



SAINT MARY'S UNIVERSITY, SCHOOL OF GRADUATE STUDIES

DEPARTMENT OF BUSINESS ADMINISTRATION

**THE EFFECT OF LEADERSHIP STYLE ON EMPLOYEE
PERFORMANCE: THE CASE OF CHINA GEO-ENGINEERING
CORPORATION GROUPS IN ADDIS ABABA**

BY

LIDIYA ZERU

MARCH 2023

ADDIS ABABA

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APPROVAL SHEET

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DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Saleamlak M. (Ph.D). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Name

St. Mary's University, Addis Ababa

Signature

March 2023

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ACRONYMS AND ABBREVIATIONS

AAICEC	Addis-Africa International Convention and Exhibition Center
CGC	China Geo-Engineering Corporation
JBC	Job Satisfaction
LED	Leadership Style
MNCs	Multinational Companies
ORC	Organizational Culture

ABSTRACT

In the contemporary business world, organizations are operating in a stiff competitive environment in which effective leadership plays crucial role for enhancement of employee performance to assure their missions successfully. However, multinational companies are subjected to cultural variation in a host country that needs to be considered to reconcile and harmonize the leadership policy of the company. The objective of this study was, thus, to investigate the effect of leadership style on employee performance mediated by organizational culture in the case of CGC Groups in Addis Ababa. A quantitative research approach along with an explanatory research design was adopted. The survey was conducted on employees working under the umbrella of CGC Groups. A sample of 241 respondents who were selected with stratified random sampling technique were participated in this survey. Primary data were collected through a self-administered questionnaire. A multiple linear regression inferential analysis was adopted to examine the relationship between leadership style, organizational culture and employee performance, with the help of the SPSS 22.0 Software application. The results of the findings revealed that leadership style had a positive and significant effect on both employee performance and organizational culture. Specifically, autocratic leadership showed the highest effect followed by transactional style. While transformational and democratic styles were the least contributors. Moreover, the organizational culture played a mediating role on the relationship between leadership style and employee performance. Based on the findings, it can be concluded that different leadership styles had different effect on organizational culture (direct) and employee performance (indirect effect). Moreover, autocratic leadership is more appropriate style of leadership that significantly affects the employee performance in CGC Groups context. It is advisable that managers at all levels need to be strict decision makers in dire situations like in time of project failures.

Key words: Leadership Style, Employee Performance, Organizational Culture, Multinational Companies.

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Organizations, in this contemporary business world, are operating in a highly competitive environment in which effective leadership plays crucial role for managing their missions successfully. Organizations have functions that serve the community and is responsible for carrying out economic development. It is necessary to have professional stewards and employees to exert their optimal efforts to deliver outputs to the best interest of the organization in line with its vision, mission and goals (Shirzad, 2014). In achieving a goal, the role of the leader is very important to run a plan smoothly by facilitating cooperation between the leader and followers. Leadership is an influential aspect that leads to change and tangible results that reflect the common goals. (Busro, 2018). Therefore, the success of an organization in achieving its goals is largely determined by its employees' work performance.

Performance is the result achieved by a person according to prevailing standards, within a certain period of time, with regard to work and behavior and actions (Suwatno, 2018). Wibowo (2016) states that performance can be seen as a process or a result of work. In a sense, performance is a result of the work achieved by a person in carrying out the tasks assigned to him and how much they can contribute to the organization. Performance also means the results achieved by a person, both quantity and quality in an organization in accordance with the responsibilities assigned to him. Employee performance, thus, can be taken as staff's ability to perform certain skills as it can be determined to what extent the staff carry out the tasks assigned to (Sinambela, 2016).

In this regard, leader's behavior is one of the most important factors that can affect employee performance. Leadership is conceived as a process where one or more persons influence a group of persons to move in a certain direction. Messick and Krammer (2004) argue that the degree to which the individual exhibits leadership traits depend not only on his characteristics and personal abilities, but also on the characteristics of the situation and environment in which he finds himself. Therefore, an individual will support the organization if he believes that through it his personal objective and goals could be met, if not, the person's interest will decline. Leadership occurs when one group member modifies the motivation or competence of others in the group. Nongo (2019) states that

leadership entails an unequal distribution of power between leaders and group members. Group members have power, but leaders usually have more powers.

Many organizations have failed due to ineffective leadership style of the management team. On such situation, the employees are not well organized, controlled or coordinated emanated from ineffective leadership style results in low productivity, high operating cost, uncooperative attitude of employees etc. All these at the long run leads to the closure of the organisation. Some organizations are faced with the problem of sourcing for competent leaders who have personality, knowledge, intelligence and experience to lead. To Okorie (2020), leadership makes the difference between success and failure, between profit and loss, between development and underdevelopment of any organization, nation or enterprise. Arnold and Feldman (2019), state that leadership is an influential process that affects the stakeholders, within and outside the organisation.

However, the problem of organizational culture is a reflection of leadership style and inseparable part of the internal environment of an organization. The working culture of an organization is tuned by the leadership style that the higher managements follow, and leaders are subjected to comply with the culture to assure the attainment of its mission and goals of the organization (Okorie, 2020). That means, a strong and good organizational culture can be a major factor that determines employee performance through effective leadership in achieving the success of a firm which is characterized by the core values of the firm that its members hold, agree on and practice. Fahmi (2016) argues that leadership has a mediating role on the relationship between culture and performance.

Based on the above explanations, a strong corporate culture is a basis for better leadership that will lead to improved employee performance. Among several factors that affect employee performance: leadership style and organizational culture are the foci of this study for the reason that different organizations have different culture and different leadership style. For instance, the leadership style as well as the organizational culture of public institutes are different compared to private owned business companies. Same token, in a given country, local companies would have different working culture compared to foreign owned multinational companies. Therefore, the need for continuous assessment on the effectiveness of leadership style and the nature of the working culture are undeniable. The purpose of this study is, thus, to investigate the mediating role of organizational culture on the relationship between leadership style and employee performance by taking China Geo-Engineering Corporation Oversea Construction Group as a case.

1.2. Organizational Background

China Geo-Engineering Corporation (CGC) was established in 1982 with the approval of the State Council of the People's Republic of China and was officially affiliated to the Ex-Ministry of Geology and Mineral Resources of China. In May 2010, CGC was incorporated into China Energy Conservation and Environmental Protection Group (CECEP) as a wholly owned subsidiary. As one of the first few state-owned enterprises approved by the State Council to undertaking international contracting projects, CGC was granted with the permission of international project contracting, import and export of equipment, labor service export, and mineral resources reconnaissance and development. CGC locates its head office in Beijing, the Capital of China. Now, it has 23 overseas branches and offices in Asia and Africa with business activities covering over 50 countries and regions. At home, CGC has more than 20 subsidiaries and affiliate companies (CGC Report, 2022).

Over the course of 20 years, the CGCOC Group Co., Ltd. (formerly known as CGC Overseas Construction Group Co., Ltd.), is an international group co-funded by some large organizations in the field of petrochemical, mineral exploration, engineering construction and investment funds. The Group is mainly engaged in the following business such as engineering construction, trade and leasing, investment and operation, as well as agency and consultancy in over 10 Africa countries. Among them, it actively operating in Ethiopia from the year 2004, engaging in modern agriculture, industrial investment, real estate, etc. Furthermore, the company is the sole owner of HANSOM glass factory in Ethiopia. Established in 2008, named Ethiopia Hansom International Glass PLC. It is the first glass manufacturer in Ethiopia and East Africa. Since personnel localization has always been the goal pursued by the Group, Hansom for example, more than 60 percent of its 2,400 employees in Ethiopia are locals (Dawit, 2022).

1.3. Statement of the problem

Many international companies expand their existing operations to different countries for exploiting the untapped opportunities of the host country as well as creating better trade relationship with the nation. As supported by China's state government, CGC Groups have been known their business success and organizational sustainability in different continents. However, they often inherit the challenges of adapting to local working environment and business conditions (Tuleja, 2014). In this regard, according to the area manager of CGC Groups in Ethiopia, the company is mainly suffered from lack of growing businesses sales, declining employee morale and loss of staff's appetite to stay

in the company aiming to achieve their best for as long as possible. Nachum (2020) also claimed that the international employment rate of CGC Groups has escalated by 2.5% and continuing to grow, while its staff attrition rate reaches 4.2% in developing countries. Such human resource management issues of multinational companies arise from incompatibility of leadership with the cultural orientation of staff. Brush (2019) claims that misalignment of leadership style with organizational culture adversely affect the performance of the staff and the organization growth and stability at large.

In this context, the executives of the case company who are expats in most cases, practiced different leadership styles. The managers of Asian origin apply more of autocratic leadership, while managers from western countries use democratic leadership in different mega projects of the company adopt. Nonetheless, few managers are in support of transformational leadership whereas laissez-faire is hardly practiced (CGC Groups HR Report, 2019). According to Brush (2019), lack of consistency in leadership resulted in poor organizational performance due to inconsistent organizational output. For the fact that poor leadership drives employees to be uncertain of their company's goals and objectives for success and they have no idea how they fit into that picture, or what their level of importance is toward making it happen. The core business problem of the case company was that expat business leaders seeking to expand it internationally have some limitation or negligence for the significant role of cultural difference in international business.

International leadership knowledge and experience of multinational companies in multicultural nations play a pivotal role in expanding abroad (Robert, 2016). As a universal activity, leadership is fundamental for effective organizational and social functioning. The very nature of leadership is its influencing process and its resultant outcomes which can be achieved by applying the right leadership style compatible with the culture (attitude and values) of its staff. Such process is determined by the leaders and follower characteristics, dispositions, behavior perceptions, attributions and the context wherein the process of influencing occurs (Chen and Cheng, 2018). The moral purpose of leadership is to create an empowered follower that leads to the attainment of the organizational goals that are achieved through dedicated workforces (Hersey, 2017).

In order to persuade staff to seek the highest level of dedication, each leader can use a variety of leadership styles, according to several academic studies (Oladipo, 2016; Bogler, 2015; Wolor, 2020). These studies therefore highlight the significance of leadership approaches that motivate staff to work freely toward the organization's defined goals and objectives. Understanding an employee's attitude

and values is crucial since people are driven to follow leaders who can inspire them to achieve or go beyond the objectives set by the company. In agreement with this, Akpala (2018) said that a lack of motivation, a discontent with one's job, and a bad attitude at work are some of the things that may cause a fall in employee productivity, which may then cause a decline in business earnings. Therefore, the basic question is how these companies are effective in leading and motivating their staff in multi-cultural countries.

As a result, to address this research question, the student researcher made a concerted attempt to pinpoint the mediating impact of the organization's cultural orientation as well as the optimal leadership paradigms that may inspire their staff to develop the skills and dedication necessary to effectively escalate required performance at CGC Groups. Investigating the relationship among leadership style, organizational culture and employee performance is believed to have a vital role in understanding the influence of cultural difference on employees' performance through implementing the appropriate leadership to motivate and adhere the workforce to the best interest of the organization.

The aim of this study was, thus, to investigate the effect of leadership on employee performance mediated by cultural orientation of the staff by taking CGC Groups in Ethiopia as a case. This can be achieved by examining the leadership strategies and practices used by multinational executives and their local staffs to grow their companies through international expansion. The target population was business executives of the case company that had a corporate head office in Addis Ababa. The output of this study was expected to contribute to creating employment opportunities, which could improve the citizen's living standards. International companies' growth in the country could lead to increased profits results in improving the wellbeing of residents and the society at large.

1.4. Research Questions

To achieve the aim of this study, it needs to address the main research question which states "how does the leadership styles of the management harmonize with the organizational culture variation to indirectly affect the employee performance?". Specifically,

1. What is the effect of leadership style on employee performance of CGC Groups in Addis Ababa?

2. What is the influence of democratic leadership style on the employee performance of CGC Groups in Addis Ababa?
3. What is the effect of transformational leadership style on the employee performance of CGC Groups in Addis Ababa?
4. What is the effect of transactional leadership style on the employee performance of CGC Groups in Addis Ababa?
5. What is the effect of leadership style on the organizational culture of CGC Groups in Addis Ababa?
6. What is the mediating role of organizational culture on the relationship between leadership practices and employee performance at CGC Groups in Addis Ababa?

1.5. Objectives of the Study

1.5.1. General Objective

The general objective of this study was to investigate the effect of leadership style on employee performance in the case of China Geo-engineering Corporation Groups in Addis Ababa.

1.5.2. Specific Objectives

- i. To examine the effect of autocratic leadership style on the employee performance of CGC Groups in Addis Ababa.
- ii. To analyze the influence of democratic leadership style on the employee performance of CGC Groups in Addis Ababa.
- iii. To examine the effect of transformational leadership style on the employee performance of CGC Groups in Addis Ababa.
- iv. To demonstrate the effect of transactional leadership style on the employee performance of CGC Groups in Addis Ababa.
- v. To analyze the effect of leadership style on organizational culture of CGC Groups.
- vi. To examine the mediating role of organizational culture on the relationship between leadership style and employee performance at CGC Groups in Addis Ababa.

1.6. Significance of the Study

Findings from the study can help leaders as they learn the best type of leadership to use to achieve the optimal levels of employee performance. As a result, leadership development programs should be created, and training and seminars can be useful in raising awareness among managers and other leaders. As a result, worker performance improves.

It is important to examine the strategies that experienced multinational executives used for expansion plans to understand how the international business strategy, affect a company's long-term success and growth, (Fung, 2014). Company leaders can improve their leadership skills to expand their operations overseas by putting into practice successful business leadership strategies.

The results of this study may help in corporate practice by identifying successful leadership philosophies that improve worker performance. There is a strong association between authoritarian, democratic, transformational, and laissez-faire leadership styles.

Senior executives of Multinational Enterprises (MNEs) must be strategic in identifying and resolving emerging cross-border cultural difficulties if they want to see positive international growth. Gaining a deep understanding of successful company tactics could pave the way for the development of vital global leadership abilities that will help to spur sustainable corporate growth. The study's findings may provide insightful information on successful leadership tactics that might aid company executives in accelerating their worldwide expansion and raising profitability. It may also serve as a springboard for further study in the field.

1.7. Scope of the Study

The scope of this study was to investigate the effect of leadership style on employee performance mediated by cultural orientation of the staff in the case of CGC Groups. Its geographical scope focused on the head office and project site (Addis-Africa International Convention and Exhibition Center construction project) which are located in Addis Ababa. Its conceptual scope is the effect of leadership styles including transformational leadership, autocratic, democratic, and transactional, level of employee performance and organizational cultural of staff. Explanatory research design along with quantitative research approach was employed. Both descriptive and inferential statistics were applied to carry out the analysis. This study is cross-sectional research which was conducted within the period of September to November, 2022.

1.8. Limitations of the Study

As an academic survey, this thesis has a number of limitations. Among the majors, it tried to overcome the issue of limited use of variables and low sample which is prevalent in most previous studies. It affected the generalizability of the results of the findings. Moreover, this study fails short of using many other extraneous factors explaining employee's performance score. For instance, the effect of training and employee's personality issue performance is missing in this study. Thus, future studies should bridge such gap through the holistic use of all other confounding variables in an attempt to explain the larger variation in employee performance.

Over time, certain internal and external factors may compel managers to change the leadership approach they take with their employees. As an illustration, exposure to greater levels of education, training, and potential new change processes that businesses may go through are some of the things that encourage them to modify their current leadership style. Therefore, future research should focus on longitudinal studies that try to investigate the degree to which employee performance responds to such changes in such leadership style.

1.9. Definitions of Key Terms

This section includes the definitions of technical terms used throughout this study.

Multinational Companies: Multinational companies are entities that operate and generate profit in more than two countries through their movement of capital, goods, and services abroad (Tutar, Altinoz, and Cakiroglu, 2014).

Leadership Style: It is a way leader influencing subordinates expressed in the form of a pattern of behavior or personality (Mohelska and Sokolova, 2015).

Organizational Culture: Organizational culture consists of the attitudes, values, behavior patterns, and habits within an organization that defines the quality of the social climate (Mohelska and Sokolova, 2015).

Cultural Orientation: Cultural orientation of an employee is the values and beliefs that determine the attitude of an employee towards the working environment. (Tuleja, 2014).

Employee Performance: Employee performance is how your employees perform daily in your business will have an impact on your business's success or failure. (Ashle, 2019).

1.10. Organization of the Study

This study was organized into five chapters, the first chapter included introduction, background of the study, research gap, research question, objectives, significance and scope of the study. The second chapter deals with review of related literature in terms of theoretical, empirical and conceptual framework. The third chapter comprises the research methodology while the fourth chapter dealt with data analysis and interpretation. Finally, the fifth chapter holds the summary of the findings, conclusions and recommendation.

CHAPTER TWO

REVIEW OF LITERATURE

2.1. Theoretical Literature

2.1.1. Concepts of Leadership

The strong determination shown by a leader to ensure all individuals in a group are inspired and encouraged to exert maximum effort to attain organizational set objectives and goals is known as leadership (Northhouse, 2016). Tactics displayed by a leader as a means of providing direction, planning, implementing and motivating the team are recognized as leadership responsibilities. Consequently, what has been suggested above indicates that the key component of a successful organization is leadership. Besides, leadership encompasses communicating and guiding team members, empowering, encouraging and inspiring them to earnestly work towards accomplishing organizational desired set goals.

For employees to provide their best for the success of an organization, it calls for leadership qualities that strategically focusses and implements behavioural tactics that build employee commitment (Chowdhury, 2014). Further indicated that it is widely agreed that effective leadership is not easy to come by, it is a multifaceted and is known to be dependent on particular elements such as, difficulty of tasks, extend at which the leader gives authority and the maturity and competence of employees. However, Chen and Sriphorn (2016) added that complexity of leadership has been intensified by the current pandemic. Hence, the need for leaders who are responsible, innovative and determined to confront unanticipated devastating changes and pursue attaining positive effect in relation to productivity.

The complexity and indefinability of the word leadership may be the reason which makes it difficult to come up with a single definition for the concept. Lassey (2016) noted the complexity of the phenomenon and proclaims that there could be no single meaning of leadership that may cover all circumstances. To reconcile the discrepancies noted on definitions of leadership the Chemers (2017) came up with an umbrella description which is acceptable to the majority of researchers and theorists. He presents a definition that defines leadership as “a process of influence whereby, an individual can solicit full support from subordinates to meet the set goals or defined duties”. Similarly, Conger and

Kanungo, (2018) defined leadership as “people who create direction for team members and gain the commitment of the members and finally motivate them to attain the intended outcome”.

However, considering all the above definitions of prior and current literature about leadership, the provided meanings varied, but one common facet noted is that all leaders strive to influence employees to meet targets, set goals and objectives of the organization which in turn enhance productivity. Transformational, laissez-faire and transactional leadership styles are expounded in the succeeding section.

2.1.2. Styles of Leadership

2.1.2.1. Autocratic Leadership

Autocratic leaders are known as authoritative leaders whose provide clear objectives for the subordinates for what needs to be done, who should be done, when it should be done, and how it should be done. Autocratic leadership is strongly focused on both instructions by the leader and control of the subordinates. There is also a clear division between the leader and the members of the organization. Autocratic leaders make decisions individually with little or no input from the rest of the group who works in the organization.

Autocratic leadership is best practiced to situations where there is little time for group decision making or where the leader is the most skilled members of the organization. The autocratic approach can be a good one when the situation calls for rapid decisions and decisive actions. However, it tends to create dysfunctional and even hostile environments, often pitting followers against the domineering leader. This is a leadership style that motivates employees by engaging higher goals and good values which can move employees to perform past desires and change both people and firms (Bass, 2015).

2.1.2.2. Democratic Leadership

Democratic leadership style is exhibited where the focus of power is more towards the team as a whole, and where there is greater interaction within the team (Mullins, 2020). This leadership style is suitable only in instances where the nature of the responsibility associated with the decision is such that team members are willing to share with their leader, or on the other hand the leader is willing to accept accountability for decisions, which he or she has not made individually.

According to Conger and Kanungo (2018), in democratic leadership style, decision making is shared between leader and the group. In democratic leadership style authority is decentralized and free flow of communication by encouraging subordinates. When the leader is forced to decide alone, he/she

explained the reason to the group. The leader allows a climate of general controls and supervision. According to view of (Okenwa, 2020) democratic leadership style also known as participative or supportive leadership style involves some kind of joint action between leaders and co-workers. In essence, the leader consults with subordinates on proposed actions and decisions and encourages participation from them. He also welcomes ideas and criticism from the group he is leading.

2.1.2.3. Transactional Leadership Style

Transactional leadership Theory- emphasizes achievement of meeting a desired objective. Rewarding staff when objectives are met is projected to result in higher performance levels (Bass, 2015). Predetermined goals are well set and the directions are made clear so that staffs aspire to succeed in achieving the target (House and Aditya, 2017). Transactional leaders are excellent at maintaining the organization's effectiveness by keeping their attention on the present.

Transformational leadership Theory - emphasizes that a leader can only be effective if he can transform or alter the perceptions, actions, and expectations of his followers and guide them toward a common objective. It helps in motivating & inspiring followers to produce outstanding results while also letting leaders grow themselves. In a transformational leadership, the follower is motivated to go further and achieve more because they respect, adore, and believe in the leader (Bass, 2015).

2.1.2.4. Transformational leadership Style

Transformational leaders are characterized by enthusiasm, energy and passion. They aim at transforming subordinates' capabilities, skills, beliefs and values. Transformational leaders always make an effort to ensure that followers are motivated through influencing their assumptions and attitudes towards work. Cacioppe (2017) asserts that leaders who apply transformational style motivate and encourage subordinates to accomplish more than their expectations through communicating a clear convincing vision to them. Transformational leaders are known to be trustworthy and honest; they ensure that the vision of the organization is shared; goals are clearly set and well communicated to employees (Bass, 2015). In this manner, employees get inspired to willingly offer their services beyond set limits.

Apart from working towards skill and capability enhancement of followers, transformational style is characterized by leaders who align employees' goals with organizational goals. Moreover, Cho and Dansereau (2019) advocated that leader who apply transformational attributes instigate team spirit, intellectual development, enthusiasm and confidence among subordinates. In so doing, subordinates

are prompted to remain focused on accomplishing organizational set goals together with their collective wellbeing. Nevertheless, Wood postulates that under the pressure of Covid-19, leaders need to intensify knowledge on how to build and employ effective styles of leadership that can enhance performance. In light of the above, it shows that outdated practices and attributes pre Covid-19 should be improved.

2.1.2.5. Laissez – faire Style of Leadership

Under the laissez-faire style of leadership, power and authority are left to subordinates to do all they please. They are the ones to determine organizational objectives and goals. Managers will not provide any kind of assistance or direction; employees are left to freely make a decision (Richard et al., 2009). This means leaders stand aloof, do not interfere with subordinates. For that reason, some scholars call such leadership style a destructive style whilst others perceive this style to be a no-leadership style (Okenwa, 2020; Bass, 2015). Not only the decision-making responsibility is left to the subordinates, but also leaders tend to neglect other issues such as care of the employee's needs, failure of leaders to provide feedback and some delays are experienced when quick decisions are needed (Bass, 2015). In addition, Goodnight (2021) postulates that the laissez-faire leadership style happens when leaders lack control over their subordinates. This situation denotes that employee are left with the freedom to do what they desire to do at the time they want to do it without any restriction from management. He also suggested that when all power to decide to work-related issues is given to subordinates, in some certain situations and industry this style can provide a positive impact on staff output. Furthermore, he mentioned that when freedom to make the decision is allowed to group members like professors, doctors', engineers', etc. laissez-faire leadership style can be recognized to be the best style.

2.1.3. Related Theories of Leadership

2.1.3.1. Trait Theory

Early leadership studies assumed that leaders are born, not made. Researchers wanted to identify a set of characteristics or traits that distinguished leaders from followers, or effective leaders from ineffective leaders. Leadership trait theories attempt to explain distinctive characteristics accounting for leadership effectiveness. The list of traits was to be used as a prerequisite for promoting candidates to leadership positions. Only candidates possessing all the identified traits would be given leadership positions. Hundreds of trait studies were conducted during the 1930s and 1940s to discover a list of qualities. However, no one has come up with a universal list of traits that all successful leaders

possess, or traits that will guarantee leadership success. On the positive side, although there is no list of traits that guarantees leadership successes, traits that are related to leadership success have been identified (Dansereau, 2019).

2.1.3.2. Behavioral Theory

In the late 1940s, researchers began to explore the idea that how a person acts determines that person's leadership effectiveness. Instead of searching for traits, these researchers examined behaviors and their impact on measures of effectiveness such as production and satisfaction of followers. The preponderance of theory and research along these lines has depended on the idea that leaders must cope with two separate but interrelated aspects of their situations: they must accomplish the task, and they must do so through the efforts of those they lead. Thus, even though a variety of different terms have been used to identify these two facts of leadership, all can be understood as relating to tasks and people. Leadership behavior can be studied by analyzing what leaders do in relation to accomplishing the task and to maintaining the effort of people doing the task (Mullins, 2020).

2.1.3.3. Transactional Theory

Transactional leadership theory is a type of contingent-reward leadership that had active and positive exchange between leaders and subordinates whereby workers were rewarded or recognized for fulfilling agreed upon objectives of the organization "From the leader of the organization, these rewards might indicate gratitude for value increases, bonuses and work accomplishment. For good work, positive support could be exchanged, merit pay for promotions, increased performance and cooperation for collegiality. The leaders could instead focus on errors, avoid responses and delay decisions. This attitude is stated as the "management-by-exception" and could be categorized as passive or active transactions. The difference between these two types of transactions is predicated on the timing of the leaders' involvement. In the active form, the leader continuously monitors performance and attempts to intervene proactively (Igboeli, 2015).

2.1.3.4. Path-Goal Theory

Another contingency approach to leadership is called the path-goal theory. According to the path-goal theory, the leader's responsibility is to increase followers' motivation and clarify the path to attain personal and organizational goals. This model includes two sets of contingencies: leader behavior and the use of rewards to meet subordinates' needs. In the Fiedler theory the assumption

would be to switch leaders as situations change, but the path–goal theory suggests that leaders can switch their behaviors to match the situation (Daft, 2018)

2.1.3.5. Transformational Theory

The transformational leaders raise the motivation and morality of both the follower and the leader. The transformational leaders are considered by their capability to identify the need for change, gain the agreement and commitment of others, create a vision that guides change and embed the change (MacGregor, 2013). These types of leaders treat subordinates individually and pursue to develop their consciousness, morals and skills by providing significance to their work and challenge. These leaders produce an appearance of convincing and encouraged vision of the future. They are “visionary leaders who seek to appeal to their followers” better nature and move them toward higher and more universal needs this approach views leadership Effectiveness as dependent upon a match between leadership style and the situation. It also focuses on the degree to which the situation gives control and influence to the leaders. The primary thrust was that the qualities of leaders differentiate in various situations and so was those qualities were perhaps appropriate to a particular task and interpersonal context. (Yukl, 2016).

2.1.4. The Concept of Employee Performance

Performance is associated with quantity of output, quality of output, timeliness of output, presence/attendance on the job, efficiency of the work completed and effectiveness of work completed (Mathis, 2019). Employee Performance is the successful completion of tasks by a selected individual or individuals, as set and measured by a supervisor or organization, to predefined acceptable standards while efficiently and effectively utilizing available resource within a changing environment.

Amos (2014) states that the effective management of employee performance is critical to the execution of strategy and organizational achieving its strategic objectives. Performance cannot be left in anticipation that it will develop naturally, despite the employee`s natural desire to perform and be rewarded for it. This desire needs to be accommodated, facilitated and cultivated (Amos, 2014). In return for this performance, organization extend themselves in various forms of acknowledgement.

Employee performance has become a topical issue in today`s business environment, so that organization go to great lengths to appraise and manage it (Armstrong and Baron, 2018). Furthermore, authors agree with the belief that performance is ultimately an individual phenomenon with

environmental factors influencing performance primarily through their effect on individual determinants of performance ability and motivation.

Suwatno (2018) argue that performance is the result achieved by a person according to prevailing standards, within a certain period of time, with regard to work and behavior and actions. in a sense, performance is a result of the work achieved by a person in carrying out the tasks assigned to him and how much they can contribute to the organization. Performance also means the results achieved by a person, both quantity and quality in a firm in accordance with the responsibilities assigned to him.

Many factors affect the performance of individual workers including abilities, motivation, support received, the existence of the work they do, rewards or incentives, their relationship with the organization and many other factors. Organization or company, its performance depends more on the performance of individual workforce. There are many ways to think about the type of performance that workers need for an organization to be successful, including by considering three elements, namely productivity, quality and service. Wibowo (2016) states that performance can be seen as a process or a result of work. Performance is the process of how work takes place to achieve work results. In an organization there are three types of performance, namely operation performance, administrative performance, and strategic performance.

Generally, Leader's group or organization is evaluated with regards to the goal attainment and task completion as desired. Objectively, employee's performance is measured through profit margins, market share, increase in production, decrease in cost, return on investment etc. Subjectively, change in employee's behavior, learning and development capability, employee commitment, enhancement in skills and competencies etc. are measured as leadership effectiveness proofs (Bass, 2015). Similarly, organizational effectiveness is another resultant of employee performance as well as leadership effectiveness.

2.1.5. Organizational Culture

Organizational culture is a term used to describe the shared experiences people in a particular organization experience from their social environment. All organizations have a culture, although certain organizations can easily identify and have more (i.e., stronger) influence on both personnel and customers than others. Organizational culture is built on deeply held beliefs about how the organization should run or operate (Armstrong and Baron, 2018).

In connection with the description above in an organization, the problem of organizational culture is an inseparable part of the internal environment of the organization because the cultural diversity that exists in an organization is as much as the number of individuals in the organization. Organizational culture, in general, is also influenced by the internal organization. Organizational culture in scientific disciplines is still relatively new, even though organizational culture has existed since the mid-20th century. Goodnight (2021) states that organizational culture is often defined as a set of value systems recognized and created by all its members. Based on the experts' opinions above, it can be formulated that organizational culture is a problem-solving tool (solution) that can consistently work well for a particular group or institution in dealing with external and internal problems so that it can be interpreted or taught. To its members, both new and old as a method of perception, thinking, and feeling about these problems.

In addition to characteristics, there are important factors to consider before establishing an international presence. Cultural environment is considered as a factor that influences the method in which an executive implements an international project. It is one of the most significant elements for both local and international businesses (Mathis, 2019). Although some project leaders from diverse cultures may operate identical projects, their management practices may completely differ.

As most multinational firms have workforces with diverse geographic, religious, and language backgrounds, business leaders should consider the cultural environment in their management processes. Tutar (2014) asserted that international business leaders should consider the different facets of culture in management strategies to gain a competitive advantage in a transnational market. Yukl (2016) postulated that culture determines nonverbal behavior that embodies distinct thought, feeling, or the status of the person communicating.

Cultural language is another element to consider for a global expansion. Suchan (2014) asserted that considering the cultural language was a key approach to understanding how individuals think, coordinate, and interact. Tuleja (2014) referred to language as one of the fundamental principles directed towards understanding people's beliefs and behaviors. This is typical in the Middle East where language, religion, social and political institutions, and individual identity have a close connection. A cross-cultural communication, market orientation, government regulation, and competitive advantage played an influential role in internationalization processes. The consideration

of cultural differences and work processes in a foreign environment may prepare executives to better function in an international work setting.

2.1.6. Relationship between Leadership Style and Employee Performance

Leadership is one of the most dynamic effects during individual and organization interaction. The ability of management to execute collaborated effort depends on leadership capability. Although the various leadership approaches indicates that the research into leadership has gone through the period of Skepticism, recent interest has focused on the importance of the leadership role to the success of organization. A relationship between leadership style performances has been reported in both leadership and management literature. Several studies found a positive relationship between two variables. Fiedler (2016), one of the most respected researchers on leadership, has provided a recent treatise on the importance of leadership by arguing that the effectiveness of a leader is major determinant of the success or failure of a group, organization, or even an entire country.

Many researchers such as Lee and Chuang (2019) explain that excellent leader not only inspire subordinates' potential to enhance efficiency but also meet their requirement in the process of achieving organizational goals. Tutar (2014) explains leadership as use of leading strategy to offer inspiring motive and enhance staff potential for growth and development. Several reasons indicate that there should be a relationship between leadership style and employee performance. Good leaders understand the importance of employee in achieving the goals of the organization and that motivating employees is paramount importance in achieving these goals.

To have an effective organization the people within the organization need to be inspired to invest themselves in the organization mission: the employees need to be stimulated so that they can be effective: hence effective organization require effective leadership. Fiedler (2016) indicated effective organizations require leadership and that organizational performance will suffer in direct proportion to neglect of this. To have an effective of organization, there must be effective and stimulating relations between people involved in the organization. Hence from the finding of many studies it generally accepted that the effectiveness of any set of people is largely dependent on the quality of leadership.

Leadership problems and their relation to employee performance in the company are an important part of improving employee performance. This is based on the opinion expressed by Fahmi (2016) that a leader has a major influence in encouraging employee performance improvement. Improving

the quality of the performance of subordinates chooses to influence the creation of work quality in accordance with expectations. The path goal theory quoted from Bass (2015) states that leaders become effective, because of the positive effect they provide in motivating followers, increasing performance and job satisfaction. Furthermore, the maturity of subordinates in determining leadership effectiveness will affect employee performance. Research conducted by Nasri (2018), the findings show that leadership style affects employee performance.

2.1.7. Relationship between Leadership Style and Organizational Culture

Culture is socially learned and transmitted by members; it provides the rules for behavior within organizations (Yang, 2007). The definition of organizational culture is of the belief that can guide staff in knowing what to do and what not to do, including practices, values, and assumptions about their work (Staniland, 1985). The core values of an organization begin with its leadership, which will then evolve to a leadership style. Subordinates will be led by these values and the behavior of leaders, such that the behavior of both parties should become increasingly in line. When strong unified behavior, values and beliefs have been developed, a strong organizational culture emerges. Leaders have to appreciate their function in maintaining an organization's culture. This would in return ensure consistent behavior between members of the organization, reducing conflicts and creating a healthy working environment for employees (Christine, 2006). Many commentators note that the performance of an organization is dependent on the conscious alignment of employee values with the espoused values of company strategy. This clearly indicates that organizational culture and leadership are linked. The following is a review of the literature on this issue.

One way of uncovering the relationship between culture and leadership is to examine how culture has been conceptualized in organizational theory. Smircich (1983) identifies two approaches to the study of the cultural phenomenon in organizations: culture as an organizational variable, then culture seen as something which can be manipulated. Thus, the nature, direction, and impact of such manipulation are dependent on the skills and abilities of the leader. The majority of the literature which extols the virtues of transformational leadership demonstrates widespread support for this view. In contrast, if culture is seen as an integral part of the organization, then the thinking, feeling, and responses of leaders are moulded by the culture (Bass and Avolio, 2013).

Schein (2015) observes that organizational culture and leadership are intertwined. He illustrates this inter-connection by looking at the relationship between leadership and culture in the context of the

organizational life cycle. Thus, during the process of organizational formation, the founder of a company creates an organization which reflects their values and beliefs. In this sense, the founder creates and shapes the cultural traits of their organization. However, as the organization develops and time passes, the created culture of the firm exerts an influence on the leader and shapes the actions and style of the leader. Through this dynamic ongoing process, the leader creates and is in turn shaped by the organizational culture. In summarizing the consensus of opinion on the links between organizational culture and leadership, Bass and Avolio (2013) mirror the argument of Schein (2015) by suggesting that the relationship between the two concepts represents an ongoing interplay in which the leader shapes the culture and is in turn shaped by the resulting culture.

Bass (1985) demonstrates the relationship between leadership and culture by examining the impact of different styles of leadership on culture. He argues that transactional leaders tend to operate within the confines and limits of the existing culture, while transformational leaders frequently work towards changing the organizational culture in line with their vision. Similarly, Brown (1992) observes that good leaders need to develop the skills that enable them to alter aspects of their culture in order to improve their organizational performance.

While there is no shortage of claims that leadership and culture are linked in the literature (Bass and Avolio, 2013; Schein, 2015), there have been very few empirical examinations of the nature and performance implications of this link. One exception is a recent study of organizational change in the United States federal civil service. Hennessey concludes that leadership played a major role in nurturing the appropriate organizational culture which helped to improve the implementation of specific government reforms. Hennessey further argues that ‘the most effective leaders foster, support, and sustain organizational cultures that facilitate the type of management reform envisioned by “reinventing government” and the attendant increases in effectiveness and efficiency’ (1998).

2.1.8. Relationship between Organizational Culture and Employee Performance

A strong and good organizational culture can be a major factor in achieving the success of an organization. Organizational culture is no longer seen as a legacy from the past, but must also be engineered and positioned as a strategic tool to achieve company goals and as a strong competitiveness. Organizational culture affects job satisfaction (Robbins and Coulter, 2016). High job satisfaction is an indicator of management effectiveness as well, which means that the organizational culture has been well managed. A strong culture is characterized by the core values of

the organization that its members hold and agree on and practice. Therefore, a strong corporate culture will lead to employee performance. According to Salahuddin (2018), proving that organizational culture has a significant effect on employee performance.

Culture has an important meaning in the organization, because organizational culture is closely related to the contribution of work and affects the achievement of performance. According to Sopiah and Sangadji (2018) that organizational culture has a very dominant influence on the success or failure of the organization in building employee performance. Another opinion, as expressed by Wibowo (2016), states that an organization is usually formed to achieve a certain goal through the performance of all human resources in the organization. However, the performance of human resources is largely determined by environmental conditions, both internal and external to the organization, including organizational culture. Therefore, the ability of human resources to create an organization with a culture that is able to drive performance is a necessity.

2.2. Empirical Review

The Effect of Leadership Style on Employee Performance

Despite the clear view on the role of effective leadership in enhancing employee performance, there is no universal consensus on the effect that different leadership styles have on employee's performance as empirical studies reveal contrasting figure (Chan, 2010). Empirical evidence shows the suitability of a given leadership style to the success of employees and organizations varies across countries and sectors of business (Basit, 2017). This study thus summarized the result from previous empirical literatures on the related issues from global to regional and Ethiopia.

The study by Raja (2015) was an important contribution to the existing empirical studies in investigating the effect of leadership styles on employee performance in public and private sector of India. The analysis result was generated from the sample 199 respondents: 43 middle level managers and 156 subordinates. Using 95 percent confidence interval, the study established negative relationship between laissez-faire style and employee performance. He added, staff supervised by laissez-faire leader underperform and their firms were unable to meet their intended objectives.

Another study was conducted in hotel industry by Basit (2017) entitled 'The Influence of Leadership Styles on Performance of Employees.' The analysis result showed, autocratic style is the most frequently used style by managers and have positive effect on employee performance. The study added, autocratic style greatly helped employees to achieve the expected outcome and thus employees

were in favor of this leadership style. Moreover, the study recommended managers to practice autocratic style in order to boost the performance of their employees and meet the standard required by the organizations.

The study by Sakiru, (2013) tried to analyze the relationship between employee performance, leadership styles and emotional intelligence in Malaysia from the sample of 180 respondents. The study used instruments like Multifactor Leadership Questionnaire and parastatal performance evaluation process. After checking consistency of questionnaires using Cronbach's alpha coefficient, the result from multiple linear regression analysis concluded employee performance to significantly associate with emotional intelligent and leadership style.

Nuhu (2018) in his study made in Kampala District Council in Uganda showed transactional, laissez-faire and autocratic style to be among the frequently used leadership style. According to this study, autocratic styles negatively affected the performance of employees while laissezfaire style was positively affected employee performance though to a lesser extent. Thus, the finding highlighted the relative importance of using transactional style in order to enhance the desired performance of employees used to accomplish the intended objectives of the companies in the district council.

The study made by Gimuguni (2014) in Mbale local government of Uganda indicated autocratic, laissez-faire and democratic were positively correlated with employee performance. The finding also revealed autocratic styles of leadership have influenced employees to perform their duties while Laissez-faire leadership caused employees delay in meeting deadlines. Despite the domination of autocratic and laissez faire style, the study recommended local government to integrate and use the three leadership styles.

In Ethiopia, empirical studies on the effect of leadership style on employee performance are not only scarce but also emphasize largely on banking sector. For instance, the study by Rao (2015) on banking sector found transformational leadership style explains the larger variation in performance than transactional leadership style and thus recommend leaders to emphasize more on the dimensions of transformational leadership style.

Nuhu (2018) on the other hand highlighted the better role of transactional style on employee performance. He added, employees with laissez-faire leader were unable to meet the desired output and poorly perform. Finally, he recommended the management to use transactional style than other

style which enables their employees to meet the desired outputs. Based on these explanations, the following hypothesis is proposed:

H1. Leadership style has positive and significant effect on employee performance.

The Effect of Leadership Style on Organizational Culture

Laissez-Faire leadership styles and organizational culture. For instance: Dariush. (2014) contends study on the assessment of impact of the leadership style on organizational culture in MAPSA Company. In conducting the study quantitative survey method was used to gather all relevant information with descriptive methodology, confirmatory fact analysis and structural equation modeling (SEM) and a two-step approach were employed using SPSS 19. The result of the study indicates that, an effective leader could demonstrate both transformational and transactional leadership style, and a transformational leadership has a positive effect on organizational culture and transactional leadership was found to have less positive effect on culture. In contrast laissez-fair leadership was found to have a negative effect on organizational culture.

A work entitled “The Impact of Leadership Styles on Organizational Culture” by Tahir (2017) aimed to study the impacts of leadership style on organizational culture among manufacturing organization Kochalli, Turkey, context. The study employed descriptive analysis to investigate the impact of the leadership style on organizational culture. Survey design was used to collect data. The result showed that transactional leadership style did not have any influence on the current organizational culture.

Andrews (2013) aimed to investigate the impact of leadership style on organizational culture and firm effectiveness in 311 organizations with a total sample population of 2,662. The data analyzed were collected through the use of 2 standards and previously validated questionnaire. A descriptive method was engaged to the study. The finding from the study indicates that leadership skills of managers and supervisors are critical factor in creation and reinforcement of cultural norms. Furthermore, cultural norms seem to positively impact organizational effectiveness.

Nogo (2015) conducted research on the effect of leadership styles on organizational culture in small scale enterprise. The analysis has shown that transformational leadership style exerts positive but in significant effect on organizational culture. On the other hand, each behavior of transactional leadership style considered in the study has significant positive effect on organizational culture. And the study concludes that transactional leadership is more appropriate in inducing culture in small scale

enterprises than transformational leadership style. Based on these explanations, the following hypothesis is proposed:

H2. Leadership style has positive and significant effect on organizational culture.

The Mediating Role of Organizational Culture

In a survey conducted by Bono and Judge (2020) as to whether the followers of leaders exhibit higher performance in service and manufacturing organizations of different nation. In highly democratic countries such as The Netherlands and Australia, transformational leader behaviors are highly correlated with participation in decision making. This implies that transformational leaders may need to be more participative to be effective in highly democratic societies. In contrast, in high power distance societies, transformational leadership may take a more command form.

Judge (2017) conducted a meta-analysis of 87 studies measuring transformational, transactional, and laissez faire leadership in different cultural orientation. From the study, the results reveal that the level of significance of transformational was positive but weak then transactional leadership with respect to employee performance, as Pakistan is a country where power distance and uncertainty is high, and thus transactional leadership is more suited in order to achieve targets.

The study conducted about the effect of leadership styles on performance of Public and Private Sector Organizations in Pakistan by Pittaway (2015) showed that both leadership styles have positive impact on employee performance. The results provided evidences of public organizations in a bureaucratic nation where one-man show rules and autocratic leadership follows, so employees assume themselves that their leader will be strict and follow rules and regulation. Accordingly, most of the private organizations prefer to motivate their employees by using transactional rewards such as promotion, bonuses and punishments etc.

Thus, due to variability and differences in application of different leadership styles, the optimal combination of transformational, autocratic, democratic and laissez-faire styles is crucial. After all, in the present research, the latent construct of culture is a function of the positive impact of leadership style and employee performance. Hence the following propositions are proven accordingly:

H3. – Organizational culture has a mediating role on the relationship between leadership style and employee performance.

2.3. Conceptual Framework and Hypothesis

2.3.1. Conceptual Framework

As discussed in the reviews, there is substantial empirical research that supports the argument that leadership style plays a vital role in influencing employee performance. Meantime, effectivity of leadership styles on employee performance depends on the cultural orientation of the staff in the organization. In this regard, the study would try to explore the four leadership styles namely autocratic, democratic, transactional and transformational that used to be practiced and how employee performance is affected along with the mediating role of organizational culture between them. Referring Figure 1, the conceptual framework diagram illustrates the relationship among the three variables – independent (leadership style), dependent (employee performance), and mediating variable (Organizational culture). The boxes represent these three study variables, while the arrows indicate the direct relationship of leadership style with employee performance and organizational culture. Whereas, organizational culture has indirect relationship with employee performance.

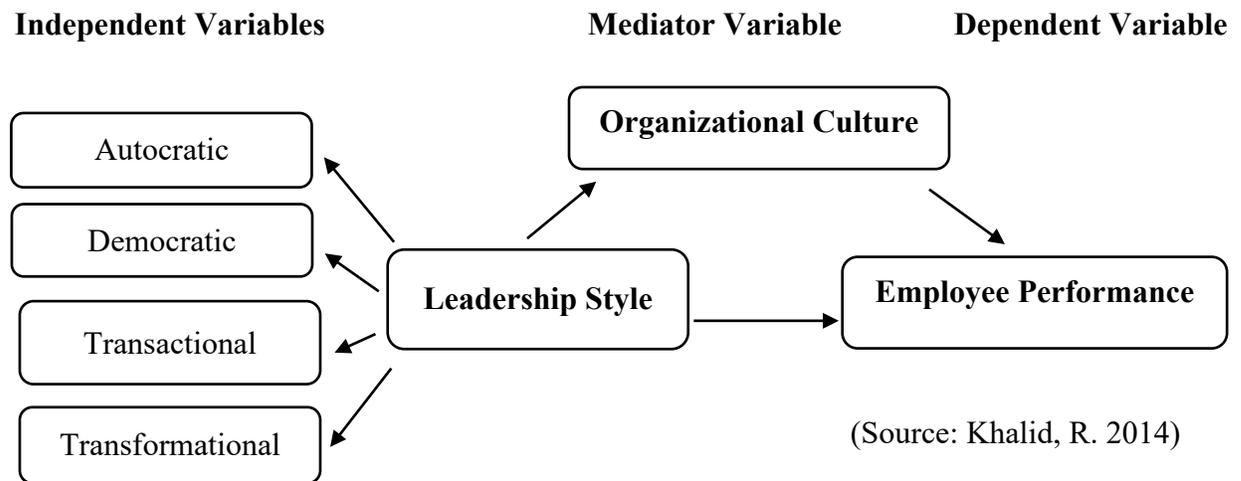


Figure 1. Conceptual Framework of the Study

2.3.2. Hypothesis

In line with the specific objectives, the following research hypotheses were proposed and tested:

- H1. – Autocratic leadership style has positive and significant effect on employee performance.
- H2. – Democratic leadership style has positive and significant effect on employee performance.
- H3. – Transactional leadership style has positive and significant effect on employee performance.
- H4. – Transformational leadership style has positive and significant effect on employee performance.
- H5. – Leadership style has positive and significant effect on organizational culture.
- H6. – Organizational cultural has a mediating role on between leadership style and staff performance.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1. Research Approach

According to Creswell (2009), there are three approaches of research; quantitative, qualitative and mixed. The following discussions briefly presents the basic features of these research approaches. Quantitative research is a means for testing objective theories by examining the relationship among variables. On the other hand, qualitative research approach is a means for exploring and understanding the meaning individuals or groups ascribe to a social or human problem with intent of developing a theory or pattern inductively. Mixed approach uses the combination of both quantitative and qualitative approaches. Since the purpose of this study was to investigate the effect of leadership style on employee performance mediated by organizational culture, it infers the relationship among the four dimensions of leadership style and their influences on employee performance and the mediating role of organizational culture. The research approach adopted for this study was, thus, the quantitative research approach. Grenner (2018) posit that quantitative research is the best approach to use when testing a theory or explanation. Thus, applying quantitative research approach is considered to be appropriate.

3.2. Research Design

Based on purpose, research design is classified into three main categories such as descriptive, exploratory, and explanatory research (Saunders, Lewis and Thornhill, 2014). The goal of exploratory research is to discover ideas and insights; descriptive research is usually concerned with describing a population concerning important variables. Explanatory research is used to establish cause-and-effect relationships between variables. It is a causal analysis concerned with the study of how one or more variables affect changes in another variable. It is thus a study of functional relationships existing between two or more variables. This study, thus, adopted explanatory research design for the reason that it aimed to examine the relationship among leadership style, organizational culture and employee performance. For the reason that explanatory research design is used to establish cause-and-effect relationships between variables. It is thus a study of functional relationships existing between two or more variables (Kothari, 2014).

3.3. Population

According to Hair (2010), target population is said to be a specified group of people or object for which questions can be asked or observed made to develop required data structures and information. Therefore, for this study, the target population targeted employees of CGC Groups in Addis Ababa. The company currently has been engaged in the first phase of Addis-Africa International Convention and Exhibition Center and Hansom (AAICEC) construction project, and owned and managed Hansom Glass Factors in Addis Ababa. Having employees from both project-based and factory-based organizations are believed to demand different leadership style, organizational culture and employee performance. Therefore, according to CGC Groups HR Report (2022), the permanent (both management and operational level) employees are targeted as a study variable. In this case, there are a total of 2,460 active employees, of which 1,185 are permanent staff (Ref. Table 1. Distribution of Managerial and Non-management Staff).

3.4. Sample Size

Sample size refers to the total number of units that were chosen for analysis in the research investigation. It is also determined by the type of investigation and the intended application of the results (Kumar, 2016). As mentioned above, the sampling frame constitutes a total of 1,185 permanent staff under CGC Groups and Hansom Glass Factory. Determining sample size is very important issue because too large samples are uneconomical while too small samples may lead to inaccurate results. When the population size is known, the sample size is calculated based on Yamane's (1967) formula for proportionality of sample for known population. Since the exact number of study population was known, Yamane's proportionate sample size determination for known population was applied to determine the sample size. The formula is:

$$n = \frac{N}{(1+(Ne^2))} = \frac{1,185}{(1+(1,185*0.05^2))} = 299$$

Where: N – The total Population; n = Calculated sample size; and e – marginal error. Therefore, a sample size of 299 staff/ respondents were entitled to participate in this survey. The distribution is depicted as below.

Table 1. Sample Proportion per Company/Stratum

Company	Stratum	Population	Proportion	Sample Size	Sample Size
CGC Groups	Management	206	0.174	299	52
	Non-Management	577	0.487	299	146
Hanson Glass	Management	119	0.100	299	30
	Non-Management	283	0.239	299	71
Total		1,185	100%		299

(Source: CGC Group HR Database, 2022)

3.5. Sampling Technique

There are two known sampling techniques; probability sampling and non-probability sampling. The non-probability sampling is a method in which sampling units are taken purposely by the researcher whereas under probability sampling each sample unit in the target population has an equal chance to be included in the sample (Bryman and Bell, 2013). The former is subjective and depends on the judgment or the justification of the researcher while the latter is all about random (equal chance) of being selection. In the course of selecting a sample of 299 respondents out of the targeted study population, the student researcher used a probability sampling technique called stratified random sampling techniques. Since the subjects in the two companies were stratified in management and non-management staff and their numbers were exactly known, application of stratified random sampling was appropriate. As the entire list of the targeted staff were readily available, the probability sampling technique is practical.

3.6. Source of Data collection

The source of data for this study was largely dominated by primary data. According to Kothari (2014), the primary data are those which are collected a fresh and for the first time, and thus happen to be original in character. Data that have been observed, experienced or recorded close to the event are the nearest one can get to the truth, and are called primary. The data used for the analysis of this research were collected from the primary source - individual staff of CGC Groups. No secondary data were used for analysis.

3.7. Data Collection Instrument

There are different primary data collection instruments. Among them, self-administered questionnaire was used to collect the primary data in order to obtain opportunity to probe or ask questions, control the respondent response through designing the questions well properly, increase the reliability and

credibility of the research data, and makes a judgment of what most people think through asking the sample respondent. This questionnaire was adopted from the questionnaire developed by Khalid (2014). It has two parts, of which the first part comprises general information about the respondents; second part includes the study variables:

- Leadership style - measured by four dimensions namely autocratic (5 statements), democratic (5), transactional (5) and transformational (5) leadership styles
- Organizational Culture - measured by managing change (1), achieving goals (2), coordinating teamwork (1), and building a strong culture (1).
- Employee performance - subjectively measured by change in employee's behavior (1), learning and development capability (2), employee commitment (3), enhancement in skills (1) and competencies (1).

The variables are attitudinal and were measured using a Likert scale with five response categories (strongly disagree (1), disagree (2), neutral (3), agree (4), and strongly agree (5)). The Likert scale method was preferred to make questions interesting to respondents and thereby enhance their cooperation, ultimately to ensure maximum response rate (Robson, 2012).

Preliminary draft of the questionnaire was pre-tested to improve upon the clarity of the question items and pretested for reliability of the adopted measuring scale with 5-point Likert scale. The reliability test of Khalid's (2014) data collection instrument was found reliable the fact that the results scored above the threshold (Cronbach's Alpha > .70) as illustrated in Table 2 below.

3.8. Reliability Test

To evaluate the research instruments, reliability is one of the major criteria. Reliability estimates the consistency of the measurement or simply, the degree to which an instrument measures the same way each time it is used under the same conditions with the same subjects. Reliability is essentially about consistency. That is, if something is measured many times and the result is always the same, then we can say that the measurement instrument is reliable (John, 2017).

Application of internal reliability refers to the multiple-indicator variables. If a variable is internally reliable, it is coherent. I.e., all the constituent indicators are measuring the same thing (Bryman and Bell, 2013). Cronbach's Alpha is a commonly used test of internal consistency. It essentially calculates the average of all the possible split-half reliability coefficients. Alpha coefficient ranges in value from 0 (denoting no internal reliability) to 1 (perfect internal reliability). Higher results (>.07)

are typically employed as a rule of thumb to denote an acceptable level of internal consistency. In this study, Cronbach's alpha test is used to test the internal reliability of the study variables in part II of the questionnaire with multi point formatted questionnaires or scales (that is, rating scale: 1= strongly disagreed, 2 = disagreed, 3 = neutral, 4 = agree and 5 = strongly agreed).

Table 2. Reliability Test Results

Measurement	Number of items	Cronbach's alpha
Autocratic Leadership	5	.723
Democratic Leadership	5	.835
Transactional Leadership	5	.749
Transformational Leadership	5	.789
Organizational Culture	5	.873
Employee Performance	5	.722
Reliability of all items	30	.802

Source: Own Survey, 2022

In this study, as shown on Table 2. The leadership style, organizational culture and employee performance were measured separately and their reliability test (Cronbach's alpha) values were determined. Regarding leadership styles, specific Cronbach's alpha equals to autocratic = .723, democratic = .835, transactional = .749, transformational = .789. organizational culture = .873, and employee performance = .722 Similarly, the overall Cronbach's alpha was found to be .802. This indicates the stability and suitability of the results for this study, i.e., all questions were in an acceptable level of internal reliability.

3.9. Validity Result

Validity refers to the extent to which data collection method or methods accurately measure what they are intended to measure (Sounders, 2010). Different steps were taken to ensure the validity of the study. Data were collected from the reliable sources, from respondent who have experiences in the field. Survey questions were made based on literature review and frame of reference to ensure result validity. In selecting a relevant measure for an outcome variable, it is critical that logical inferences can be made from the operation upon which the measure is based to the theoretical constructs relevant to the study. In this context, the aforementioned validity tests were also checked to ensure the quality of the research design. The student researcher had established the questionnaire in its final version, after highlighting some previous studies related the subject of this study. Then it

was subjected to be reviewed by some specialist in scientific research. Their comments and recommendations were taken into consideration to modify the questionnaire to have its final shape.

3.10. Data Collection Procedure

The survey was conducted in person for the fulfillment of academic requirement. It is a data collection method in which participants are asked to respond to a set of questions. A survey questionnaire was an appropriate tool for a quantitative study when the research goal was to characterize the occurrence of an event or the effects of a given input because it allowed for the collection of a large amount of data (Yin, 2013). As a result, the survey questionnaire is thought to be critical for this study.

A total sample of 299 questionnaires were distributed to the staff of CGC Groups who were working for AAICEC project and Hanson Glass Factory in Addis Ababa. First, the public relation and HR managers were asked for their permission to conduct the survey during the working hours of the companies. Once the permission was granted, then contacted the HR managers to assign a coordinator to help or guide the student researcher on how and when to contact the staff so as to not disturb their operation. Then, the targeted respondents were briefed the purpose of the study clearly by the student researcher, and then asked for their consent to fill the survey.

After having their full consent, then the questionnaires were distributed for volunteer respondents as per their random draw, and they filled and returned the questionnaires back to the student researcher accordingly. The questionnaire was translated from English to Amharic because some of the respondents had the language barrier.

3.11. Method of Data Analysis and Presentation

Regarding the model specification, in this study:

- Leadership style is an independent variable.
- Organizational Culture is a mediating variable, and
- Employee performance is a dependent variable.

Empirical model applied in this study was, thus, a multi-regression analysis model for investigating individual effect of each independent variable on both dependent and mediating variables, and the role of mediator variable on the relationship between the dependent and independent variables. To do so, three relationships were formulated among the study variables to address the objectives of the study. The relationships are formulated as:

- *The effect of leadership style on employee performance*

$$EMP = f(LDR) = \beta_0 + \beta_1AUT + \beta_2DEM + \beta_3TRX + \beta_4TRS + e$$

- *The effect of leadership style on Organizational culture*

$$ORC = \beta_0 + \beta_1f(LDR) = \beta_0 + \beta_1AUT + \beta_2DEM + \beta_3TRX + \beta_4TRS + e$$

- *The mediating role of organizational culture on the relationship between leadership style and employee performance.*

$$EMP = \beta_0 + \beta_1JBC + \beta_2LED + e$$

Where:

EMP – Employee Performance; LED – Overall Leadership Style; AUT – Autocratic; DEM – Democratic; TRX – Transactional; TRS – Transformational Leadership Style; ORC – Organizational Culture.

Before conducting the multiple regression analysis, regression assumption tests (multi-collinearity, homoscedasticity, linearity and normality) were carried out; and correlation test was also conducted to quantitatively describe the strength of the association between the variables. According to hair (2016) the Pearson correlation coefficient measures the degree of linear association between two categorical variables. It varies from -1.00 to +1.00, with 0 representing absolutely no association b/n the two variables.

Regression analysis is a statistical method to deal with the formulation of mathematical model depicting relationship amongst variables which can be used for the purpose of prediction of the value of dependent variable, given the value of the independent (Kothari, 2014). The basic aim was to see the extent to which the service mix practice affects the overall customer satisfaction in terms of coefficient of determination (r² value), the regression coefficient (beta coefficient) and the p-values (ANOVA Test) for the significance of each relationship.

Both descriptive and inferential statistics were used to analyze the quantitative data gained through structured questionnaire. All the variables were coded and entered into the SPSS 21.0 to analyze data obtained through questionnaires.

Descriptive statistics was used to describe the usefulness of the data set while the inferential analysis for examining the relationships between the variables. In order to describe the data, preliminary descriptive statistics such as frequency, percentages, and mean scores were computed.

Inferential Statistics - Multiple regression analysis was performed using the leadership style dimensions as independent variable; organizational culture as a mediator variable; and the employee performance as dependent variable. The basic aim was to see the extent to which the leadership styles that the management follows at CGC Groups in Addis Ababa affect their employee performance; and how the organizational culture modifies the relationship between the leadership style and employee performance in terms of coefficient of determination (R^2 value), the regression coefficient (Beta coefficient) and the P-values for the significance of each relationship.

3.12. Ethical Considerations

It is important to consider ethical principles when conducting business research. Ethical issues are categorized into four different types: harm to participants, lack of informed consent, invasion of privacy, and deception (Bryman and Bell, 2013). In this study, there are descriptive questions about the respondent's age and gender but this information was not enough to identify the person. The second ethical principle considered was the lack of informed consent. Both the managements as well as the study participants were asked for their willingness. The third ethical principle concerns the invasion of privacy. In this study, the respondent has the opportunity to skip a question if it is judged sensitive. Furthermore, this study was not of a sensitive nature which enhances the respondents' willingness to answer. The fourth ethical principle referred to deception which occurs if respondents were led to believe that research is about something else than what it is. After considering these ethical principles and fully living up to the requirements, then classified as ethical.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETTION

4.1. Response Rate

After distributing 299 questionnaires to the targeted employees, a total of 263(88.0%) questionnaires were collected. The response rate accounted for 88.0% of the total distributed questionnaires. Further screened the collected questionnaires for missing data and other inconsistency that counted a total of 22(7.4%), then found 241(80.6%) valid and usable questionnaires for statistical analysis. Then, collected responses were encoded in to SPSS 22.0 and went through coding as well as error correction to make them suitable for proposed technique of data analysis. Once the preparation was completed, the required analyses were carried out and the results are presented as below.

4.2. General Information about the Respondents

The first part of the questionnaire consists of the demographic characteristics of the respondents. This part of the questionnaire requested a limited amount of information related to personal and demographic status of the study participants. Accordingly, the following variables about the respondents were summarized and described in the subsequent tables. These variables include; gender, age, education, department, position and work experience of the respondents.

Referring Table 3, the results revealed that male respondents constituted slightly higher percentage 127(52.7%) than their female counterparts 114(47.3%). The number of male and female employees were almost the same. The number of male and female employees were almost the same. It implies the majority of the respondents were male staff. With the scope and sample size of this study, it would be premature to make conclusive statements about what this gender disparity means, other than the sampling diversity. Possibly future endeavors with a gender-specific focus could investigate this venue from a gender-related perspective.

In terms of age, 116(48.1%) was found to be within the age range of 18-31 years followed by 88(36.8%) within 31-40 years. Whereas those respondents whose age fallen within 41-50 years and 51-60 years old belonged to 31(12.9%) and 6(2.5%) respectively. This implies that the company had about 85% of adult employees less than 40 years old. This implies that the company had about 85% of adult employees less than 40 years old. This can be taken as a positive indication that CGC Groups employed employees from all age groups, from adolescents to the elderly.

Table 3. Demographic Characteristics of Respondents

Category	N	(%)
Sex		
Male	127	52.7%
Female	114	47.3%
Total	241	100.0%
Age		
18 – 30 years	116	48.1%
31 – 40 years	88	36.5%
41 – 50 years	31	12.9%
51 – 60 years	6	2.50%
Total	241	100.0%
Education		
Highschool	5	2.1%
Diploma	11	4.6%
First Degree	177	73.4%
Masters & Above	48	19.9%
Total	241	100.0%
Department		
Logistics & Supply	37	15.4%
Operation and Supporting Staff	113	46.9%
Sales & Marketing	23	9.5%
HR & Admin	18	7.5%
Engineering Staffs	50	20.7%
Total	241	100.0%
Position		
Manager (M)*	35	14.5%
Supervisor (M)	69	28.6%
Senior (NM)**	102	42.3%
Junior (NM)	24	10.0%
Others (NM)	11	4.6%
Total	241	100.0%
Service Year		
1 – 5 years	131	54.4%
6 - 10 Years	83	34.4%
Above 10 Years	27	11.2%
Total	241	100.0%

* Managerial **Non-Managerial

Source: Own Survey, 2022

Regarding the educational background of the respondents, the majority 177(73.4%) has first degree holders, followed by 48(19.9%) masters and above. The rest 11(4.6%) and 5(2.1%) were diploma and high school certified. This indicates that the respondents are well educated and very capable to understand the contents of the questionnaire which helps to get reliable or credible data.

The respondents from operation plus other supporting departments constituted 113(46.9%), while 50(20.7%) from engineering. The rest 37(15.4%), 23(9.5%) and 18(7.5%) were from logistics & Supply, Sales & Marketing, and HR & Admin departments respectively. This implies that the majority of the respondents were from operation department. Since both companies (construction and factor) are labour intensive and most of their workforce are operational levels. But staff from every department was participated which can be taken as a good opportunity to have more and detail information regarding the leadership practices, the organizational culture and the employee performance in the company.

Regarding their positions, junior, senior and supervisory level staffs accounted for 102(42.3%), 69(28.6%) and 35(14.5%) respectively. Managerial and other level staffs represented the rest 24(10.0%) and 11(4.6%) respectively. This has an implication that majority of the respondent's stay in the company was relatively low (relatively few numbers of years).

It was also found that more than half, 131(54.4%) of the respondents have 1-5 years of service while 83(34.4%) from 6-10 years and the rest 27(11.2%) have served for more than 10 years. Majority of the respondents had less service in the company which reconcile with junior staff are more in number.

As far as their origin is concerned, figure 2 illustrates that 156(64.7%) of the respondents were locals (Ethiopians), 49(20.3%) Chinese, 27(11.2%) Philippines, and the rest 9(3.7%) were Indian. This indicates that about 85(35.2%) are expats while the rest are local staffs. Having about one third of the workforce from different cultural orientation can be taken as a good opportunity to have respondents with different organizational culture.

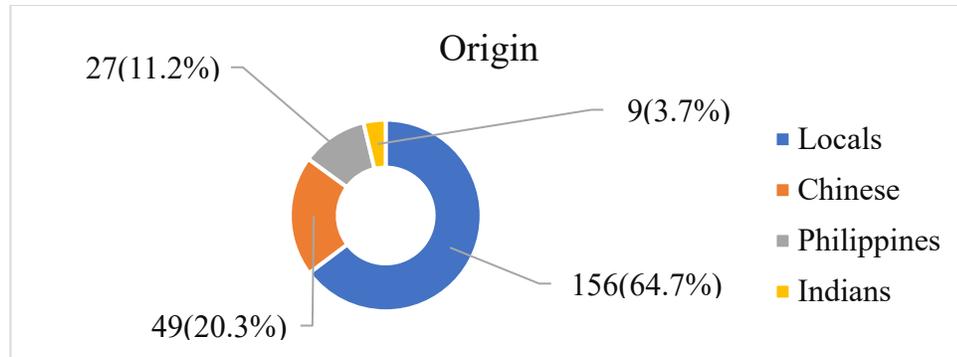


Figure 2. Origin of the Employees

Overall demographic characteristics of the respondents shows that balanced ratio of gender distribution, well educated young junior and senior staff at operational level with low service year in the company. Besides, despite one third were expats, the majority of the respondents were local.

4.3. Descriptive Analyses of Study Variables

The study variables constitute leadership styles, organizational culture and employee performance. To attain the objectives, a total of 20 questions were grouped into the four dimensions of leadership styles namely autocratic, democratic, transactional and transformational leadership. For organizational culture and employee performance variables, 5- and 5- questions were assigned respectively based on the respondents' perception. Thus, a total of 30 questions were entertained to carry out these analyses.

To compare the respondents' perception towards the variables, descriptive statistics of mean and standard deviation were used. The mean indicates to what extent the sample group averagely agrees or disagrees with the different statements. The scale is set in such a way that respondents strongly disagreed if the mean scored value is in the range of 1.00 – 1.80; disagreed within 1.81 – 2.60; neither agreed nor disagreed within 2.61 - 3.40; agreed if it is in the range of 3.41 – 4.20; while strongly agreed when it falls within 4.21 – 5.00. In addition, standard deviation shows the variability of an observed response. The summary of each dimension is presented below.

4.3.1. Autocratic Leadership

Table 4. Description of Autocratic Leadership Style

	N	Mean	Std.
Decisions are always made by managers for subordinates.	241	3.28	1.615
Managers are determined to push projects forward to get results	241	4.27	1.237
My duties are limited by the managements.	241	3.33	1.588
Managements set high standards expecting others to do the same	241	3.90	1.481
Often, performance requirements are designed as per the leaders needs	241	3.93	1.671
Average Autocratic	241	3.74	1.136

Source: Own Survey, 2022

Referring the results in Table 4, the respondents were strongly agreed with the idea that managers are always decision makers for their respective subordinates (Mean = 4.27, Std. 1.237). However, they agreed that supervisors/managers set high standards expecting others to do the same (Mean = 3.90, Std. 1.481), and often, performance requirements are designed per the leaders needs (Mean = 3.93, Std. 1.671). But they showed their neutral stand on the idea that decisions are always made by managers (Mean = 3.28, Std. 1.615), and staff duties are limited by the managements (Mean = 3.33, Std. 1.588). Overall, the autocratic leadership style of the managements was perceived positive (Mean = 3.74, 1.136). But they had different stands in this regard as the standard deviation is above the threshold value (Std. = 1.000). This implies that some managers applied autocratic leadership. Taking the decision-making position, pushing tasks to be done, limiting staff activities, setting high standards and performance output requirement as per the manager's interest affect the perception of the respondents. Meaning, following autocratic leadership influence their organizational performance.

4.3.2. Democratic Leadership

Results of the findings in Table 5 show that the respondents expressed their agreement that they didn't mind if they spent their time on discussion as long as every angle is considered (Mean = 3.93, Std. .977). Meanwhile, they slightly agreed with the staff's encouragement to demonstrate their innovative ideas (Mean = 3.63, Std. 1.374), and managers insist teammates to abide by formal decision if follow proper procedures (Mean = 3.56, Std. 1.298). Nonetheless, they disagreed on staff's accomplishment is best as everyone is involved in making decisions (Mean = 2.36, Std. 1.235), and are encouraged to involve in managerial decision making (Mean = 2.55, Std. 1.554).

Table 5. Description of Democratic Leadership Style

	N	Mean	Std.
Staff works best as everyone is involved in taking decisions	241	2.36	1.235
Staff are encouraged to involve in managerial decision making	241	2.55	1.554
I don't mind how long discussions last, so long as we consider every angle	241	3.93	.977
Managers insist teammates to abide by formal decision if follow proper procedures	241	3.56	1.298
Staff are encouraged to demonstrate their innovative ideas	241	3.63	1.374
Average Democratic	241	3.21	1.115

Source: Own Survey, 2022

Overall, staff perception towards democratic leadership style of the managers was found neutral (Mean = 3.21, Std. 1.115) implying it doesn't mean that they were neither agreed nor disagreed regarding the democratic leadership practices but they had different stands in this regard as the Std. is higher than the threshold (Std. 1.000). Some acknowledged its influence while others not. This indicates that managers/supervisors were less determined to include all team members in decision, and teams couldn't be effective unless all members have an opportunity to participate fully.

4.3.3. Transactional Leadership

Table 6. Description of Transactional Leadership Style

	N	Mean	Std.
I am constantly reminded of what I would receive if I do what is expected.	241	4.41	.873
When mistakes are made disciplinary action is instituted.	241	4.55	.765
My supervisor pays close attention to anomalies that may arise.	241	4.22	.601
I get rewarded for exceptional performance.	241	4.63	.911
My supervisor closely checks for nonconformity.	241	4.41	.882
Average Transactional	241	4.44	.806

Source: Own Survey, 2022

As shown on the table 6, most of the respondents strongly agreed that staff are constantly reminded about their incentives (Mean = 4.41, Std. .873), took disciplinary action against wrong doings (Mean = 4.55, Std. 765), and supervisor paid close attention to anomalies that might arise (Mean = 4.22, Std. .601). Similarly, they also strongly believed staff get rewarded for exceptional performance (Mean = 4.63, Std. .911), and supervisor closely checks for nonconformity (Mean = 4.41, Std. .882). Overall, the transactional leadership style of the managers/supervisors of the case company was perceived

strong as the mean value scored 4.44 with Std. .806. This implies that the majority of the respondents acknowledged to a great extent, and admitted that the managers interchange benefits and rewards to subordinates provided the assigned task is completed, and the agreed-upon targets are fulfilled successfully. With this type of style there is a condition to be fulfilled, that is, individual needs and aspirations are fulfilled provided the leader's expectations and requirements are met satisfactorily.

4.3.4. Transformational Leadership

Table 7. Description of Transformational Leadership Style

	N	Mean	Std.
I believe that the management shared the organizational mission.	241	2.42	1.814
I always meet set targets as clearly communicated.	241	2.54	1.798
I am always motivated to work more than expected	241	2.28	1.805
I diligently execute duties as I trusted my manager/supervisor.	241	2.96	1.822
My manager is always tries to enhance my capability to accomplish the best.	241	3.02	1.720
Average Transformational	241	2.64	1.792

Source: Own Survey, 2022

Referring the results in Table 7, the majority of the respondents disagreed that the managers shared the organization mission to their subordinates (Mean = 2.42, Std. 1.814), clearly communicated set targets (Mean = 2.54, Std. 1.798), and motivate staff to work more than expected (Mean = 2.28, Std. 1.805). Nonetheless, they had neutral stand regarding the staff diligently execute duties as they trusted their manager/supervisor (Mean = 2.69, Std. 1.822), and always managers try to enhance their subordinates' capability to accomplish the best (Mean = 3.02, 1.720). The average mean value of the transformational leadership (Mean = 2.90, Std. 1.728) shows that the respondents perceived the transformational leadership style of the managements were very weak. This implies that leaders are failed to make an effort to ensure followers are motivated through influencing their assumptions and attitudes towards work. That means, the managers were unable to motivate and encourage their subordinates to accomplish more through communicating a clear convincing vision to them.

4.3.5. Organizational Culture

Table 8. Description of Respondents' perception towards Organizational Culture

	N	Mean	Std.
Employees are flexible and adaptable when changes are necessary	241	4.25	1.485
Staff have clearly defined goals that relate to the organizational mission/goals	241	4.24	1.297
Staff believe in working collaboratively over completion	241	3.48	1.547
The company is always looking for new ways to better serve customers	241	3.63	1.576
The managements make business decisions are most often made on the basis of facts, not just perceptions or assumptions.	241	3.50	1.409
Average Transformational	241	3.82	1.463

Source: Own Survey, 2022

As far as the respondents' perception towards the organizational culture in Table 8, majority of the respondents strongly agreed with the idea that employees are flexible/adaptable when changes are necessary (Mean = 4.25, Std. 1.485), and staff have clearly defined goals that relate to the organizational mission/goals (Mean = 4.24, Std. 1.297). Meanwhile, they slightly agreed that the staff believe in working collaboratively over completion (Mean = 3.48, Std. 1.547), the company is always looking for new ways to better serve customers (Mean = 3.63, Std. 1.576), and the managements make business decisions are most often made on the basis of facts, not just perceptions or assumptions (Mean = 3.50, Std. 1.409). However, since all the standard deviations were found above the threshold value (Std. = 1.000). The grand average mean value scored 3.82 with Std. 1.463 shows that the perception of the majority regarding the organizational culture of the companies are strong. That implies that the companies set clear business objectives and are flexible to adopt changes to achieve their missions and goals. organizational culture could be a strategic asset for the organization in that it increases the adaptability of and fit between a firm and its environment as acknowledged by the respondents.

4.3.6. Employee Performance

As far as the employee performance is concerned, the results in Table 9 showed response from the participants regarding their job performance. The majority of the respondents strongly agreed that the respondents were always punctual in delivering the required output (Mean = 4.33, Std. 1.015), and understood the vision/mission of the organization very well (Mean, 4.31, Std. 1.046). Nonetheless,

they slightly agreed the staff could manage change in their job very well whenever the situation demands (Mean = 3.43, Std. 1.202), mutual understanding can lead to a viable solution in organization (Mean = 3.55, Std. 1.307), and often motivated to deliver quality work (Mean = 3.57, Std. 1.318).

Table 9. Description of Respondents' Perception towards Employee Performance

	N	Mean	Std.
I am always punctual in delivering the required output.	241	4.33	1.015
I understand the vision/mission of the organization very well	241	4.31	1.046
I am always motivated to deliver quality work	241	3.57	1.318
I could manage change in my job very well whenever the situation demands.	241	3.43	1.202
I believe that mutual understanding can lead to a viable solution in organization.	241	3.55	1.307
Average Employee Performance	241	3.84	1.178

Source: Own Survey, 2022

Overall, the respondent's perception towards employee performance was found strong and positive as the average mean scored 3.84 with Std. 1.178. this implies that, efforts to be punctual in delivering duties, having clear vision, managing changes, and mutual understanding affect their perception towards their performance despite there is a room for further improvement if more efforts are exerted.

4.4. Inferential Statistics

To address the objectives of the study, the inferential statistics encompassed correlational test, assumption for the regression model test, and regression analysis of the collected data. The correlational test was meant for checking the strength and direction of the relationship among the variables. Assumption tests for multiple linear regression model were for the fitness of collected data to the model specified. It included multivariate normality, multicollinearity, linearity, and homoscedasticity tests. Finally, multiple linear regression analysis was the final output of the data analysis which referred to the model summary, ANOVA test and beta coefficient.

4.4.1. Correlational Test

To determine the relationship between leadership styles, organizational culture and employee performance, Pearson correlation was first investigated. The five dimensions of leadership styles were taken as independent variables, organizational culture as mediator variable, and employee performance was used as a dependent variable in this study. As per the guide line suggested by Field

(2005), the strength of the relationship 0.10 to 0.29 shows weak relationship; 0.30 to 0.49 is moderate; 0.5 and above shows strong relation b/n variables.

Table 10. Correlation Test Results

	AUT	DEM	TRX	TRS	ORC	EMP
Autocratic (AUT)	1					
Democratic (DEM)	.566**	1				
Transactional (TRX)	.391**	.624**	1			
Transformational (TRS)	.279**	.388**	.141*	1		
Organizational Culture (JBC)	.313**	.320**	.453**	.309**	1	
Employee Performance (EMP)	.644**	.401**	.627**	.122**	.409**	1

** Correlation Significant at $P < .05\%$

The result in Table 10 shows that, except performance appraisal (positive and moderate relationship, $r = .338$, $p < .05$), the four dimensions of leadership style dimensions had positive relations with employee performance. Specifically, autocratic ($r = .644$, $p < .05$) and transactional ($r = .627$, $p < .05$) had relatively the strongest relationship. However, democratic readership showed moderate relationship ($r = .401$, $p < .05$) while transformational leadership had weak relationship with employee performance. This implies that the improvement or alignment of appropriate leadership style increases the employee performance. That means, A positive correlation coefficient indicates that increases in the leadership style would correspond to an increase in the employee performance thus implying a direct relationship between the variables.

Regarding the relationship between leadership style and organizational culture, autocratic ($r = .513$, $p < .05$) and transactional ($r = .553$, $p < .05$) had strong relationship whereas, democratic ($r = .320$, $p < .05$) and transformational leadership ($r = .309$, $p < .05$) showed moderate relationship with organizational culture. Similarly, organizational culture had also positive and moderate relationship with employee performance ($r = .409$, $p < .05$). This also indicates the more the organizational culture aligns with employee values and beliefs, the more employee performance improved implying that employee performance had a direct association with leadership style and organizational culture.

4.4.2. Assumption for Regression Model Test

Linear regression (Ordinary Least Square) is an analysis that assesses whether one or more predictive variables explain the dependent (criterion) variable. The assumption tests are the underlying assumptions that the accuracy of a specified model to predict the outcome variable with minimum

possible error induced. For a given multiple regression model, to take it as credible model, it shouldn't violate the following assumptions. These assumptions are Multicollinearity (highly relatedness of predictor variables), Normality (symmetric distribution of data based on given mean and variation), and Homoscedasticity (uniform/ random distribution of error terms).

Multicollinearity - Multicollinearity refers to the situation in which the independent/predictor variables are highly correlated. Tolerance and variance inflation factors (VIF) values for each predictor are means of checking for violation of collinearity assumption. Tolerance value below 0.1 and VIF above 10% indicate a multicollinearity problem.

Table 11. Collinearity Assumption Test

	N	Mean	Std.	Tolerance	VIF
Autocratic	241	3.74	1.136	.717	1.395
Democratic	241	3.21	1.115	.545	1.835
Transactional	241	4.44	0.806	.484	2.066
Transformational	241	2.64	1.792	.730	1.370
Organizational Culture	241	3.82	1.463	.763	1.311
Employee Performance	241	3.84	1.178	.708	1.412
Valid	241				

a. Dependent Variable: ORP

Source: Own Survey, 2022

In this study, the results in Table 11 showed that the collinearity statistics analysis of variance inflation factors (VIF) value ranges from 1.311 to 2.066 and Tolerance value ranging with 0.484 to 0.763 indicated that there was no collinearity problem. This could be taken as a confirmation that there were no multi-collinearity problems to proceed for regression analysis. That means When independent variables are highly related ($r > .80$ in most cases), there is "overlap" or sharing of predictive power or they would have been basically measuring the same thing or they both convey essentially the same information (Robert, 2016).

Homoscedasticity – Testing for Homoscedasticity lies with an assumption in regression analysis that the residuals at each level of the predictor variable(s) have similar variances. Using the plots of ZRESID against ZPRED, the distribution is checked whether the graph looks like a random array of

dots evenly dispersed around zero. This is to mean that at each point along any predictor variable, the spread of residuals should be fairly constant.

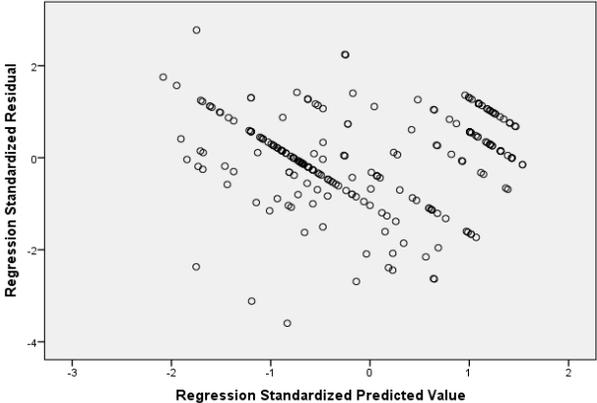


Figure 3. Scattered plot for Homoscedasticity Test

In Figure 3, it shows that each of the predictor variable against the standard residual values. The plot depicts that how the points are randomly and evenly dispersed throughout the plot. And, these patterns are indicative of a situation in which the assumption of homoscedasticity have been met.

Linearity Test – In this case, linearity test refers to the linear relationship between the dependent, mediator and dependent variables.

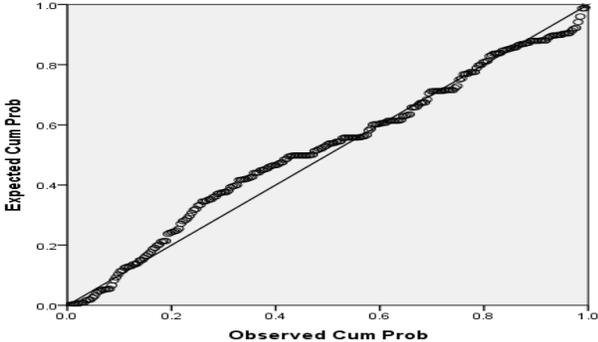


Figure 4. Linearity Test

The graphical presentation in Figure 4 showed that the data are normally distributed as the observed values (the dots on the chart) fell exactly along the straight line (meaning that the observed values are the same as one would expect to get from a normally distributed data set). Any deviation of the dots from the line represents a deviation from normality. So, the Q-Q plot of the all the variables

considered in this study looked like a straight line with a wiggly snake wrapped around it then it showed linear relationship among the variables with little deviation from linearity.

Normality Test - To check that a distribution of scores is normal, it needs to look at the values of Kurtosis and Skewness. The values of skewness and kurtosis should be zero in a normal distribution. Positive values of skewness indicate a pile-up of scores on the left of the distribution, whereas negative value indicates a flat distribution. The further the value is from zero, the more likely it is that the data are not normally distributed. Both of which have an associated standard error. However, the actual value of skewness and kurtosis are not, by themselves, informative. Instead, it needs to take the value and convert it to a z-score. The z-score is simply a standardize score from a distribution that has Mean of 0 and standard deviation of 1.0.

Descriptive Statistics					
	N	Skewness		Kurtosis	
	Stat	Stat	Std. Err	Stat	Std. Err
Autocratic	241	-.467	.157	-.745	.312
Democratic	241	-.391	.157	-1.134	.312
Transactional	241	-.204	.157	-1.179	.312
Transformational	241	-.311	.157	-1.303	.312
Org. Culture	241	-.621	.157	-.308	.312
Emp. Performance	241	.103	.157	-.708	.312
Valid N (listwise)	241				

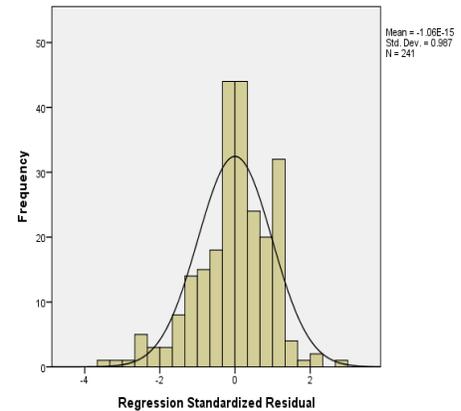


Figure 5. Normality Test

As presented in Figure 5, except employee performance dimension, all the leadership style dimensions' z-scores skewed to the right side but was found within acceptable range (skewness within -2.0 to 2.0; and Kurtosis within -2.0 to 2.0). Therefore, it is pretty clear then that the numeracy scores are negatively skewed, indicating a pile-up of scores on the right of the distribution.

4.4.3. Regression Analysis

A mediation analysis was conducted using Baron and Kenny (2016) approach. In the first step, the effect of the independent variables on the dependent variable, without the mediator was examined. The second step examined the influence of the independent variable on the mediator variable. Finally, the last step was taken to investigate the influence of the combination of the independent variable and the dependent variable, with a mediator.

- *The Effect of Leadership Style on Employee Performance*

Table 12. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.756 ^a	.571	.570	.59353

a. Predictors: (Constant), LED

b. Dependent Variable: EMP

The R=.756 indicates the linear combination of the independent variables (Autocratic, democratic, transactional, transformational) strongly predicted dependent variable (employee performance), i.e., strong correlation between predictors and observed variables. Likewise, the value ($R^2 = .571$) indicated that, the leadership style variables explain 57.1% variance in the employee performance and the remaining 42.9% is explained by extraneous variables, which have not been included in the regression model.

Table 13. ANOVA Test

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	112.205	1	112.205	318.513	.000 ^b
Residual	84.194	239	.352		
Total	196.399	240			

a. Dependent Variable: EMP

b. Predictors: (Constant), AUT, DEM, TRX, TRS

Regarding the ANOVA Test, Table 13, the significance level/ the p-value for all variables were statistically significant ($p < .05$), meaning that leadership style has a significant predictor of employee performance.

Table 14. Beta Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.574	0.155		3.703	.000
1 Autocratic	0.309	0.053	0.308	5.830	.000
Democratic	0.113	0.037	0.142	3.054	.002
Transactional	0.26	0.042	0.205	6.190	.000
Transformation	0.108	0.028	0.205	3.857	.000

a. Dependent Variable: EMP

Accordingly, the finding revealed that hypothesis 1 (H1), which states ‘leadership style has positive significant effect on the employee performance’ is supported by the data collected on this survey as the autocratic (p-value < 0.05; $\beta = .309$); democratic (p-value < 0.05; $\beta = 0.113$); transactional (p-value < 0.05; $\beta = 0.260$); and transformational (p-value < 0.05; $\beta = 0.108$), hence, the first alternative hypothesis for the effect of leadership style on employee performance are confirmed. Therefore, the regression equation for this study derived as:

$$EMP = .574 + .309 AUT + .113 DEM + .260 TRX + .108 TRS + e$$

This indicates that autocratic leadership had relatively the highest positive and significant effect on employee performance ($B = .309$, $p < .05$). The finding by this thesis and many other studies reveals the positive effect of autocratic leadership style on the performance of employees. The descriptive analysis also shows the majority of employees in CGC Groups were young and educated with less exposure to multinational companies who need manager’s close involvement or strict supervision. In support of this argument, Basit (2017) indicated autocratic style can best suit for employees which have been working in international organizations to easily discharge their responsibilities without any discrepancies. Sougui (2016) also stands in favor of it stating employees with bureaucratic leader have leadership barrier and can execute their job under supervision. Gimuguni (2014) on the other hand indicated staff supervised by autocratic leader were unable to exercise their innovative skill in achieving their duties.

The effect of democratic leadership style is less consistent with significant positive effect on performance. Next to transformational leadership, the standardized coefficient of beta indicates the less sensitivity democratic style to employee performance as compared to other styles of leadership ($\beta = .113$). This is because employee’s interaction with their peers and supervisors couldn’t pave the ways for the transfer of skill and knowledge to the larger extent which would have been resulted in increased performance. The result from this and many other studies is found against the positive effect of democratic style on employee performance (Iqbal, 2015; Liviu, 2019). In addition, in support of Iqbal (2015), the finding by Ojokuku (2015) showed the increased practice of democratic style have the power to build strong synergy between employees and their management and thus recommended to use democratic leadership style in order to boost their performance.

In this case, preceded by autocratic leadership style, the transactional leadership style also had the highest positive significant effect on employee performance as $B = .260$, $p < .05$. In this regard,

majority of respondents agreed that most of their leaders execute transactional attributes. This finding is also in line with the study of Nasri (2018). They concluded that transactional leadership style is a sort of reward and management by exception. In the case of active management by exception, the leader looks for rules and procedures, strictly follows the mentioned process and takes corrective action before or when these occur. Achua (2019) argues that passive management by exception are reactive leaders and take action after the event has occurred, acts in response not proactively.

On the other hand, the transformational leadership had the least effect on employee performance ($B = .108, p < .05$). This entails that leaders didn't motivate, encourage and raise followers' spirits inspiring them substantially to perform at the best of their abilities for the sake of organization success (Lussier, 2017). On the other hand, employees are left to make decisions and implement as they see fit. Therefore, this shows that the team leaders and supervisors who execute transformational styles couldn't influence them to gain the intended performance. This view is contrary to Bass (2015) who opined that transformational are effective approaches for attaining the organization's desired performance. Current study results revealed that transformational leadership style influences employee performance less than autocratic and transactional styles. This signifies that, the company managers exhibit less influential transformational leadership attributes that has less impact on employees to intensify performance.

- *The Effect of Leadership Style on Organizational Culture*

Table 15. Model Summary

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.448 ^a	.201	.198	.88679

a. Predictors: (Constant), AUT, DEM, TRX, TRS

b. Dependent Variable: ORC

The $R = .448^a$ indicates the linear combination of the independent variables (leadership style) moderately predicted mediating variable (organizational culture) i.e., moderate correlation between predictors and mediator variable. Similarly, the value ($R^2 = .226$) indicated that, the leadership style explains 22.6% variance in the organizational culture; and the remaining 76.4% is explained by extraneous variables, which have not been included in the regression model.

Table 16. ANOVA Test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	47.299	1	47.299	60.147	.000 ^b
	Residual	187.949	239	.786		
	Total	235.248	240			

a. Dependent Variable: ORC

b. Predictors: (Constant), AUT, DEM, TRX, TRS

The p-value for all variables were statistically significant at $p < .05$, meaning that all the leadership style elements (Autocratic, democratic, transactional, transformational) have a significant predictor of mediator organizational culture.

Table 17. Beta Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
(Constant)	2.123	0.529		4.013	.000	
1	Autocratic	0.237	0.101	0.231	2.198	.000
	Democratic	0.118	0.064	0.142	1.844	.000
	Transactional	0.165	0.047	0.171	3.511	.000
	Transformation	0.088	0.032	0.094	2.750	.000

a. Dependent Variable: EMP

Accordingly, the finding revealed that the second hypothesis which states ‘leadership style has positive significant effect on organizational culture’ is supported as the leadership style (p -value < 0.05 ; $\beta = 0.508$); hence, the second hypothesis (H2) is also supported. Therefore, the regression equation for this study derived as:

$$ORC = 2.123 + .508 LED$$

The results of data analysis in this study also indicate that organizational culture had an influence on employee performance, the reason is because in the implementation of the organizational culture that has been applied so far at the CGC Groups companies has been as expected. Despite there are still factors which needs to be improved in terms of aligning company’s vision/mission with individual staff’s attitudes, increasing encouragement for every employee to always innovate in creating new methods of completing work so that they can improve their work performance, besides that, an

approach is needed to contact staff to pay attention to the details of their work to be done. The theory of organizational culture (Basit, 2018) states that culture is a shared system and values in an organization and becomes a reference for how employees do work to achieve organizational goals. Same token, Fiedler (2018) concludes that organizational culture has a dominant influence on the success or failure of the organization in building employee performance.

- *The Mediating Role of Organizational Culture*

Table 18. Model Summary

Model Summary ^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.763a	.582	.579	.58701

a. Predictors: (Constant), ORC, LED

b. Dependent Variable: Employee Performance

As shown in Table 14, the $R=.763$ indicates the linear combination of the independent variables (Autocratic, democratic, transactional, transformational) and mediating variable (organizational culture) strongly predicted the dependent variable (Employee performance), i.e., strong correlation between predictors (LED and ORC) and dependent variable (Employee Performance). Similarly, the value ($R^2 = .582$) indicated that, the leadership style and organizational culture together explain 58.2% variance in the organizational culture and the remaining 41.8% is explained by extraneous variables, which have not been included in the regression model.

Table 19. ANOVA Test

ANOVA ^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	114.388	2	57.194	165.982	.000 ^b
	Residual	82.010	238	.345		
	Total	196.399	240			

a. Predictors: (Constant), ORC, LED

b. Dependent Variable: Employee Performance

The p-value for all variables were statistically significant at $p<.05$, meaning that the leadership style and organizational culture together have a significant predictor of organizational performance. This implies that the model predictive power is not happened by chance. (Ref. Table -19.)

Table 20. Beta Coefficients

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.718	0.175		4.097	.000
Leadership Style	0.727	0.048	0.703	15.001	.000
Autocratic	0.237	0.101	0.231	2.198	.000
1 Democratic	0.118	0.064	0.142	1.844	.000
Transactional	0.165	0.047	0.171	3.511	.000
Transformation	0.088	0.032	0.094	2.750	.000
Job Culture	0.108	0.043	0.118	2.517	.012

a. Dependent Variable: Employee Performance

Similarly, the result of beta value indicated that the organizational culture (p-value < .05; β= .108) and leadership style (p-value < .05; β= .727) have a positive effect on employee performance. Therefore, the regression equation for this study derived as:

$$EMP = .718 + .727 LED + .108 ORC$$

▪ *Examining the Mediating Effect of Organizational culture*

The Sobel test is utilized to examine the hypothesis in which the relationship between the independent (X) and dependent (Y) variables is mediated / affected by a third variable (M); that is; X and Y have an indirect relationship. In other words, Sobel test examines whether the inclusion of a mediator (M) in the regression analysis considerably reduces the effect of the independent variable (X) on the dependent variable (Y) (Preacher 2020).

Table 21. Aggregate Beta Coefficient for Sobel Test

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.718	.175		4.097	.000
1 Leadership Style	.727	.048	.703	15.001	.000
Org. Culture	.108	.043	.118	2.517	.012

a. Dependent Variable: Employee Performance

Where:

- Independent Variable – Leadership style
 - Standard Error (S_a = .048);
 - B-coefficient (A = .727);
- Organizational culture
 - Standard Error (S_b = .043)
 - B-coefficient (B = .108)

Sobel Test Calculation – It helps to evaluate a mediator variable significantly carries the influence of an independent variable to a dependent variable; i.e., whether the indirect effect of the independent variable on the dependent variable through the mediator variable is significant. The formula is:

$$Sab = \sqrt{(B^2sa^2) + (A^2sb^2) + (sa^2sb^2)}$$

$$Sab = \sqrt{(0.108)^2(0.048)^2 + (0.727)^2(0.043)^2 + (0.048)^2(0.043)^2}$$

$$Sab = .0316$$

$$Z = \frac{ab}{sab}$$
$$Z = \frac{0.727 \times 0.108}{0.0316} = 2.485$$

Since the result of Z value is 2.485 which is greater than the standard value of 1.96, thus it can be concluded that organizational culture can be a significant mediator between leadership style and employee performance in the case of CGC Groups. Hence, the third hypothesis which states that ‘organizational culture has a mediating role on the relationship between leadership style and employee Performance’ is also supported.

Finally, the organizational culture showed a mediating role on the relationship between leadership styles and employee performance as the Sobel test scored Z= 2.485 which is greater than the standard value of 1.96. This finding is also in support of Euwema (2017). He explains that transformational leadership in a given MNC might be autocratic/directive or democratic/participative. Leaders can be intellectually motivating to their followers when they authoritatively direct the followers' attention to a hidden conjecture in their thinking. Avolio (2018) also conclude that leaders could also be intellectually motivating when they ask whether their group would be ready to look together for

hidden assumptions of the organization. Thus, it can be concluded that organizational culture can be a significant mediator between leadership style and staff performance in the case of CGC Groups.

Table 22. Summary of the Research Hypothesis Test Result

	Alternate Hypothesis	Result
H1	Autocratic leadership style has a positive significant effect on employee performance	Supported
H2	Democratic leadership style has a positive significant effect on employee performance	Supported
H3	Transactional leadership style has a positive significant effect on emp. performance	Supported
H4	Transformational leadership style has positive significant effect on emp. performance	Supported
H5	Leadership style has a positive and significant effect on organizational culture	Supported
H6	Organizational culture has a mediating role on the relationship between leadership style and employee performance	Supported

Source: SPSS output, 2022

CHAPTER FIVE

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1. Summary of Major Findings

Based on the data analyses of chapter four, major findings of the results are summarized as:

- All the four leadership styles had positive and significant relationship with employee performance and organizational culture. Specifically,
 - Autocratic ($r = 6.44$) leadership styles had strongest relationship with employee performance; while transformational style had the least ($r = .122$).
 - All the four leadership styles had moderate relationship with organizational culture scoring a Pearson correlation coefficient “R-Value” of .313, .320, .453, and .309 respectively.
- The model summaries regarding the relationship between leadership style, employee performance, and organizational culture:
 - Leadership style variables explain 57.1% variance in the employee performance as goodness-of-fit was found $R^2 = .571$;
 - The leadership style also explains 22.6% variance in the organizational culture;
 - Similarly, the value $R^2 = .582$ indicated that, the leadership styles and organizational culture together explain 58.2% variance in the employee performance.
- The results of the regression analyses illustrate leadership styles had positive and statistically significant effect on employee performance. Specifically:
 - Autocratic style is the first strongest predictor or has the most significant effect on the employee performance of CGC Groups companies because it has the highest Beta coefficient result ($\beta = .309$; $p < .05$);
 - The second strongest predictor of employee performance is transactional style as the beta scored $\beta = .260$; $p < .05$.
 - Whereas, democratic style showed the least effect ($\beta = .113$; $p < .05$) on employee performance, preceded by transformational style ($\beta = .108$; $p < .05$).
- The organizational culture had the mediating role between leadership style and employee performance in the context of CGC Groups as the Z-value was found above 5% of the threshold value ($Z = 1.96$).

5.2. Conclusions

The conclusions are drawn by way of answering the research questions and hypothesis previously presented. The results of the findings revealed that different leadership strategies have different effect on employee performance as multinational companies are subjected to different cultural orientation of the host country. In this case, autocratic leadership style is more effective in enhancing employee performances of the case company, CGC Groups in Ethiopian context. Since almost one third of the leaders in CGC Groups are Chinese and Philippines, they preferred to their staff (local - Ethiopians) to strictly comply with their rules and regulations while performing their duties and responsibilities. Employees who are under strict supervision and control by autocratic leader could easily be a barrier to exercise their innovative skill in accomplishing their duties. Such leaders are more productive in firms operating in developing economies where staff have less exposure to international companies.

In this regard, staff are inspired or more motivated by incentives and rewards. Leaders are expected to reward or punish their subordinates according to their achievements of the expected. That means, such management by exception helps the company to achieve its goals. Thus, transactional leadership style has also the strong contribution to the employee performance. Leaders who follow transactional leadership style characterized by providing a sort of reward to motivate them to adhere to the management's expectation aka "management by exception". It is a passive management style which reactive leaders react and take action after the event has occurred, acts in response not proactively.

Transformational leadership style influences employee performance less than autocratic and transactional styles. This signifies that, the company managers exhibit less influential transformational leadership attributes that has less impact on employees to intensify performance. However, transformational and democratic styles are the best preferred in developed countries to motivate and enhance the staff's performance. This has an implication that, in different cultural context, the leadership style as a strategic human resource management should be tuned to align the individual staff values and beliefs along with the organization mission/vision so as to generate the best out of it. It can be concluded that the leadership styles that the case companies follow in Ethiopian context had positive and significant effect on employee performance. More staff performance would be enhanced by applying autocratic and transactional styles over democratic and transformation leadership.

5.3. Recommendations

For the identified research gaps, the following recommendations are suggested in light of the major findings and conclusions. The recommendations are:

- The managements are advised to practice autocratic style when in situations when executing absolute control is necessary, like during project failure, over on a routine basis. This can be achieved through encouraging supervisors and immediate team leaders to make the difficult decisions and to communicate and execute a strategy with an unwavering focus.
- It would be better if management in the companies effectively engage all supervisors at different levels to adopt a high employee engagement by promoting team participation in decision making.
- It is recommendable that top management should ensure all team leaders or supervisors get some training and seminars to make sure they understand traits and the benefit of transactional leadership style to both employees and the organization.
- To enhance the influence of the transformational leadership on the performance of the employees, the management need to create an inspiring vision of the future and motivate their staff to rely on their leaders and deliver the vision.
- Culture effects leadership style but managers less emphasis the importance of individual employees' needs. Thus, the leaders in the case companies are advised to consider the individual values and beliefs in connection with the organization's mission and goals. This can be achieved through implementing effective organizational culture which enables staff to comply with long-term orientation of the companies.
- For this study, only two companies under a single organization, that is, CGC Groups Construction Company and Hansom Glass factor are participated. Therefore, as a matter of reducing the possibility of cultural biases, upcoming researchers may consider the inclusion of several other construction and manufacturing organizations. Besides, forthcoming researchers can work with a much bigger sample size involving different industries other than construction and manufacturing industries hospitality services.

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Appendices

Appendix I. Survey Questionnaire



ST. MARY UNIVERSITY
SCHOOL OF GRADUATE STUDIES

Survey Questionnaire

Questionnaire to be filled by Social Media Users

Dear participant,

My name is Lidiya Zeru. I am currently a prospective graduate of the master of business administration at St. Mary's University in Addis Ababa, Ethiopia. I am conducting my research entitled "The effect of leadership style on employee performance mediated by organizational culture in the case of CGC Groups in Addis Ababa." The purpose of this questionnaire is to investigate the influence of different leadership styles on the performance of employee performance along with the mediating or the facilitation of organizational culture for the betterment of staff output through strategic leadership.

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

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

Thank you in advance for your cooperation and timely response.

Lidiya Zeru

Mobile: 0952646464

e-mail: wegezergaw7@gmail.com

Many thanks for your kind cooperation in advance!!

General Information

Your Participation is Voluntary

Do not write your name on the Questionnaire

I. Demographic Profile of Respondents

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

Part - I: General Information

1. Sex Male Female
2. Age (Years) 21 – 30 31 – 40 41 – 50 51 – 60
3. Education High School Diploma Degree Masters +
 Other, please specify
4. Department Operation & Supporting Sales & Marketing HR & Admin
 Logistics & Supply Engineering
5. Position Manager Supervisor Senior (\geq 3 years) Junior
6. Service year 1- 5 6 - 10 Above 10
7. Origin Local Chinese Philippines Indian

Part – II Leadership Style, Organizational Culture, and Employee Performance:

Kindly rate the following statements below as to the extent to which you agreed or disagreed with the statements described under each attribute based on your perception. Using the scale of 1 up to 5, tick in the appropriate box as to the extent of your agreement or disagreement with the statements given. Where: Scale 1= strongly disagreed; 2= disagreed; 3= Neither agreed nor disagreed; 4= agreed; 5= strongly agreed.

1. Leadership Style	Likert Scale				
1.1 Autocratic	1	2	3	4	5
Decisions are always made by managers for subordinates.					
Managers are determined to push projects forward to get results					
My duties are limited by the managements.					
Managements set high standards expecting others to do the same					
Often, performance requirements are designed as per the leaders needs					
1.2 Democratic	1	2	3	4	5
Staff works best as everyone is involved in taking decisions					
Staff are encouraged to involve in managerial decision making					
I don't mind how long discussions last, so long as we consider every angle					
Managers insist teammates to abide by formal decision if follow proper procedures					
Staff are encouraged to demonstrate their innovative ideas					
1.3 Transactional	1	2	3	4	5
I am constantly reminded of what I would receive if I do what is expected.					
When mistakes are made disciplinary action is instituted.					
My supervisor pays close attention to anomalies that may arise.					
I get rewarded for exceptional performance.					
My supervisor closely checks for nonconformity.					
1.4 Transformational	1	2	3	4	5
I believe that the management shared the organizational mission.					
I always meet set targets as clearly communicated.					
I am always motivated to work more than expected					
I diligently execute duties as I trusted my manager/supervisor.					
My manager is always tries to enhance my capability to accomplish the best.					
2. Organizational Culture	1	2	3	4	5
Employees are flexible and adaptable when changes are necessary					
Staff have clearly defined goals that relate to the organizational mission/goals					
Staff believe in working collaboratively over completion					
The company is always looking for new ways to better serve customers					
The managements make business decisions are most often made on the basis of facts, not just perceptions or assumptions.					
3. Employee Performance	1	2	3	4	5
I am always punctual in delivering the required output.					
I understand the vision/mission of the organization very well					

I am always motivated to deliver quality work

I could manage change in my job very well whenever the situation demands.

I believe that mutual understanding can lead to a viable solution in organization.



Many Thanks for Your Valued Time!!!

Table -1A**Model Summary^b**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.756 ^a	.571	.570	.59353

a. Predictors: (Constant), LED

b. Dependent Variable: Employee Performance

Table -1B**ANOVA^a**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	112.205	1	112.205	318.513	.000 ^b
1 Residual	84.194	239	.352		
Total	196.399	240			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), LED

Table - 1C**Coefficients ^a**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.574	.155		3.693	.000
1 Autocratic	.113	.037	.142	3.102	.002
1 Democratic	.409	.053	.408	7.682	.000
Transactional	.160	.042	.205	3.786	.000
Transformational	.128	.028	.205	4.497	.000

a. Dependent Variable: JBC

Table -2A**Model Summary^b**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.448 ^a	.201	.198	.88679

a. Predictors: (Constant), LED

b. Dependent Variable: JBC

Table -2B

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	47.299	1	47.299	60.147	.000 ^b
Residual	187.949	239	.786		
Total	235.248	240			

a. Dependent Variable: JBC

b. Predictors: (Constant), LED

Table -3A

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.763 ^a	.582	.579	.58701

a. Predictors: (Constant), JBC, LED

b. Dependent Variable: EMP

Table -3B

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	114.388	2	57.194	165.982	.000 ^b
Residual	82.010	238	.345		
Total	196.399	240			

a. Dependent Variable: EMP

b. Predictors: (Constant), JBC, LED

Table I. Aggregate Beta Coefficient

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.947	.152		6.249	.000
Leadership Style	.782	.044	.756	17.847	.000

a. Dependent Variable: Employee Performance

Table II. Aggregate Beta Coefficient

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.123	.226		9.376	.000
Leadership Style	.508	.065	.448	7.755	.000

a. Dependent Variable: JBC