the overall significance/acceptability of the model from a statistical perspective. F test is a part of ANOVA table which shows the significance of the whole model. The model is considered to be significant if the F calculated value is greater than the F tabulated value i.e. Fcal > Ftab or P value is less than α value.

Table 4. 21 ANOVA TABLE

	ANOVA ^a								
M	Iodel	Sum of	Df	Mean	F	Sig.			
		Squares		Square					
	Regression	39.511	4	9.878	337.578	.000 ^b			
1	Residual	5.267	180	.029					
	Total	44.778	184						

a. Dependent Variable: organizational performance

b. Predictors: (Constant), Individualized stimulation, Idealized Influence,

Inspirational Motivation, Intellectual stimulation

From the above ANOVA table, the researcher simply conclude that the overall test of the model is significant, because as we can see from this table the P-value is 0.000 which is less than the alpha value α - 0.05 (5% level of significance). This is the indication of the goodness of the overall model. Simply it can be said that the model fit the data well.

Ho: $\beta j = 0$

H1: $\beta j \neq 0$ at least one of the parameters is different from zero where j=1, 2, 3, 4.

The significance value was 0.000 which was less than 0.05 thus the model was statistically significance in predicting how Idealized Influence, Inspirational Motivation, Individualized stimulation and Intellectual Stimulation influence organizational performance of Selamta family project. The F critical at 5% level of significance was 337.578. Therefore, we have enough evidence to reject the null hypothesis.

From the above decision rule, it can be concluded that the model of above estimated (ANOVA) model are significance. This also indicates that there is a linear relationship between dependent and independents variables.

4.7.4 Tests and results discussion for the individual parameter coefficients

4.7.4.1 Interpretation of significance variable

In regression, an interaction effect exists when the effect of an independent variable on a dependent variable changes, depending on the value(s) of one or more other independent variables. Thus, in a regression equation, an interaction effect is represented as follows: The general form of the multiple regression equation with k independent variables is

$$Y = b0 + b1x X1 + b2xX2 \bullet \bullet \bullet bkxk + \pounds$$

Where Y = the Predicted Variable (ROA)

bo = Constant b1, b2 and bn unstandardized regression coefficients

X1,X2 and Xn are the explanatory variables and the error term ϵ (the Greek letter epsilon) is a random variable. Source: (bluman, 2007)

Table 4. 22 multiple linear regression Coefficients

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		В	Std. Error	Beta		
	(Constant)	019	.022		847	.398
1	Idealized Influence	052	.025	053	-2.052	.042
	Inspirational Motivation	.144	.031	.145	4.667	.000
	Intellectual stimulation	.167	.044	.169	3.815	.000
	Individualized stimulation	.700	.048	.707	14.592	.000

Coefficients^a

a. Dependent Variable: organizational performance

Table 4.22 above reveal the relationship between the dependent variable (organizational performance) and the independent variables (Idealized Influence, Inspirational Motivation, Individualized stimulation and Intellectual Stimulation) including the constant parameter can be expressed linearly as the regression equation obtained after the analyses of the data is as follows:

Organizational performance =

- 0.019 - 0.052 Idealized Influence + 0.144 Inspirational Motivation

+ 0.167 Individualized stimulation+ 0.7 Intellectual Stimulation

The regression equation above established that taking all factors into account (Idealized Influence, Inspirational Motivation, Individualized Consideration Intellectual Stimulation) constant at zero, organizational performance of Selamta family project will be an index of 0.979.

The findings presented also showed that taking all other independent variables at zero, a unit increase in Idealized Influence would lead to a 0.486 increase in organizational performance of Selamta family project. The P-value was 0.000 which is less 0.05 and thus the relationship was significant.

The findings presented also showed that taking all other independent variables at zero, a unit increase in Inspiration motivation will lead to a 0.268 increase in organizational performance of steel manufacturing companies in coast region. The P-value was 0.001 which is less 0.05 and thus the relationship was significant.

The findings presented also shows that taking all other independent variables at zero, a unit increase in Individualized consideration will lead to a 0.19 increase in organizational performance of Selamta family project. The P value was 0.000 which is less 0.05 and thus the relationship was significant.

The findings presented also showed that taking all other independent variables at zero, a unit increase in Intellectual stimulation will lead to a 0.257 in organizational performance of Selamta family project. The P-value was 0.012 which is less 0.05 and thus the relationship was significant. Intellectual stimulation has an important role in the transformation process of organizations. Transformational leaders stimulate permanent reexamination of the existent assumptions, stimulate change in the way of thinking about problems, and plead the use of analogy and metaphor. By constantly searching for new knowledge, transformational leaders constantly teach, illustrate,

but also promote and get new and creative ideas for solving problems from all organizational members (Bass, 2016).

1.7.4.2 Research hypotheses test	1.7.4.2	Research	hypotheses test	
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Hypothesis	Test			
Ha ₁ : There is a significant positive relationship between Individual stimulation and Organizational	Accept			
Performance.				
Ha ₂ : There is positive significant relationship between Idealized Influence and Organizational Performance.				
Ha ₃ : There is a significant relationship between Inspirational Motivation and Organizational Performance.	Reject			
Ha ₄ : There is a significant relationship between Intellectual Stimulation and Organizational Performance.	Accept			

Ha1: There is a significant positive relationship between Individual stimulation and Organizational Performance.

The results of the regression model between Individualized consideration and organizational performance of Selamta family project were used to test the null hypothesis. The rejection criterion was based on the P-value of the regression model. A p-value less than 5% level of significance led to rejection of the null hypothesis and accepts the alternative hypotheses while a p-value greater than 5% level of significance led to failure in rejection of the null hypothesis. Based on the findings, the study rejected the null hypothesis that means accepts the alternative hypothesis Individualized consideration influences the organizational performance of Selamta family project. This is because the probability value (p-value = 0.000) was less than the critical value of 0.05 hence the study concluded that Individualized consideration influenced the organizational performance of Selamta family project.

H_a2: There is positive significant relationship between Idealized Influence and Organizational Performance.

The results of the regression model between Idealized influence and organizational performance of Selamta family project were used to test the null hypothesis. The rejection criterion was based on the P-value of the regression model. A p-value less than 5% level of significance led to rejection of the null hypothesis and accepts the alternative hypotheses while a p value greater than 5% level of significance led to failure in rejection of the null hypothesis. Based on the findings, the study

rejected the null hypothesis and accepts the alternative hypotheses that Idealized influence affects the organizational performance of Selamta family project. This is because the probability value (p-value = 0.000) was less than the critical value of 0.05 hence the study concluded that Idealized influence affects the organizational performance of Selamta family project.

 H_{a3} : There is a significant relationship between Inspirational Motivation and Organizational Performance.

The results of the regression model between Inspiration motivation and organizational performance of Selamta family project were used to test the null hypothesis. The rejection criterion was based on the P-value of the regression model. A p-value less than 5% level of significance led to rejection of the null hypothesis and accepts the alternative hypotheses while a p-value greater than 5% level of significance led to failure in rejection of the null hypothesis. Based on the findings, the study rejected the null hypothesis and accepts the alternative hypothesis that Inspiration motivation influences the organizational performance of Selamta family project. This is because the probability value (p-value = 0.000) was less than the critical value of 0.05 hence the study concluded that Inspiration motivation influenced the organizational performance of Selamta family project.

H_{a4}: There is a significant relationship between Intellectual Stimulation and Organizational Performance.

The results of the regression model between Intellectual simulation and organizational performance of Selamta family project were used to test the null hypothesis. The rejection criterion was based on the P-value of the regression model. A p-value less than 5% level of significance led to rejection of the null hypothesis while a p-value greater than 5% level of significance led to failure in rejection of the null hypothesis. Based on the findings, the study rejected the null hypothesis and accepts the alternative hypotheses that Intellectual simulation influences the organizational performance of Selamta family project. This is because the probability value (p-value = 0.001) was less than the critical value of 0.05 hence the study concluded that Intellectual simulation influenced the organizational performance of Selamta family project.

4.7.5. Discussion

The findings in the field of Inspirational Motivation show that leaders in the Selamta family project always clarify positive aspects of mission performance and demonstrate a sense of self-confidence, strength and pride in the work of employees and develop their loyalty and belonging to work by encouraging them to express their opinions and ideas without any Constraints or Barriers. On the other hand, the leaders put forward proposed solutions to the difficulties that may be faced by subordinates at work. The results of this study agree with the study of Abu Samaan (2015) that the organization is doing some activities such as organizational and leadership support, Organizational empowerment, employee empowerment and participation in decision-making, quality of work life, and transformational leadership to ensure that the employee has positive attitudes towards the organization, including employment team work, achieve organizational goal, and Customer satisfaction in Organizational Performance. The study showed that Inspirational Motivation is statistically significant effect at the level of ($\alpha = 00.05$) of the dimensions of transformational leadership on organizational performance in the Selamta family project.

The results of the study shown that Idealized influence are statistically significant effect on the organizational performance of Selamta family project. The result shows that the leaders of the Selamta family project are encouraging employees to do the work that is achievable in the light of the efforts being made. And to provide a climate of respect and mutual trust that reflects their ability to achieve the desired goals. Idealized influence involves the ability of leaders to inspire followers to align personal and organizational goals to achieve positive outcomes simultaneously (Caillier, 2014). As noted earlier in this investigation idealized influence and its implications for organizational performance have not been widely examined in the literature. However, there is evidence which suggests that idealized influence affects employee commitment and job satisfaction (Chen, 2004).

The findings in the field of Individualized considerations show that leaders in the Selamta family project take into account the personal needs of subordinates and seek to build bridges of trust and strengthen their weaknesses. The results of the study shows that Individualized considerations are statistically significant effect on the organizational performance of Selamta family project. On the other hand, leaders listen to subordinates who feel disinterested, The findings of this study agree with the study (Alharashsha, 2015) that transformational leadership represents a leadership style based on the relationship of interest between the leader and the employee stemming from the

constant moral relationship between the leader and the employee, which takes a need And the aspirations and values of employees into account.

The results of the Intellectual Stimulation show that the leaders of the Selamta family project are raising awareness of the problems or errors that affect the performance of the work well by responding to their queries and responding to their suggestions. They also encourage all subordinates to put forward new ideas that contribute to the development of work. These results are consistent with Lian & Tui (2012) that the goals for the employee under transformational leadership are open, where the employee can propose new ideas, offer services and extra efforts. The study showed that there is a statistically significant effect at the level of ($\alpha = 00.05$) of the dimensions of transformational leadership on organizational performance in the Selamta family project.

In general, transformational leadership appears to have the ability to support employees such that they are more committed, more engaged and more satisfied with their work (Hoxha, 2015). This has been shown to lead to a wide range of outcomes including increased creativity, problem solving, and innovation (DeJong & Bruch, 2013). Transformational leadership improves the climate of the organization resulting in positive influences on employee behavior that have direct and measurable outcomes for organizational performance (Giroux & McLarney, 2014).

CHAPTER FIVE 5. CONCLUSION AND RECOMMENDATION

5.1. CONCLUSION

Based on the findings of this study the following conclusions are drawn in line with the research objectives.

The overall perceptions of respondents towards Organizational Performance were assessed in order to evaluate the levels of organizational performance at Selamta family project. Then the findings show that the aggregate mean score of organizational performance shows that the MEAN score of Customer satisfaction in Organizational Performance level of organizational performance in Selamta family project is 3.462 which is included in moderate range, the MEAN score of Achieve organizational goal in Organizational Performance is 3.75 which are included in moderate range and also, the mean score of Organizational Performance in Team work is 3.27 which is included in low range. Because, the aggregate mean score is less than 3.40. Therefore, the majorities of the respondents are happy with the overall Customer satisfaction in Organizational Performance of Selamta family project. But the majority of the respondents are not happy with the overall Organizational Performance in Team work of Selamta family project.

The relationship between independent variable dimension of transformational leadership style (Idealized Influence, Inspirational Motivation, Individualized stimulation and Intellectual Stimulation) and dependent variable organizational performance was examined by using Pearson correlation coefficient. As a result, Individualized stimulation also had a strong positive significant effect on the significant subscales of organizational performance by 0.926** at p value=.000.

Inspirational Motivation also had a strong positive significant effect on the significant subscales of organizational performance by 0.619^{**} at p value=.000. And the result revealed that Intellectual stimulation also had a strong positive significant effect on the significant subscales of organizational performance by 0.803^{**} at p value=.000 but Idealized Influence was seen to have a weak negative insignificant effect on the significant subscales of organizational performance by -0.038 at p value = 0.605.

Intellectual stimulation, Inspirational Motivation and Individualized stimulation indicating that both are positively correlated and significant effect with organizational performance. The correlation index for the relationship between Idealized Influence and Organizational Performance is negatively correlated and insignificant effect with organizational performance.

To identify the effect of transformational leadership style on the organizational performance of Selamta family project was examined by using regression analyzes.

Based on the study findings from the regression analyzes, the study concludes that organizational performance of Selamta family project can be improved by Idealized Influence, Inspirational Motivation, Individualized stimulation and Intellectual Stimulation by the leader on his subordinates.

All the four variables of transformative leadership studied; idealized influence, inspirational motivation, individualized stimulation and intellectual stimulation had a significant positive relationship with the performance of Selamta family project. The performance of Selamta family project was high and this can be attributed to a transformative leadership. The staff members of the organization show high degree of trust to the organizational leadership. The deeds, words and integrity of leaders as well as emphasis laid on the importance of organization's vision and mission enhanced performance.

First, in regard to Idealized Influence, the regression coefficients of the study show that it has a significant influence on organizational performance of Selamta family project. This implies that increasing levels of Idealized Influence by a unit would increase the levels of organizational performance of Selamta family project this shows that Idealized Influence has a positive influence on organizational performance of Selamta family project.

Second in regard to Inspirational Motivation, the regression coefficients of the study show that it had a significant influence on organizational performance of Selamta family project. This implies that increasing levels of Inspirational Motivation by a unit would increase the levels organizational performance of Selamta family project. This shows that Inspirational Motivation has a positive influence on organizational performance of Selamta family project.

With regard to the third hypothesis, the regression coefficients of the study show that Individualized stimulation has a significant influence on organizational performance of Selamta family project. This implies that increasing levels of Individualized stimulation by a unit would increase the levels of organizational performance of Selamta family project. This shows that Individualized stimulation has a positive influence on organizational performance of Selamta family project. Lastly, in regard to the fourth hypothesis, the regression coefficients of the study show that Intellectual Stimulation has a significant positive influence on organizational performance of Selamta family project. This implies that increasing levels of Intellectual Stimulation by a unit would increase the levels of organizational performance.

From the regression analysis the coefficient of determination is R^2 =0.882 indicates that about 88.2% of the total variation of dependent variables organizational performance is explained by the independent variables. The remaining 11.8% is explained by another factor not included in the model. However, R square tends to somewhat overestimate when applied to the real world, so an Adjusted R^2 is calculated which takes into account the number of variables and the number of observations. Adjusted R Square value 0.880 it means; about 88% of variability in the organizational performance is explained by the total variability of independent variables in the estimated regression and other non-mentioned factors in the estimated regression. It shows that independent variable is responsible for the dependent variable organizational performance.

The findings found that regression model was significant since the P-value (0.000 < 0.05) at 95% confidence level.

The study proved that dimension of transformational leadership style (Idealized Influence, Inspirational Motivation, Individualized stimulation and Intellectual Stimulation) have a pronounced effect on organizational performance. Performance of an organization is directly proportional to transformational leadership styles especially in Inspirational Motivation, Individualized stimulation and Intellectual Stimulation. In case of Idealized Influence from the correlation table it effects negatively.

Therefore, the combinations of the four dimensions of transformational leadership style (Idealized Influence, Inspirational Motivation, Individualized stimulation and Intellectual Stimulation) are playing their own role in enhancing organizational performance.

5.2. RECOMMENDATIONS

Based on the major findings and the conclusions made from the study effect of leadership on the organizational performance collected by personal observation and though the questionnaire conducted in the organization; it is necessary to offer the following recommendations.

- Based on the study findings, the study recommends that Selamta family project management must continue to promote transformative leadership to sustain the exemplary performance in the organization.
- The idealized influence represents the ability of building confidence in the leader and appreciating the leader by the followers, which forms the basis for accepting radical change in the organization. Without such confidence in the leader, that is, in his motives and aims, an attempt to redirect the organization may cause great resistance
- Selamta family project leaders should also continue to promote a broad, inclusive vision, show strong commitment to goals, and create trust and confidence in employees in order to sustain increased staff performance.
- The organization should develop a long term strategy to empower its leaders with the knowledge, skills and attitude that focuses on transformational leadership. To sustain good staff performance at Selamta family project, leaders should also make sure the recognition and rewards system musts be sustained.
- Intellectual stimulation has an important role in the transformation process of organizations. Transformational leaders stimulate permanent reexamination of the existent assumptions, stimulate change in the way of thinking about problems, and plead the use of analogy and metaphor. By constantly searching for new knowledge, transformational leaders constantly teach, illustrate, but also promote and get new and creative ideas for solving problems from all organizational members
- Selamta family project management must continue to reward employees" good ideas, and continue to empower them to develop those ideas.
- It should be noted that there is relationship between organizational performance and dimensions of transformational leadership. Therefore, the management of selamta family project has to make various efforts to improve dimensions of transformational leadership in order to enhance organizational performance.
- Subordinates should be education about the need for harmony with them and their leaders in the work place for the mutual benefit of both parties.
- This research examined the impact of leadership styles on organizational performance by studying only one organization. It is therefore suggested that a similar study be carried out

which will cover more projects in order that the subsequent findings may be compared with the finding of this research.

- Teamwork among employees should be enhanced to ensure cohesiveness among Selamta family project employees and management.
- Paying attention to raise enthusiasm in the work of subordinates and take into account the individual differences between them in terms of needs and desires.

5.3 SUGGESTIONS FOR FURTHER RESEARCH

The researcher only focuses on the effect of transformational leadership on the organizational performance. The research focuses specifically on the Selamta family project with only one project and 185 employees surveyed. Future research should include a larger sample size as well as a consideration of different industries. Comparison of results from different occupations may provide insight into whether or not transformational leadership has different effect for employees working in diverse fields.

Based on the findings of the researcher's dimension of transformational leadership accounts only 88.2% of the performance of the organization. This means that there are 11.8% other determinant factors for organizational performance with this study as a basis for future research; the researchers suggested that future studies on other determinant factors should be considered.

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APPENDIX 1 QUESTIONER

SELAMTA FAMILY PROJECT
Section 1: Profile of Respondents
1.Age
18-25 25-35 35 and above
2.Sex
Male Female
3.Level of education Diploma degrees 3. Master's degree
Diploma degrees 3. Master's degree
4. Marital status
Single Married
5. How long have you served as an employee
1-5 years 6-10 years 10 years and above

SECTION 2: Transformational LEADERSHIP

In return of transformational leadership practice of Selamta family project, tick the right alternative that corresponds to your opinion from the key alternatives. Rate your response on scale of five units where by:

0= strong disagree 1= Disagree 2=neutral 3= agree 4=strongly Agree

	Idealized Influence	0	1	2	3	4
1	Leaders in your firms exhibit idealized influence form of leadership characteristic					
2	Idealized influence leadership is positively related to common- source and multi-source perceptual performance outcomes (subordinate's positive work attitude					
3	Part of my job is to inspire my employees constantly with a shared vision of the future.					
4	I practice integrity, sets clear goals, clearly communicates a vision, sets a good example, expects the best from employees, encourages, inspires and supports, recognizes good work					
5	I provides stimulating work and helps people see beyond their self- interests and focus more on team interests and needs.					
6	For the sake of the team, the leader goes above self-interest.					
7	Leaders in your firms exhibit idealized influence form of leadership characteristic					
8	In what extent do your organization's leaders show ethical and moral conduct in order to achieve organizational goals?					

	Inspirational Motivation	0	1	2	3	4
1	Supervisor shows an interest in the willingness of the employees to give their best					
2	When I fulfill the leader's expectations, they become impressed.					
3	My supervisors takes time to convince employees that they have the ability to surpass set goals					
4	The leader embraces the importance of completing the task at hand.					
5	To what degree do your organization's leaders motivate and inspire you to perform at your best?					
6	Supervisor help employees enjoy their work as part of self- development?					

	Intellectual stimulation	0	1	2	3	4
1	The leader provides opportunity for fresh creative problem-solving ideas.					
2	When solving difficulties, seeks out other points of view.					
3	The leader suggests innovative approaches to completing duties.					
4	The leader encourages me to consider challenges from a variety of perspectives.					
5	To what level do your organization's leaders encourage individuals' intelligence and inventiveness by empowering them?					
6	I am open-minded and tend intellectually influence their subjects.					
7	With more cognitive thinking, the employees are able to gain more knowledge, which helps to better their lives					
8	I encourage employees to think critically and make mistakes as it is the only way they are able to learn new ways of doing things					
9	I challenge the norm and make a case out of every argument; this encourages the subordinates to intellectually challenge themselves more					
10	I provide solutions to my employees indirectly by tapping to their creative thinking.					

	Individualized stimulation	0	1	2	3	4
1	The leader encourages me in enhancing my skills.					
2	The leader sees me as having needs, abilities, and goals that are distinct from those of others.					
3	Rather of considering me as a part of a group, the leader treats me as a person.					
4	The leader spends time instructing and mentoring colleagues.					
5	How much attention do your leaders give to individuals?					
6	Do you consider your organization is effective?					
7	Collaboration with employees is done in consideration to their individual's strengths and weaknesses					
8	Supervisor is willing to sacrifice his time and again so as to empower staff					
9	Supervisor is keen to create a sense of joint mission and ownership of organizational goals and objectives.					

NO	Customer satisfaction in Organizational Performance					
		SDA	D	N	А	SA
1	After receiving the service, users have provided positive feedback.					
2	The service delivery processes are smooth.					

NO	Achieve organizational goal Freque			ncy					
	Acineve of gamzational goal	SDA	D	N	A	SA			
1	I worked hard to keep my skills current								
2	I was a regular attendee at work meetings and training sessions.								
3	I was able to do a good job with little time and effort.								
4	I'm ok with the performance results I've gotten so far								
5	the leadership style affects my organization performance								
6	The company's structure is conducive to high performance.								
7	The leader offers every necessary assistance and makes every effort to ensure a productive working atmosphere.								

NO	Organizational Performance in Team work	Frequency					
		SDA	D	Ν	А	SA	
1	In my department, we work as a team.						
2	My boss works well with others.						
3	My boss provides me with the required assistance in order to boost team spirit						
4	Teamwork between or among staff has a significance						

1	Do you get the or	oportunity to worl	k in the best way you thir	nb?
Τ.	Do you get the of	pportunity to wor	k ili tile best way you till	117.

Always	Sometimes	never
1	0011100	

2. Do you get complete freedom in your work?

Always	Sometimes	never
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3. Do you get support for building a team?

Always Sometimes never

4. Are you allowed to have their own judgment in solving problems?

Always Sometimes never

- 5. Are you motivated towards accomplishing the task?
 - Always Sometimes never
- 6. Are you pushed for improved quality?

Always Sometimes never

- 7. Do you have Freedom of action?
 - Always Sometimes never
- 8. Are you encouraged to use the standard procedures?

Always rarely never

9. Are you exactly doing the task you are chosen for?

Yes no

10. Do you believe that giving advice without putting pressure on employee is quality of a

strong leader? Yes no