

# **THE EFFECT OF LEADERSHIP STYLES ON ORGANIZATIONAL PERFORMANCE**

*A Thesis Submitted to the School of Graduate Studies of Jimma University in  
Partial Fulfillment of the Requirements for the Award of the Degree of Master  
of Business Administration (MBA)*

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**August, 2020**

## DECLARATION

I declare that this thesis (The Effect of Leadership Styles on Organizational Performance) is my original work. It has not been submitted for a degree in any other universities and all the materials used in this study have been duly acknowledged.

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## STATEMENT OF CERTIFICATION

This is to certify that Frehiwot Taye has carried out his research work entitled “The Effect of Leadership Styles on Organizational Performance” for the partial fulfillment of Masters of Arts in Business Administration at Jimma University, College of Business and Economics Department of Accounting and Finance. This study is original, not submitted for any degree in this university or any other universities, and is suitable for submission of Masters of Arts in Business Administration.

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## *Abstract*

*The objective of the study was to assess the effect of leadership styles on the organizational performance in the case of Meskaye Hizuna Medhane Alem Monastery School. The research used both explanatory and descriptive research designs. The study also used cross-sectional survey design. Besides this, the study used a mixed research approach. The target population of the study was employees of the school. The study used a random stratified sampling method to identify respondents across each stratum i.e. departments. Both primary and secondary sources of data were utilized. The study utilized cross-sectional survey method and questionnaire as an instrument for data collection. The study utilized a statistical tool called SPSS V.25 for doing the analysis. Both descriptive and inferential statistics were used to analyze the data. Descriptive statistics such as frequencies, percentage, mean, and standard deviation were used for summarizing and presenting the data. With regard to inferential statistics, Pearson correlation coefficient was used to show the inter dependence between independent and dependent variables and binary logistic regression analysis was used to test the significance contribution of each independent variable to the dependent variable. The study concluded that among the three leadership styles that the study focused on, only*

*transactional & laissez-faire leadership styles have positive significant effects on the organizational performance of Meskaye Hizuna Medhane Alem Monastery School; and laissez-faire leadership style has a greatest impact on organizational performance of the school. The study recommended for the school to provide complete freedom for its employees to solve problems by their own, employees of the school should be rewarded more on the basis of performance. Besides this, it is highly recommended that worker's salaries to be based on performance than other parameters.*

**Keywords:** *Job Satisfaction, Leadership Style, Management, Organization Performance, Success.*

# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the Study

Performance is the result of action because it is a process not a result that occurs at a particular time it takes time to reach the actual desire of success. Performance in the organization it is a vital aspect of strategic management how well an organization is doing to reach its vision, mission and goals. Performance is the result of the quality management and it is ongoing process of communication between leaders and followers. To become success leader every organization must identify and evaluate their leadership style (Zada and Adnan, 2014).

Organization performance is of the accomplishment of the given task or achieving their mission within the measurement of known company's standard accuracy. Performance is the most important construction in management by reviewing previous reveals a multidimensional conceptualization of organizational performance. Organization measures their performance in terms of four dimensions in effectiveness, efficiency, financially viable and operational relevant which organization performance to the results of their particular programs to improve the lives of organization stability. (Pierre, Richard,. Timothy, Devinney,. George, Yip,. Gerry, Johnson., 2009). Employee job performance is one of the main critical element for organization performance. All human relationships and behaviors too directly or indirectly influenced by how his/her employment leadership style. Therefore, it is better to help people to locate a suitable activity. Be organized to play a function in their process satisfactorily. The study try to conclude that this examination is an active attempt to analyze the effects of leadership style on task pleasure and loyalty, and how this might be implemented among car manufacturing managers. They are try to conclude that leadership styles are vital organizational antecedents of activity satisfaction and loyalty in private organizations. (Ali,. Farthoudnia,. Torbehbar, 2014).

Leadership has engaged for the past years through a new effective approach for managing employees and the organization at large. Human resource management perception has though progressively substituted the traditional concept of employee administration. This imposed the strategic combination of new leadership styles into the effective managing of human capital. Leadership is an important feature in the success of any institute due to its effects on operatives' performance in satisfaction of customers and employees job satisfaction. Leaders

need voluntary participation of subordinates to reach their goals by influence the social process. It is also an aptitude to inspire, mobilize and guide others effectively human force by emphasizing human relations. ( Aunga and Masare, 2017)

In recently several studies have been conducted in Ethiopia and other countries about leadership style and organization performance. Leadership style on organization in small-scale enterprises in Nigeria, try to determine leadership style has significant influence on organization performance. The analysis has determined that, Transformation leadership style has insignificant effect on organization performance but positive effect on inspiration motivation and trait. Transactional leadership style considered in the study positive effect on followers and organization performance. Performance specialist mystique and scholarly incitement thought characteristics of transformational administration style put on the positive however unimportant impact on supporters and execution. The other characteristic, uplifting inspiration, applies negative yet inconsequential impact on implementation, and. The qualities are feeble in clarifying varieties in execution. Their investigation infers that value-based creativity style is increasingly fitting in inciting execution in little scale endeavors than transformational authority style. Thusly, the investigation prescribes that little scale undertakings ought to embrace value-based administration style however, methodologies to travel to transformational authority style as their endeavors create, mature and develop (Okwu, Akpa, Nwankwere, 2011).

Impact of leadership style on organization performance try to determine Leadership is one of the main willpower associated in the success and failure of the organization. The result of the analyses shows that there is a significant relationship between leadership style and organization performance. Transactional leadership style has a negative effect on organizational performance. However Transformational leadership style have positive relationship with organizational performance (Al Khajeh, 2018). The impact of transactional and transformational leadership on organization performance, leadership style appropriate for a certain circumstance and achieving organizational leadership through a leadership style are critical issues for any type of organization. They are trying to conclude their analyses in two important points first, it will contribute new knowledge and findings by empirically testing a model in an Ethiopian environment. As the business circumstances and scenarios in Ethiopia are different from the developed environments and new leadership theory may be developed. Secondly, it will contribute to the literature and it will also help bridge the gap between

leadership theory and practice. In this regard, the findings will help the leading practitioners to gain additional inputs to their leadership styles and thereby achieve their organizational objectives by properly influencing and motivating their subordinates (Donald and Negash, 2015).

Similarly, another study trying to analyse the influence of various leadership style and they conclude principals are practicing more of transformational leadership styles in Benishangul Gumuz Regional State Bureaus. The way they use to lead employees working under them is more of showing the established goal of the organization. By doing so, they are positively contributing to organizational performance because transformational leadership positively affects organizational performance. However, Leaders are not significantly exercising Laissez-faire and transactional leadership styles. The implication is that leaders do not make employees free to do things in their absence and leaders are not directing their employees by using what is appropriate to motivate employees. However, leaders are making employees do a better performance of bureaus because transformational leadership has a positive effect on organizational performance ( Demissie and Gajendran, 2016). Leadership style, structure commitment, and work satisfaction are reticulated. Thus, leadership designs to have will affect the quality of organization performance. Organization performance and leadership style go hand in hand with satisfying their roles and purposes to successes of organization goal. In today's competitive world it is a vital role to analyze organization performance thorough out different perspectives. Leadership area on organization performance encompasses the effective utilization of all resources at the disposal of the organization for profit maximization and future growth of the organization. However, the research conducted so far indicates that, there is a contradiction of views about the relation/association of leadership style with the organizational performance. Some of the researchers conclude that there was no relationship between leadership style and organization performance. In addition, another researcher also conducted there was a significant influence on organization performance. Therefore, this particular study analyzes and determine the relationship between organizational performance and types of leadership styles that influences organizational performance in the case of Meskaye Hizuna Medhane Alem Monastery School in Addis Ababa Ethiopia.

## 1.2 Background of Meskaye Hizuna Medhane Alem Monastery School

The school was established in 1975 by the Orthodox Church Fathers of monasteries and has been around for 45 years. It teaches up to 12<sup>th</sup> grade and has about 3,000 students and 116 staff members. The school is still led by the patriarchs of the medieval monastery and those same fathers who have not received adequate leadership training and are not well educated choose the leaders of the school. The organogram of the school indicates that there is majorly three categories i.e. managers, teacher and support staffs. The number of employees across this structure is indicated as below;

**Table 1.1: Number of Employees in the School**

S.N	List of Stratum	No. of Employees
1	Managers	4
2	Teachers	102
3	Support	10
	<b>Total No. of Employees</b>	<b>116</b>

Source: HR department of the school (2020)

## 1.3 Statement of the Problem

Leadership style on organization performance in the organization influences organization performance with in customer satisfaction as well as employee job satisfaction. It was a growing interest in investigating the effect of leadership style and its challenge due to the paradigm shift in leadership. Leadership style on the organization does not only influence the organization's performance but also instructors' passion & commitment. Most of the leaders do not believe that their leadership style determines their worker's performance (Bharathin, 2004).

The performance of organizations is related to the profitability of the organizations in terms of its growth and profit both in the long and short term. In business organizations, investors and businesspersons desire and endeavor to ensure that their organizations perform well to increase numbers of customers and to achieve a competitive edge in the industry ( Zada and Adnan, 2014). Organizations to perform well, apart from tangible and intangible resources effective and dynamic leadership is a prerequisite. The leadership style of the leader of an organization has a strong impact on the performance of the organization with in the influences of customer and employees job environment satisfaction.

Leadership is one of the key factor that helps to achieve organization goal by performing good performance with the satisfaction of customers and employee job engagement. The

study try to investigate job satisfaction among customer service employees in a multinational company in Dublin with transformational and transactional leadership styles and a significant positive relationship was found between job satisfaction and transformational leadership style. (Thomsen, 2014). Another empirical research conducted on the effect of leadership style on organization performance practiced in small scale enterprises in Nigeria revealed that, transactional leadership style for the small enterprises with inherent policies for transition to transformational leadership style as the enterprises industrialized, raised and matured it has an important helpful result on performance. The transformational leadership style had a positive but insignificant effect on performance. They also try to conclude that transactional leadership style was more appropriate in encouraging performance in private organizations than transformational leadership style (Andy, Titus, Okwu., & Idowu, A, Nwankwere, 2011).

Most of Ethiopian private academic organizations have not well defined leadership style and if they have it is not evaluated according to their performance and goal. Most of recent study's try to analysis effect of leadership style on organization performance in different measurements but in this study the researcher will be analysis organization performance based on the measurement of operational performance in customer satisfaction and employee job satisfaction because operational performance of the organization is one of the key drive for success of private organization (Ayene, 2016).

For any organization, the assessment of the performance is a very important thing because such assessments can be used as a measure of the success of an organization within a certain time. The assessment can be used as input for the improvement or performance improvement of the organization concerned. Performance is something that manages the organization to what extent a group has been performing all principal activities so that it can achieve the vision and mission of the institution to get better performance. (Keban and Jeremiah, 2004). The effect of leadership style on organization performance in Ahantaman Rural Bank, Valuation of the key performance indicators of the Bank and the reliable improvements in these indicators reinforced the assertion that there is a direct relationship between organizational performance and leadership styles. The study also suggested it has a direct relationship between leadership styles and performance of the organization in increasing and decreasing numbers of customers (Augustine, 2017). The type of leadership style employed in the organization it has its own impact on its overall performance, organizational leadership culture is the key driving forces for improving a firm's performance. There is



strong association between leadership style and organizational performance as the asset of the organization resides much on democratic style of leadership, and also management of the organization put on more of that and mix it with other leadership styles where essential for the organization to wax stronger within its business. (John ,Yaw, Akparep., Enock, Jengre., & Alisa, Afusah, Mogre., 2019).

Plenty of reasons may cause the low performance of any organization but as studies show leadership styles superiors' are following is the major ones. Here are some of the studies which support this idea; deficiencies are a defect in leadership (Koech & Namusonge, 2012; Pradeep & Prabhu, 2011; as cited on Aragaw & Gajendran, 2016). According to Obiwuru, Okwu, Akpa, and Nwankwere (2011), one of the reasons why there is a relationship between leadership style/approach and organizational performance is that it necessitates innovation-oriented competitiveness within today's concentrated and dynamic market and the creative destruction of reduced profit and competencies (Santora, Seaton, & Sarros, 1999). Studies suggest that, in the face of such challenges, effective leadership can facilitate performance development (McGrath & MacMillan, 2000). In addition, to understand the effects of leadership on performance, it is important that leadership play a key role in developing the performance of the organization (Obiwuru *et al.*, 2011). The improvement of organizational performance requires the development of management, and a sustainable competitive advantage requires leadership (Avolio, 1999; Rowe, 2001).

However, even if the problem is that much maximum, empirical study about the links between leadership and performance has been lacking (Koech & Namusonge, 2012). Hence, from the above finding we can understand that leaders are not able to find research pieces on the area especially in our country so that they can enhance their leadership skill. This motivates the researcher to conduct study on the effects of leadership on performance just to find out which leadership style has insignificant, significant, and no impact on performance of the organization and hereby to put forward the one that should be followed in the context of the organization. In this light, the holistic review of studies on the effect of leadership on performance is important to be able to show the nature of the relationship between the two variables.

The researcher assessed in undertaking this study to support the current endeavors of the Ethiopian private organization performance improvement encompasses effective utilization of all resources at the disposal of the organization for customer maximization, employee

stability and future growth of the organization because leadership is one of the key determinants associated with the success and failure of any organization (Augustine, 2017). In addition, as of the knowledge of the researcher, there is no recent study or there is insufficient study conducted on the effect of leadership style on the organization with the measurements of organizational performance in the school that this study is intended to cover. Most of the previous investigation on leadership styles in Ethiopia focusing on the effect of leadership styles in governmental sectors but in this study, the researcher tries to analyze the effect of Leadership style on private education sector.

## **1.4 Research Questions**

The research questions of the study are as follows;

1. What type of leadership practice exists in the organization?
2. Are there significance relationships between leadership style and organizational performance?
3. How is the performance of the organization as perceived by the employees?

## **1.5 Objectives of the Study**

### **1.5.1 General Objective**

The general objective of the study is to assess the effect of leadership styles on organization performance in the case of selected private school in Addis Ababa (i.e. Meskaye Hizuna Medhane Alem Monastery School).

### **1.5.2 Specific Objectives**

The study was steered by the succeeding specific objectives:

1. To investigate the type of leadership style practiced in the organization
2. To determine the relationship between leadership style and organization performance in private organization.
3. To examine the performance of the organization as perceived by the employees

## 1.6 Significance of the Study

The study hopes to be of great significance:-

- For the organization through gaining an understanding of leadership styles, this study provided information to cope up with the changes by identifying the weak link of its leadership style to increase customer, employees job satisfaction, grow and survive in the environment in which it operates. All of the academic institutions are critical places where the next age band is educated and school principals bear a heavy burden of responsibility for their institutions as well as student's and teacher's performance
- For the researcher, it has a chance to get a chance to acquire knowledge and practical experience. Additionally, accomplishment of this research will be helpful for the researcher to fulfill the requirement Research Methodology in business administration courses.
- For reference, furthermore, it will help as a source document and as a stepping-stone for those researchers who want to make a further study on the area afterward.

## 1.7 Scope of the study

The primary focus of this research is to determine the effect of leadership style on organization performance in **Meskaye Hizuna Medhane Alem Monastery School in Addis Ababa Ethiopia**. Hence, this study is delimited to this school. The study is also delimited in terms of variables. Among different types of leadership styles, the study focused on ***Transformational Leadership Style, Transactional Leadership Style and Laissez-faire Leadership Style***. On the other hand, even though there are different parameters for evaluating the performance of the organization, the study is delimited to employee job satisfaction and customer satisfaction.

## 1.8 Limitations of the Study

This study has provided deep insights of the impact of leadership styles on the organizational performance. However, this study has some potential limitations. It may be noted that a causality relation cannot be inferred due to the cross-sectional nature of the data, although, it is one of the most-used methods in social science fields especially in organizations (Spector, 1994). Future investigations, then, should adopt other research methodology such as

longitudinal design. The data for measuring the customer satisfaction was not collected directly from the customers due to COVID 19 pandemic. Hence, the data was collected as per the perception of the employees of the school and this may reduce the quality of the findings of the study. The other limitation is the study only covered the three dimensions of leadership, namely transformational, transactional and laissez-faire, the study could have explored charismatic style of leadership and other leadership styles as well, to give it a well rounded character.

## 1.9 Operational Definition of Key Terms

**Table 1.2: Definition of Key Terms**

Key Terms	Definition	Authors
<b>Leadership</b>	A process, by which people are directed, guided and influenced in achieving group goals.	Obodougo (2010)
<b>Organizational Performance</b>	A major multidimensional construct aimed to achieve results and has a strong link to strategic goals of an organization	Mwita (2000)
<b>Transformational Leadership</b>	A process of influencing in which leaders change their associates' awareness of what is important, and move them to see themselves and the opportunities and challenges of their environment in a new way.	(DiFranza, 2019)
<b>Transactional Leadership</b>	A leadership style which focuses on everything in terms of explicit and implicit contractual relationships. All job assignments are explicitly spelled out along with conditions of employment, disciplinary codes, and benefit structures. Self-interests are stressed.	GOPAL, 2014
<b>Laissez-faire Leadership</b>	A leadership style where the leader doesn't directly supervise the members and doesn't consider regular communication or feedback.	Hannah <i>et al.</i> (2008)

Source: Authors computation

## 1.10 Organization of the Paper

The study is structured in 5 chapters. The first chapter presents a brief overview of the research gap and introduces the research question and objectives, as well as, the scope and limitations of the research. The next chapter i.e. Related literature review, provides the reader both empirical and theoretical background about the study area. Theoretical Background provides insight in to the concepts related to the study area. Empirical Background provides the findings of different studies conducted in related study areas. The third chapter i.e. Research Methodology, indicates the entire research process including its philosophy, strategy, approach, as well as, its data collection methods. The sampling procedure in addition to the ethical considerations is also discussed within this chapter as well. The fourth chapter i.e. Data analysis & Discussion. The last chapter i.e. Summary of Findings, Conclusion & recommendation, presents the summary of the findings as well as conclusion and recommendations.

## **CHAPTER TWO: RELATED LITERATURE REVIEW**

Leadership is a procedure within which handling of the institute and attempts to contribution his tasks to fulfill organizational willpowers (Denis, 2010). Leadership is typically defined by the traits, qualities, and behaviors of a leader thus what traits reflect quality leadership and which leadership theories are most closely aligned to it. In this chapter, different leadership theories like behavioral theory definition and characteristics, Trait Theories and Situational or Contingency Theory. The chapter also discusses on different empirical literature reviews, analyses and conclusions. At the last, the researcher analyzed the research gab and designed a conceptual framework of the study.

### **2.1 Theoretical Literature Review**

There are three sorts of leadership theories that are identified and discussed in this study. These are Traits Theory, Behavioral Theory and Situational or Contingency Theories.

#### **2.1.1 Trait Theory**

Trait theory begins with the concept of specific virtues; it also called 'Virtue Theory'. Thus leaders manifesting themselves in the 'born leader' that take control and guide situations however cannot create any facilitate. These are sometimes inborn traits. Attribute theory stresses that there's a precise set of basic personality markers that set leaders except for followers (Seidel, 2019).

A leader's traits are the key leadership success; it is an additional systematic in an analysis of the leaders. The theory is based on the great man theory. A comparison of attribute theory with personal traits, abilities, and motivation summarized as follows in Figur-1 below. In distinction to the views of proponents of the Trait theory, research put up with those traits were not fully liable for categorizing whether or not an individual is probably to become a fruitful leader. Instead, these traits were considered stipulations that equip an individual with leadership potential (Mac, 2005)

For that reason, the Traits theory was criticized because:- It does not suggest that leadership ability is no heritable through education, experience, and coaching, as innate qualities still necessitate support for development; It looks weak in illumination however leaders' traits

affect the results of the supporters; It doesn't consider specific things. It has an infinite list of leadership traits and thus it is difficult to identify those qualities that will be attributed to an effective leader (Northouse, 2007).

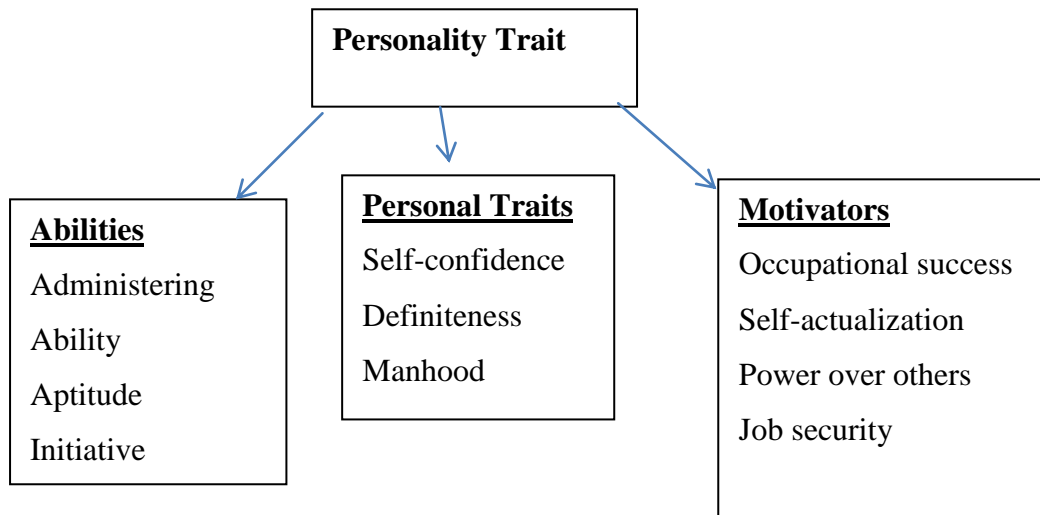


Figure 1: The Traits Theory, Adapted from Burke *et al.* (2006)

### 2.1.2 Behavioral Theory

Behavioral theories of leadership successful leaders are made not born. This theory focuses on actions of leaders not internal or mental qualities, all humane become leader if they learn and actively grasp techniques of leadership style from successful leader (Amy, 2019).

While some time failing to address reasoning and natural processes that influence activities of the peoples, but it have the capability to clearly perceive and measure performances of the humane (Gans Steven, 2019).

Most theories prosper specific behavioral difference leaders from non-leaders. In contrast, the Trait theory claimed that a leader possesses essential or inborn qualities. For instance, an individual may have been born into a family that displays no or weak determination and one that is known for tolerating people to exploit them. Another person might be coming from a family of effective and influential people who mentioned to commonly as born leaders. Theoretically, the person from the former family develops the behaviors of obsequiousness, whereas the latter person acquires and supports the behaviors of being important.

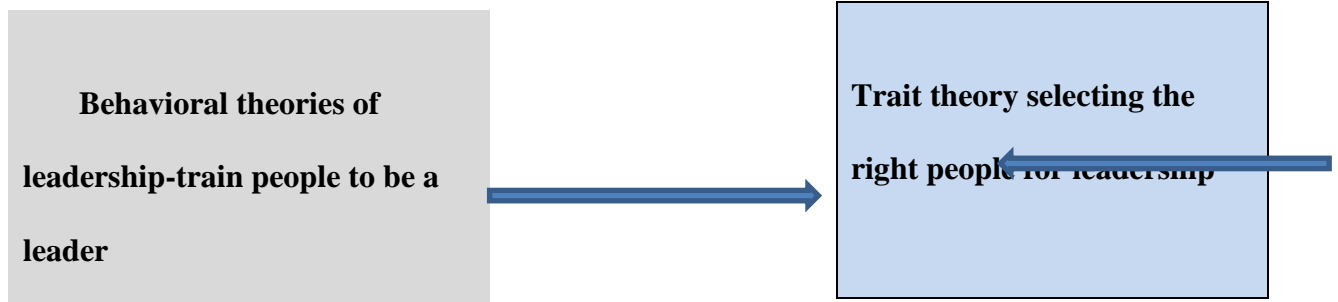


Figure 2. Relationship between Behavioral and Traits Theories (Adapted from Lee 2005).

Behaviorist College claimed that had their backgrounds been exchanged, every one of them would have developed in a different technique. Thus, either would likewise be probably to become an effective leader if they were subjected to similar exposure or with proper coaching (Asland., Skogstad, 2007).

### 2.1.3 Situational or Contingency Theory

The basis of the Situational Leadership theory is that no distinct form of leadership is the best. These earnings refute the one size fits all ‘view of leadership. As an alternative, the idea stresses that subject to a scenario, different levels of leadership could also be required. The foremost step is that leaders should advert and categories the foremost important tasks. This can be followed by shaping the number of readiness followers by examining the group’s ability and readiness. Finally, leaders utilize the foremost acceptable leadership style fitting a scenario, which is précised as directing, coaching, supporting and allocating (Bryman, 2008).

A task-oriented leadership style is appropriate once the case is either extremely favorable or unfavorable to the leader. A favorable scenario exists when the leadership between the leader and follower is good, their tasks are well outlined, and the leader engaged strong power. The opposite is true, on an unfavorable exists. Fiedler's contingency model supports that, cluster performance or value relies upon collaboration between the leadership style and therefore the quantity of management that the superior has over the scenario (Fiedler, 2019).

Finally, leaders develop the foremost appropriate leadership style fitting a situation that is précised as directing, coaching, supporting and allotting. Among the aforementioned theories of leadership, this study relied on behavioral theory of leadership. This because as stated above, this theory explains that it is possible to train and develop a leader. Also, it mainly

focuses on specific behavior and actions of leaders, instead of their characteristics. Moreover, as per this theory, best leaders are those that have the flexibility to change their behavioral style and choose the right style suitable for different situations. Furthermore, this theory helps to evaluate and understand how their behavioral styles affect the relationship within the team. Also, helps managers to find the right balance between different styles of leadership and helps them to decide how to behave as a leader (Gans Steven, 2019).

## **2.2 Types of Leadership Style**

Counting on the temperament of the leader, the cluster scenario, and the problem at hand leadership styles have many forms. Leadership style is explained through different theories like trait theory, behavioral theory, situational or contingency theory, and transformational theory. According to those theories, effective leadership depends on situational factors. This theory explains however, a pacesetter motivates his/her followers and helps them fulfill their tasks. (Bharathi, 2004). Leadership is a social influence process in which the leader seeks the voluntary participation of subordinates in an effort to reach organization goals (Bunmi, 2007). Leadership is largely culturally orientated, embracing traditional beliefs, norms and values and a preoccupation (Murray *et al.*, 2007). Today's organizations need effective leaders who understand the complexities of the rapidly changing global environment. Barchiesi *et al.*, (2007) measured the leadership effectiveness and leadership role and its influence on performance, leadership behaviors, attitudes. They found that high leadership indexes are not related to past performance records but associated both to higher potentiality of enhanced performance and to higher reputation of organizations, pointing in the direction of a meaningful influence of behavioral complexity and dynamics on the leadership perceived level.

Bass (1993) divided leadership style into transformational leadership, laissez-faire leadership and transactional leadership. Exploring the effect of leadership styles on organizational performance, the researcher used the leadership styles like transformational leadership, laissez-faire leadership and transactional leadership. Each leadership styles are explained in the proceeding sections.

### **2.2.1 Transformational Leadership**

Transformation leadership is a style of leadership that converts follower's arrogance, performances and confidence, and behaviors to the advanced monarchy of motivation where



the leader motivates followers to be interested to rise above and beyond current levels of success and achievement to even higher levels of success and performance (Bass, 1993). Transformation leader have visionary, inspiring, collaborative and emotionally intelligent and have common characteristic of charismatic, motivating and empathetic. Successful transformation leaders mostly focused on the finest what they can do for their organization they also have the ability to create a positive work environment it includes all employs have the write to share and express their creative and innovative thoughts that might help to their organization (DiFranza, 2019).

### **2.2.2 Transactional Leadership**

It is one of the leadership styles discussion things for worth with the followers to improve their own and follower's interests or needs, However this types of leader's motivation on rewards in exchange for inspiration, output, and effective task accomplishment (GOPAL, 2014).

The transactional leaders have reviewed the theories of leadership; it is obvious that theories of leadership have evolved. Transactional leadership is different from transformational leadership; leaders do not individualize the requirements of the followers or concentrate on their personal development. The previous theories of leadership attended concentrate on the characteristics and behavior of successful leaders, while later ones started to consider the role of the followers and therefore related nature of leadership; others inclined to focus on transformational and transactional leadership (Anil, 2011)

### **2.2.3 Laissez-faire Leadership Style**

With relevancy, the laissez-faire leadership style, the leader doesn't directly supervise the members and doesn't consider regular communication or feedback. Specifically, it permits the members to total autonomy and self determination to form decisions that relate to the completion of the assignment (Eagly, Johannesen-Schmidt & Van Engen, 2003; MacBeath, 2005; Rad & Yarmohammadian, 2006). However, the leader is obtainable to offer guidance at any purpose should the members request assistance.

According to Hannah *et al.* (2008), this style has its own drawback. Such as: it is not the simplest style when members have insufficient knowledge or skills required for completing the task or creating decisions; if members cannot set deadlines on their own, manage projects and solve issues, then the task might not be completed, could also be completed once the

deadline, may be completed with various mistakes or might go off-course completely; there could also be a scarcity of cohesiveness at intervals the cluster because the absence of the leader may be misconstrued as suggesting that leaders are not even concerned; and this style may need to be adopted only when the leader is satisfied that group members will not face challenges instead of adopting it throughout normal business functions.

However, most researchers classify leadership as Transformational Leadership and Transactional leadership.

## **2.3 Organization Performance**

**Performance** is the effectiveness of the organization through achieving its mission, goals and also their mission. Most of the organizations also see their performance in terms of their "efficiency" in deploying resources, it tells to the best use of capitals to obtain the results desired. Lastly, for an organization to persist viable over time, it must be both "financially viable" and "relevant" to its shareholders and their altering needs. (Pherson and Pabari, 2004)

**The organizational performance** involves analyzing a company's performance against its objectives and goals. Additionally organizational performance includes real consequences or outputs compared with future outputs. The examination focuses on three main results, first, shareholder value performance; second, financial performance; and third, market performance (Market Business News, 2019). According to Echavarria (2018) & Bateh (2011), organizational performance can be evaluated by employee job satisfaction and customer satisfaction.

### **2.3.1 Employee Job Satisfaction**

Satisfaction in ones' work is an affective reaction that incorporates experiences from the work environment as a whole rather than merely assigned tasks (Gutierrez et al., 2012). Previously researchers concluded that job satisfaction was the result of achievement or production levels (Loi, Chan, & Lam, 2014).

According to Chen (2002), organizational performance means the —transformation of inputs into outputs for achieving certain outcomes. With regard to its content, performance informs about the relation between minimal and effective cost (economy), between effective cost and realized output (efficiency) and between output and achieved outcome (effectiveness). The success of any strategy of any organization future business strategy depends on a great deal

on its employees performance levels. It is for the organizational leadership to attract, motivate workers to increase the performance of its employees.

### **2.3.2 Customer Satisfaction**

Customer satisfaction is frequently used term in business literature which indicates how products and services offered by a company meet the expectations of customers. It is a measure of how a company offers its products and services which meet or exceed customers' expectations. Customer satisfaction is mainly related to the whole consumption experience by the customers (Oliver, 1997).

According to Chen (2004), understanding of customer satisfaction level may help a company to enhance their customer services. It is accepted that satisfied customers recommend their friends and relatives to use the respective services and products. Therefore, the marketing activities should be focused on improving customer satisfaction level. As Oliver (1997) stated that customer satisfaction is their evaluation after making purchase of product or service as it is against of their expectations. However, customer satisfaction cannot be limited into their evaluation after purchase but it is overall experience of purchasing and consuming the services and products by the respective organizations.

Business performance is achieved when a company is generating the high level of profitability regarding financial, capital as well as other resources (Neely, 2002). However, Richard et al. (2009) stated that business performance includes three specific sectors: product market performance such as sales and market share; financial performance such as profitability, return on investments and return on assets; and shareholder return such as economic value added and total shareholder returns. The customer satisfaction has significant influence on different matrices of business performance such as total sales, market share, gross margin, stakeholder value and total revenues (Wiele *et al.*, 2002). Higher level of customer satisfaction clearly influence on customer retention, purchase intention and positive word of mouth. Similarly, according to Kristensen *et al.* (2002), a strong predictor of further business performance such as yearly sales growth, net operating cash flows and market share is customer satisfaction.

## 2.4 Empirical Literature Review

A number of studies have been led related to factors that affect leadership style and organization performance all over the world. Empirical research on the effect of leadership style on organization performance practiced in Kenya try to analysis leadership style practiced by overall management as valid concerning its effect on organizational performance at UNEP and it depends on the situation, a varying levels of leadership and management are necessary. But, leader's obligation first identify their most important responsibilities or priorities. They must reflect the willingness level of their supporters by analyzing the group's aptitude and readiness. Depending on the equal of these variables, leader's necessity put on the most suitable management style to fit the given condition (Ann, 2015).

Leadership style and organization performance in Turkish try to analyze transformational leadership style with transactional leadership style in SME. Transformational leadership styles have direct effect on organization performance whereas transformation leadership style doesn't have any influence in organization performance (Omer, Faruk, Iscan., Goknur, Ersari., & Atilhan, Naktiyok., 2014).

There is both a positive and a negative relationship between the selected scopes of leadership and organizational performance. Transactional leadership, Charismatic leadership, and bureaucratic leadership were originating to have undesirable relationship with organizational performance. Leadership practice does not persuade the workers to perform improved and stimulate high turnover intention. The types of leadership styles such as charismatic and bureaucratic leadership are good styles of leadership for short- term or small projects but as far as the long- term and future prospects are measured, they are not useful as they do not lead to employee progress, and this does not bring out the predictable performances from the employees. However, the democratic leadership, transformational leadership and autocratic leadership style have a positive relationship with the administrative performance. This shows that these three styles of leadership induce the workers to perform better and as per the level of expectation (Muhammad, 2018).

Ethiopia permitted public service organizations to generate demanding society for improved services. However, leaders are not at its obligatory level to transform their organizations and to see these demands. Lack of workings of the qualities of transformational leadership is the major difficulties. There is high degree of variation between managers of different levels in

the parts of organizational performance. The outcome shown from transformational leadership and its application in the public service organization of Ethiopia, the leaders are not creative, inspired or are not giving radical solutions with the difficulties facing organizational associates. Even though some enhancements, the leadership style currently working in the public service organizations of Ethiopia is not at level refining internal and external customer requirements. The government improvement plans are achieved less than the predictable level. Organizations were less focused on the major plans and less competitive to bring efficiency in performance. Public service organizations lack capable leaders for undertaking reform programs and the leaders' ability to raise the followers' creativity are much under hope (Asfaw, Melesse.,Duressa, Zerihun., 2014).

Most recently, many empirical studies have reported that transformational leadership has a positive impact on follower performance and firm outcomes (Bass, Avolio, Jung, & Berson, 2003) (Jung & Sosik, 2002)(O. F. Walumbwa, 2002).

A study conducted by Mohamed (2016) on the effect of leadership style on employee performance in Dashen Bank revealed that Laissez faire leadership is the most effective variable on the performance of the employee in Dashen Bank. Based on literature review, most previous studies confirmed that transactional and transformational leadership styles are significantly related to employee's performance (Mohamed, 2016).

Aragaw & Gajendran (2016) also conducted a study on the influence of various leadership styles on acceleration of Organizational Performance in Government Bureaus of Benishangul Gumuz region, Ethiopia. They concluded that the three leadership styles found and positive and it has positive influence on performance of the government bureaus. In fact, this study revealed that transformational leadership style has relatively more effect on organizational performance of Benishangul Gumuz Regional State bureaus.

## **2.5 Research Gap**

Organization performance is associated to the success of the institution in terms of satisfaction of customer and operative. In private organizations, stockholders and entrepreneurs need and endeavor to ensure that their organization perform well to earn profit, grow fast and accomplish competitive edge in the business industry.

For the past twenty centuries, legislatures and the community have provided external pressures to encourage schools to develop and alter places of academic education. Leadership and school reform have been at the forefront of school reform in the energy to focus on schools improvement and student success (Goker, 2012). Each principal ought to perceive leadership and administration means that operating with and through other persons to achieve administrative goals and improvement.

Administrative performance rendering is defined as "a field of social-scientific study and application to administrative practice that seeks to understand and use knowledge of human behavior in social and cultural setting for the improvement of organizational performances (Robert, & Ownens, Thomas., 2004).

Most of the researchers in the past agreed that leadership style has a relationship with organization performance but some not support this view, hence, an ambiguity exists. Other researchers also conclude in their study, leadership style diverse in different situations in diverse spheres of life. On the part of the individual level, it encompasses, leading capability, skills, and knowledge of an individual or group of persons (Tahir, Abdullah, Ali. & Daud., 2014). To address this confusion, the researcher assessed the effect of leadership styles on the organizational performance.

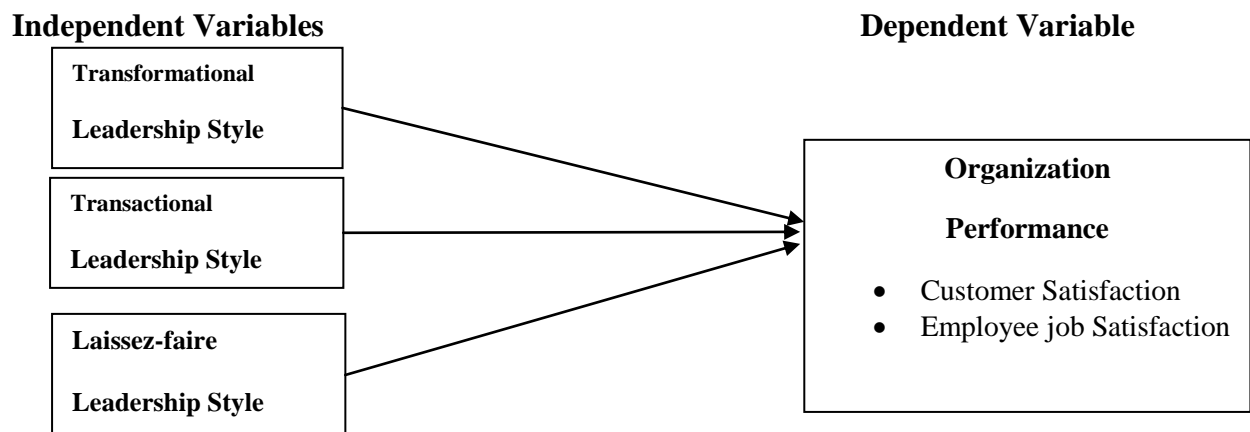
## **2.6 Conceptual Framework**

The conceptual framework provides the study of a structure that represents the systematic approach of researching and finding out fundamental relationships between variables. The conceptual framework shows the crucial process, which is useful to show the direction of the study.

Based on the overall review of the related literatures, the following conceptual framework for this study is developed. This conceptual framework relates the dependent (i.e. organizational performance measured by employee job satisfaction & customer satisfaction) and independent variables (i.e. Transformation leadership style, transactional leadership style & Laissez-faire Leadership Style).

According to Echavarria (2018) & Bateh (2011), organizational performance can be evaluated by employee job satisfaction and customer satisfaction. Therefore, in order to measure the organizational performance of Meskaye Hizuna Medhane Alem Monastery

School, job satisfaction & customer satisfaction as perceived by the employees of the school is considered. Customer satisfaction is measured as per the employees perception. Among different leadership styles, Echavarría (2018) & Bateh (2011) recommended that transformational, transactional and laissez-faire leadership styles are the commonly used leadership types. Hence, these leadership styles are also identified as the independent variables in this study. Figure 3. below depicts the conceptual framework designed for this study.



**Figure 3: Conceptual Framework**

Source: Adopted from Echavarría (2018) & Bateh (2011)

## **CHAPTER THREE: RESEARCH METHODOLOGY**

Research methodology is a means to methodically explain the research problem. It is a discipline of grinding how research is done systematically (Kothari, 2004). This chapter presents the practical methods used in order to answer the research questions and fulfill the purpose of the research. This includes methods that were adopted in assembling and interpreting associated with the study by discussing alternatives associated with study area, research design, population size, study population, sampling strategies, data collection method, instruments, data quality control, data analysis, and procedure. Hence, the following sections provide a detailed description of the research methodology used in the study.

### **3.1 Research Design**

Research design is a basis of approaches and methods choose by a researcher to cartel various components of research in a rationally reasonable style so that the research problem is professionally controlled. It delivers understandings about “ how” to behavior research using a particular practice (Bhat, 2019). Saunders, Lewis & Thornhill (2009) also defines a research design as the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure.

The study aimed to assess the effect of leadership styles on organization performance in the case of selected private school in Addis Ababa (i.e. Meskaye Hizuna Medhane Alem Monastery School). This study used both explanatory and descriptive research designs in order to address the aforementioned objective of the study. Both explanatory and descriptive research designs were utilized to obtain information regarding the present status of the phenomena to clarify what exists with respect to variables or circumstances in a situation.

A descriptive study will be concerned with finding out the what, where and how of a phenomenon. With descriptive research design, the researcher has got an opportunity to have a clear view of the problem from other related sources and narrow the research around these important items. A descriptive study enabled the researcher to ascertain and describe the characteristics of the variable of interest in a situation as stated by Kothari (2008). Explanatory research design aimed at linking ideas in order to realize the associations of variables in terms of cause and result relationship (Cooper & Schinder, 2008). The researcher used explanatory research designs because, it enables the researcher critically examine the



casual relationship between the independent variables (i.e. leadership styles) and the dependent variable (i.e. organizational performance).

The researcher used cross-sectional survey design since data was collected at one point in time from sample selected to represent a larger population by a single questionnaire. As stated by Saunders Lewis and Thornhill (2009), cross-sectional research design involves carrying out of a study just once and the information is therefore used to represent a specific time. Since the research is limited in time, as the research is being undertaken for an academic course limited to 3 months, cross-sectional survey design is proper to utilize in this study. The data collection instrument used in the study is a questionnaire through survey method. Cooper and Schindler (2008) defined a survey as an instrument process used to collect information during a highly structured interview using structured questionnaires.

### **3.2 Research Approach**

Research approach is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically (Kothari, 2004). It assumes there is a logical order the researcher needs to follow in order to achieve a certain predetermined result (Jonker and Pennink, 2010).

There are two kinds of research approach, qualitative research and quantitative research. Quantitative research seeks to quantify the collected data for analyzing, and find a final course of the action. A quantitative approach is one in which the investigator primarily use post positivist claim for developing knowledge (i.e. cause and effect thinking), reduction of specific variables and question (Cresswell, 2003). Qualitative research forms a major role in supporting decision-making, primarily as an exploratory design but also as a descriptive design.

The purpose of this study is to assess the effect of leadership styles on organization performance in the case of selected private school in Addis Ababa (i.e. Meskaye Hizuna Medhane Alem Monastery School). On the bases of this, the researcher used a mixed research approach (qualitative and quantitative research approach). In order to address problems of the study from different perspectives and in order to counter balance the quantitative and qualitative data results of the study, the researcher used a mixed (abductive) research approach or both the quantitative and qualitative research via using questionnaires having open-ended and close-ended as the appropriate tool.

### **3.3 Population and Sample Size Determination**

#### **3.3.1 Target Population**

According to Hair *et al.* (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. The purpose of this study is to assess the effect of leadership styles on organization performance in the case of selected private school in Addis Ababa (i.e. Meskaye Hizuna Medhane Alem Monastery School). Hence, the target population or universe of the study was Meskaye Hizuna Medhane Alem Monastery School.

The researcher was intended to measure the organizational performance of the school from two perspectives i.e. assessing the job satisfaction of the employees of the school and assessing the satisfaction of customers of the school. However, due to the COVID 19 pandemic, the school was closed during the planned time of data collection. Hence, the researcher designed to know the organizational performance of the school in the perception of the employees of the school.

As per the information from Human Resource department of Meskaye Hizuna Medhane Alem Monastery School, as of April 2020, the school has 116 employees. Therefore, the population size will be the employees found in Meskaye Hizuna Medhane Alem Monastery School i.e. 116 employees.

#### **3.3.2 Sample Size**

According to Polit (2001), a sample size is a proportion of a population. Tustin, Ligthelm and Van (2005), state that sample size is a smaller set of the larger population. Use of a sample enables a researcher to save time and money hence get more detained information for its respondents.

As it was explained in the previous section, the researcher was intended to measure the organizational performance of the school from two perspectives i.e. assessing the job satisfaction of the employees of the school and assessing the satisfaction of customers of the school. However, due to the COVID 19 pandemic, the school was closed during the planned time of data collection. Hence, the researcher designed to know the organizational performance of the school in the perception of the employees of the school.

As per the information from Human Resource department of Meskaye Hizuna Medhane Alem Monastery School, as of April 2020, the school has 116 employees. Therefore, the population size will be the employees found in Meskaye Hizuna Medhane Alem Monastery School i.e. 116 employees. However, due to time and resource constraints as well as COVID 19 pandemic, it would be difficult to study all the population of the study (i.e. all employees of the school) and defining a sample size is necessary. To determine the sample size, the researcher used a statistical formula developed by (Kothari., 2004). The confidence level of the researcher will set as 95% with a 5% error term. By using the Kothari (2004) formula, the following sampling was drawn.

$$n = \frac{Z^2 pqN}{e^2 (N - 1) + Z^2 pq} = \frac{(1.96)^2 (0.5)(0.5)(N)}{(0.05)^2 (N - 1) + (1.96)^2 (0.5)(0.5)}$$

Where: n= Sample Size, N= the finite population (Population size i.e. 116), e= Significance level (or limit of tolerable error), 1= Unity (is a constant), Z= the standard cumulative distribution that corresponds to the level of confidence with the value of e (i.e. 1.96), p= the estimated proportion of an attribute present in the population with the value of 0.5 as suggested by Israel (1992); and q= 1-p.

Therefore, number of employee

$$n = \frac{Z^2 pqN}{e^2 (N - 1) + Z^2 pq} = \frac{(1.96)^2 (0.5)(0.5) (116)}{(0.05)^2 (116 - 1) + (1.96)^2 (0.5)(0.5)}$$

$$n = 89$$

Therefore, form the current 116 employees of the school, the sample size to the conducted the study is determined as 89. Therefore, the data was designed to be collected from 89 employees of the school.

### 3.3.3 Sampling Techniques

Sample technique is defined as the process by which the entities of the sample have been selected (Cooper and Schindler, 2008). There are two types of sampling techniques probability and Non-probability sampling Techniques. Non-probability sampling is that sampling procedure which does not afford any basis for estimating the probability that each

item in the population has of being included in the sample. Non-probability sampling is also known by different names such as deliberate sampling, purposive sampling and judgment sampling. In probability sampling, all people within the research population have a specifiable chance of being selected. These types of sample are used if the researcher wishes to explain, predict or generalize to the whole research population (Dawson, 2002).

It is very important to choose a sample that is truly representative of the population so that the conclusion derived from the sample can be generalized back to the population of interest. Hence, this study used proportionate stratified sampling (which is one of probability sampling) and simple random sampling method to collect the data. Stratified sampling method was utilized for selecting the focused employee groups found in the school. Stratified sampling is a type of sampling method in which the total population is divided into smaller groups or strata to complete the sampling process (Kothari, 2004). The strata were formed based on their common characteristics in the population data. After dividing the population into strata, the researcher randomly selected the sample proportionally across all stratum. While conducting a proportionate stratified sampling technique, the number of sampling unit drawn from each stratum were in proportion to the population size of that stratum.

A formula provided by Kothari (2004) to calculate the number of elements selected from each stratum was applied: -

$$i = n \cdot p_i \quad p_i = \text{strata } i / N$$

Where  $i$  = number of items selected from stratum  $i$   
 $P_i$  = proportion of population included in stratum  $i$   
 $n$  = total sample size  
 $N$  = total population size

As per the information from human resource department, the school is basically categorized in to three broad groups i.e. managers (directors, supervisors & coordinators), teachers and support staff. Accordingly, after applying the above formula the number of respondents, which were selected from each stratum, was illustrated in the following Table 3.1.

**Table 3.1: Proportionate Stratified Sample**

S.N	List of Stratum	Total Strata Size	Proportionate Sample Size
1	Managers	4	3
2	Teachers	102	78
3	Support	10	8
	<b>Total Sample Size</b>	<b>116</b>	<b>89</b>

Source: Data from HR (as of April, 2020) & Researchers' Computation

Based on the size of each stratum the respondents were selected using a simple random sampling technique. Simple Random Sampling provides the opportunity for each member of the population under study to have an equal chance of being selected (Dawson, 2002). The questionnaires were distributed & collected randomly across each stratum in the school.

### **3.4 Sources of Data and Data Collection Techniques**

#### **3.4.1 Data Type and Source**

In order to achieve the general & specific objectives of the study, both primary and secondary sources of data were utilized. As Malhotra (2005) stated, even if obtaining them can be expensive and time consuming, the researcher originates primary data for the specific purpose of addressing the problem at hand, the primary data were collected through structured questionnaires. Primary sources of data were employees of the school found in different departments. The secondary sources of data are different documents from recent year's records, internet, articles, magazines, research papers and different reference books about leadership style and organization performance, growth, and profitability. The secondary data helps the researcher to improve the understanding of the problem and it provides a basis for comparison for the data that is collected by the researcher. With this, the researcher leverages secondary data analysis to examine an alternative perspective on the research questions in this study. As a general rule stated by Malhotra (2005), examination of available secondary data is a pre requisite to the collection of the primary data.

#### **3.4.2 Data Collection Methods**

Data collection is the systematic and calculated gathering of information based on research variables (Cooper and Schindler, 2008). For collecting the primary data from the employees of Meskaye Hizuna Medhane Alem Monastery School, the researcher utilized survey data collection method. Cooper and Schindler (2008) defined a survey as an instrument process used to collect information during a highly structured interview through use of structured closed-ended questionnaires. In survey method structured questionnaire was used in order to collect the data. Secondary data was collected through reviewing the selected written materials from the aforementioned sources.

### 3.4.3 Data Collecting Instruments

For collecting the primary data, structured closed-ended questionnaires and two open-ended questionnaires were used as the main instruments for data gathering from the employees of the school. According to Sansoni (2014), a questionnaire is a data collection tool designed to collect structured and unique data from respondents.

The questionnaire used in this research is adopted from the previous studies of Echavarria (2018) & Bateh (2011). The researcher modified the questionnaire in order to relate it with the general & specific objectives of the research. The closed ended questionnaires are a “Yes” or “No” options. “Yes” denotes their agreement for the question and “No” denotes their disagreement for the questions.

The questionnaire is composed of four main parts to accomplish the aim of the research. The first section is about the demography of the respondents, the second section is composed of the effect of leadership styles on employee job satisfaction and customer satisfaction, the third section of the questionnaire is different leadership styles identifying questions such as transformational leadership style, transactional leadership style & laissez faire leadership style. The fourth section of the questionnaire is open-ended questions requesting the respondents to indicate the problem they observe in the school along with their suggested solutions. A total of (42) question was prepared. The name of sections, sub-sections & number of questions is presented as below;

**Table 3.2: Questionnaire Structure of the Study**

S.No.	Statements	No. of Questions	Total No. of Questions
1	Demographic Information	Question No. 1 - 5	5
2	Effect of Leadership Styles on: -	Question No. 6 - 19	14
2.1	<i>Employee job satisfaction</i>	<i>Question No. 6 - 12</i>	7
2.2	<i>Customer Satisfaction</i>	<i>Question No. 13 - 19</i>	7
3	Examining Leadership Style	Question No. 20 - 40	21
3.1	<i>Transformational Leadership</i>	<i>Question No. 20 - 26</i>	7
3.2	<i>Transactional Leadership</i>	<i>Question No. 27 - 33</i>	7
3.2	<i>Laissez faire Leadership</i>	<i>Question No. 34 - 40</i>	7
4	Open-ended questions	Question No. 41 - 42	2
	<b>Total Questions</b>		<b>42</b>

The questionnaire was prepared by English language as indicated in appendix A herewith this document. Regarding the collection of secondary data, the researcher referred several literatures, reports, journals, academic magazines, published papers, books, essays, researches, dissertations, websites, reports and documents related to the research topics.

### 3.5 Validity and Reliability

#### 3.5.1 Validity

Validity refers to the degree to which an instrument measures what it is supposed to be measuring (Sansoni, 2014). Bryman & Bell (2007) as cited in Muhe (2018) also defined validity as how much any measuring instrument measures what it is intended to measure. They also suggest that the important issue of measurement validity relates to whether measures of concepts really measure the concept or not. There are several ways of establishing validity such as content validity; convergent validity concurrent; predictive validity; construct validity; and convergent validity. The validity of this research paper, as it was stated in the literature review part, the questionnaire has been developed based on previous studies such as Echavarría (2018), Bateh (2011) and review of related literatures in order to increase its validity. Besides, the researcher discussed with the advisor about the questionnaires before it was distributed in order to assure the validity of the study. Therefore, this study addressed content validity through the review of literature and adapting instruments used in previous studies.

#### 3.5.2 Reliability

According to Kothari (2004), reliability refers to consistency, where internal consistency involves correlating the responses to each question in the questionnaire with those other questions in the questionnaire. One of the most commonly used indicators of internal consistency is Cronbach's alpha coefficient. Cronbach's alpha is an index of reliability associated with the variation accounted for the true score of the underlying construct and it can only be measured for variables, which have more than one measurement question, and 0.5 is a sufficient value, while 0.7 and above is a more reasonable value (Almaquist *et al.*, 2016). Therefore, as shown on table 3.3 below, the results for reliability test of Cronbach's Alpha Coefficients are above 0.7. Therefore, it can be concluded that each variable represents a reliable and valid construct.

**Table 3.3: Questionnaire Structure of the Study**

<b>Variables</b>	<b>No. of Item in the Scale</b>	<b>Cronbach's Alpha Result</b>
<b>Leadership Styles</b>	<b>21</b>	<b>.771</b>
<i>Transformational Leadership</i>	7	.715
<i>Transactional Leadership</i>	7	.872
<i>Laissez faire Leadership</i>	7	.706
<b>Organizational Performance</b>	<b>14</b>	<b>.910</b>
<i>Employee job satisfaction</i>	7	.905
<i>Customer Satisfaction</i>	7	.821

<b>Variables</b>	<b>No. of Item in the Scale</b>	<b>Cronbach's Alpha Result</b>
<b>Overall Reliability</b>	<b>35</b>	<b>.900</b>

The research instrument had an overall Cronbach Alpha coefficient of 0.90 as indicated in the above table. The reliability result is good enough to proceed the study and as indicated in the previous section. The reason for having high Cronbach Alpha coefficient is that the researcher adopted the questionnaire from previous studies of Echavarría (2018) & Bateh (2011), and the researcher was physically attending when the respondents were filling the questionnaires.

From the findings on the table above, the Cronbach Alpha coefficient was used as a measurement parameter such that all the items included in the questionnaire were reliable. The use of Cronbach Coefficient to measure reliability of instrument enabled to identify the strength of items included in the questionnaire such that measure between 0.7 and 1 signifies a strong consistency of item used in questionnaire (Marczyk, Dematteo & Festinger, 2005). The Alpha score for the questionnaires fell within the given range and as a result the researcher found the instrument suitable for conducting data analysis. This implies that the assessment tool (questionnaire) used was capable of producing stable and consistent results.

### **3.6 Methods of Data Analysis**

Data analysis is the process where collected data is reduced to a more controllable and convenient size, and a researcher can start to identify trends or patterns, apply statistical techniques and give a summary of the data (Cooper and Schindler, 2008). Once the period allocated for the questionnaires to fill lapsed and the questionnaires that has been filled were returned, the data cleaning activity such as detection of errors and omissions were conducted through careful scrutiny of the completed questionnaires and were examined for completeness and accuracy. Thereafter, the data was sorted and coded. Statistical Package for Social Sciences (SPSS V.25) was used as a tool to analyze the collected data. SPSS is preferred because of its ability to cover a wide range of the most common statistical and graphical data analysis.

As it was stated in the previous sections, this study used both descriptive and explanatory designs to reach at the aforementioned objectives. Descriptive statistics such as frequencies, percentage, mean, and standard deviation were used for summarizing and presenting the data. In addition, inferential statistics has been also used in order to allow the researcher to



facilitate the identification of important patterns, to identify the possible associations among variables, to evaluate the extent of the effect of leadership styles on organizational performance. With this regard, correlation & regression analysis were utilized. Pearson correlation were used to show the inter-dependence & the strength/degree as well as direction of associations between independent (i.e. leadership styles) and dependent variables (i.e. perceived organizational performance). In order to test the significance contribution of each independent variables (i.e. leadership styles) to the dependent variable (i.e. perceived organizational performance), as well as to evaluate the causal relationship between the independent and dependent variables, the researcher utilized logistic regression. The questions prepared for measuring the perceived organizational performance was a “yes” or “no” questions. Hence, the variables are a dichotomous variable. As Kawada & Yoshimura (2012), logistic regression is more appropriate than multiple linear regression for dichotomous variables. Logistic regression analysis explains likelihood variations in the dependent variable job satisfaction/customer satisfaction because of the change in the independent variables/leadership styles. The logistic regression model is elaborated in the proceeding section.

### 3.7 Specifications of the Research Model

To examine the effect of leadership style in organization performance, the following logistic regression model is developed. Variables are carefully selected in the review of literature that needs to be specified. Although qualifying as a nonlinear model of probabilities, the logistic regression equation consists of a linear model of the log odds of being satisfied over odds of being dissatisfied (Siemsen & Roth, 2010). In other words, this model defines odds as the ratio of the probability of being satisfied to the probability of being dissatisfied.

The model states the logistic regression equation thus:

$$= \log \left( \frac{P(Y=1)}{1-(P=1)} \right) = \beta_0 + \beta_1 TFL + \beta_2 TSL + \beta_3 LFL$$

Where: P is Organizational Performance,  $\beta_0$  is the intercept,  $\beta_1 - \beta_3$  are model parameters and; TFL, TSL & LFL are independent variables denoted to Transformational leadership, Transactional Leadership & Laisses-faire Leadership.

The logit (of the number  $p$ ),  $p/1 - p$ , is the outcome being modelled (Sperandei, 2014). Therefore, the logit function provides the logarithm of the odds, or log-odds, when the functions variable represents  $p$ , which is the probability (Sperandei, 2014).

The coefficients can be interpreted in terms of odds ratios, which represent the amount of change in the odds given a unit change in the independent variable. The relevant test for conducting Logistic regression model according to Almaquist *et al.* (2016) are the absence of outliers, linearity, normality, the absence of multicollinearity.

### **3.8 Ethical Consideration**

Among the five key ethical issues stated by Neuman (2011), the researcher identified four key ethical issues that could affect this research study, and put in place strategies to address them. These are informed consent, confidentiality, negative impact on employability and security of data. First, the school were requested to get permission to carry out the research. The respondents were informed about the ongoing research and informed about the background of the study including the importance of the data, which was intended to be collected from them, and hence, Informed consent was mate. The researcher also assured the respondents that none of the information collected through the questionnaire will be revealed to anyone and the data will solely be used for the academic purpose only and hence, the researcher maintained confidentiality. Negative impact of employability is protected through upholding confidentiality of responses. Finally, securing of data was upheld by storing all responses in the hands of the researcher.

## CHAPTER FOUR: DATA PRESENTATION, ANALYSIS & DISCUSSION

The preceding chapter presented the research methods adopted in the study. This chapter deals with the analysis, interpretation of responses from questionnaires and the findings of the study and discussion on the findings. The chapter is organized into two sections. The first section discusses the data presentation and analysis. The second section discusses the findings, interpretation of results and discussion on the findings of the study.

### 4.1 Response Rate and Demographic Information

This section discusses about the response rate and the biographic information; mean and standard deviation of the respondents' responses.

#### 4.1.1 Response Rate

The study had conducted a survey and through stratified random sampling method selected staffs of from the three major categories i.e. management, teachers and support staffs of Meskaye Hizuna Medhane Alem Monastery School. The researcher distributed the questionnaires to the respondents from each stratum in a randomly basis. Self-completion questionnaires, which are simple and easy to understand, were designed to collect data from the target groups. The researcher issued a total of 89 questionnaires (having 42 questions) in person to the respondents and only 80 were filled and returned giving a response rate of 90% as indicated in table 4.1 below. The data was collected in April 2020.

**Table 4.1: Response Rate of the Respondents**

No.	Description	Respondents
1	Total target population	116
2	Designed sample size	89
3	Questionnaire distributed	89
4	Questionnaire returned	80
5	Response rate (%)	90%
6	Usable response	80

Source: - Computed by the researcher, 2020

As it was indicated in the previous sections, the questionnaire was distributed to staffs of Meskaye Hizuna Medhane Alem Monastery School across each stratum i.e. management, teachers and support staffs. The response rate across each stratum in the school is presented as follow;

**Table 4.2: Response Rate across the Target Population**

No.	Stratum	Total Strata Size	Proportionate Sample Size	No. of Respondents	Response Rate
1	Managers	4	3	1	33%
2	Teachers	102	78	74	95%
3	Support	10	8	5	63%
	<b>Total</b>	<b>116</b>	<b>89</b>	<b>80</b>	<b>90%</b>

Source: - Computed by the researcher, 2020

A pilot test has carried out over 9 respondents (10% of the desired respondents) in order to evaluate the completeness, precision, accuracy and clarity of the questions toward addressing the research objectives and the overall objective of the study. The changes and suggestions of the respondents were incorporated to the questionnaires to ensure all aspects are sufficiently covered. An introduction of the study was included in the questionnaires explaining the purpose of the study. This was preceded by seeking permission from the school top management and from each respondents. The whole exercise was conducted within three weeks. The questionnaire takes an average of ten-twenty minutes complete by respondents.

#### 4.1.2 Demographic Information of Respondents

The questionnaire had five questions that required respondents to disclose their biographic information in terms of gender, age, education level, number of years worked in the organization and their current departments. This section gives an overview of demographic information of the respondents.

**Table 4.3: Demographic Information of the Respondents**

Variable	Category	Frequency	Percent	Cumulative Percent
<b>Gender</b>	Male	43	53.8	53.8
	Female	37	46.3	100.0
<b>Education Level</b>	College Diploma	13	16.3	16.3
	1 <sup>st</sup> Degree	53	66.3	82.5
	2 <sup>nd</sup> Degree & Above	14	17.5	100.0
<b>Work Experience in the School</b>	Less than/equal to 2 year	2	2.5	2.5
	2 - 5 years	31	38.8	41.3
	6 - 15 years	35	43.8	85.0
	Above 16 years	12	15.0	100.0

Variable	Category	Frequency	Percent	Cumulative Percent
<b>Their respective Department</b>	Managers	1	1.3	1.3
	Teachers	74	92.5	93.8
	Support Staff	5	6.3	100.0

Source: *Survey, 2020*

**Gender of Respondents;** Out of the 80 respondents for the study, 43 were male (53.8%) whilst 37 were female (46.3%). It is obvious that the data was bias towards male. Even though the focus of the study is to assess the effect of leadership styles on the organizational performance of the school which has no gender consideration, the proportion of male to female is not proportion. This implies that the there is large number of male staffs than women in the school.

**Educational Background of Respondents;** with the educational background, majority of the respondents (i.e. 66.3% out of the total respondents) have said that they possessed the first degree; and 17.5% possessed above the first-degree educational level. Hence, 83.8% of the respondents working in of working in Meskaye Hizuna Medhane Alem Monastery School have possessed first degree and master degree of educational level. The remaining 16.3% of the respondents have possessed college diploma. This implies that all of the respondents have an educational level at least college diploma level.

**Year of experience in the School;** in order to gauge the quality of data for the study the respondents were asked to indicate the length of time/years they had spent with the school. The results indicate that majority of the respondents (i.e. 43.8%) had spent 6 up to 15 years in the school. Besides this, 38.8% of the respondents had spent 2 2 up to 5 years in the school whilst 15% of the respondents had spent above 15 years in the school. The remaining 2.5% of the respondents revealed that they had spent less than 2 years in the school. This implies that 58.8% of the respondents have worked in the school for above 5 years.

**Work Department;** As it was indicated in the previous section, the organizational structure of Meskaye Hizuna Medhane Alem Monastery School indicates that the staff of the school is categorized as managers, teachers and support staff. As indicated in the above table, 92.5% of the respondents are teachers whilst 6.3% of the respondents are from support section. The remaining 1.3% of the respondents is from manager’s category (i.e. coordinators, supervisors and director).

## 4.2 Descriptive Analysis

This section discusses about the perceived leadership styles of Meskaye Hizuna Medhane Alem Monastery School as per the employees of the school. In this section, the first research question i.e. identifying the dominant leadership style in the school is addressed. Reliability tests confirmed the adequacy of the scales used. Results of the data analysis to answer the research questions and test the hypotheses are in written descriptions as well as in table format.

### 4.2.1 The Practices of Leadership Styles in the School

This section attempts to discuss the result of the practices of leadership styles in Meskaye Hizuna Medhane Alem Monastery School. As indicated in the conceptual framework, the leadership styles reviewed hereunder is transformational leadership, transactional leadership and laissez faire leadership styles. The questions were presented in dichotomous variable in the form of yes and no options. The proceeding sections contain the summary statistics for the scales that result from taking means across the constituent scale items.

#### 4.2.1.1 Transformational Leadership Style

This section presents the descriptive information on the perceived transformational leadership practice in the school according to the employees of the school. The respondents were required to respond the statements to a scale ranging between 0 (for no) and 1 (for yes). The summary statistics for the scales that result from taking means across the constituent scale of transformational leadership is presented in table 4.4 below.

**Table 4.4: Descriptive Statistics of Transformational Leadership Style**

<b>Transformational Leadership Style</b>	<b>N</b>	<b>Mean</b>	<b>Std. Dev</b>
The organization managers allow customers and employees to be a part of the decision-making process	80	.7625	.42824
The organization leaders guide without any pressure	80	.7250	.44933
The managers make frequent and supportive communication with parents	80	.7750	.42022
The managers help employee and customer to accept responsibility for completing their duty	80	.7625	.42824

The School Leader help parents by providing different current information	80	.8750	.33281
The managers help the organization community to find their passion	80	.8125	.39277
The company is keen to hold regular meetings with teachers and customers to coordinate works	80	.7750	.42022
Valid N (listwise)	80		

Source: *Survey, 2020*

From the above table 4.4, in reference to the mean, most of the respondents agreed that the school leader help parents by providing different information (Mean = 0.875, SD= .333). The respondents also agreed that the managers of the school help the school community to find their passion (Mean = 0.813, SD = .393). Relatively, among the variables of transformational leadership practices, respondents showed the least agreement for “the organization leaders guide without any pressure” (Mean = 0.725, SD= .449) followed by “the managers make frequent and supportive communication with parents” (Mean = 0.775, SD= .420). The average mean of perceived transformational leadership practice in the school with 80 respondents is found as Mean = 0.784 and SD = .25.

This implies that the leaders of the school are striving to satisfy their customers. For instance the leaders of the school are providing different informations to the parents of their student, hence customers do not feel that there is lack of information on different issues. This also indicates that the school is good at communication.

#### 4.2.1.2 Transactional Leadership Style

This section presents the descriptive information on the perceived transactional leadership practices in the school according to the employees of the school. The respondents were required to respond the statements to a scale ranging between 0 (for no) and 1 (for yes). The summary statistics for the scales that result from taking means across the constituent scale of transactional leadership is presented in table 4.5 below.

**Table 4.5: Descriptive Statistics of Transactional Leadership Style**

<b>Transactional Leadership Style</b>	<b>N</b>	<b>Mean</b>	<b>Std. Dev.</b>
The organization managers believe that employees need to be supervised closely	80	.2250	.42022
The organization leaders believe that most employees in the general population are lazy	80	.2500	.43574
Time to solve customer complaints is short	80	.2125	.41166
As a rule, managers believe that employees must be given rewards or punishments to motivate them to achieve organizational objectives	80	.1875	.39277
Always I feel insecure about my work and need direction	80	.2500	.43574
The managers are the chief judge for the achievements of group members	80	.2250	.42022
The leaders give orders and clarify procedures	80	.2375	.42824
Valid N (listwise)	80		

Source: *Survey, 2020*

From the above table 4.5, in reference to the mean, most of the respondents agreed that the school leaders of the school believe that most employees in the general population are lazy (Mean = 0.25, SD= .436). Most of the respondents also agreed that they always feel insecure about their work and need direction from the managers of the school (Mean = 0.25, SD= .436). Relatively, among the variables of transactional leadership practices, respondents showed the least agreement for “as a rule, managers believe that employees must be given rewards or punishments to motivate them to achieve organizational objectives” (Mean = 0.188, SD= .25) followed by “time to solve customer complaints in the school is short” (Mean = 0.213, SD= .412). The average mean of perceived transactional leadership practice in the school with 80 respondents is found as Mean = 0.227 and SD = .316.

This indicates that even though leader of the school are good at communication and collecting compliants as indicated in the preceding section, they are not solve compaints of customers with in short period of time. Besides this, employees of the school are not rewarded or punished and hence they are demotivated to achieve organizational objectives. However, transactional leadership style is understood to be the exchange of rewards and targets between employees and management (Howell & Avolio, 1993).

#### 4.2.1.3 Laissez-Faire Leadership Style

This section presents the descriptive information on the perceived laissez-faire leadership practices in the school according to the employees of the school. The respondents were required to respond the statements to a scale ranging between 0 (for no) and 1 (for yes). The summary statistics for the scales that result from taking means across the constituent scale of laissez-faire leadership is presented in table 4.6 below.

**Table 4.6: Descriptive Statistics of Laissez-faire Leadership Style**

<b>Laissez-faire Leadership Style</b>	<b>N</b>	<b>Mean</b>	<b>Std. Dev.</b>
In complex situations, the managers allow an employee to work problems out on their own	80	.0875	.28435
Leaders stay out of the way of subordinates as they do their work	80	.1000	.30189
As a rule, leaders should allow the employee to appraise their work	80	.0875	.28435
The organization leaders give complete freedom for the employee to solve problems by their own	80	.1000	.30189
In most situations, employees prefer little input from their leaders	80	.1125	.31797
There is a lack of communication	80	.1250	.33281
There is poor working condition	80	.1250	.33281
Valid N (listwise)	80		

Source: *Survey, 2020*



From the above table 4.6, in reference to the mean, most of the respondents agreed that there is a lack of communication and poor working condition in the school (Mean = 0.125, SD= .333). Relatively, among the variables of laissez-faire leadership practices, respondents showed the least agreement for “in complex situations, the managers allow an employee to work problems out on their own” (Mean = 0.088, SD= .284) and “as rule, leaders should allow the employee to appraise their work” (Mean = 0.088, SD= .284). The average mean of perceived laissez-faire leadership practice in the school with 80 respondents is found as Mean = 0.105 and SD = .186.

#### 4.2.1.4 The Dominant Leadership Style in the School

Table 4.7 contains the summary statistics for the scales of leadership styles in Meskaye Hizuna Medhane Alem Monastery School as perceived by the employees of the school. It results from taking means across the constituent scale items. By identifying the leadership scale with the highest score, we can learn which leadership style is the dominant one in the universities.

**Table 4.7: Descriptive Statistics of the three Main Leadership Styles**

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Transformational Leadership Style	80	.14	1.00	.7839	.25003
Transactional Leadership Style	80	.00	1.00	.2268	.31635
Laissez-faire Leadership Style	80	.00	.71	.1054	.18570
Valid N (listwise)	80				

Source: *Survey, 2020*

As indicated in the above table 4.7, the transformational leadership scale ranges from 0.14 to 1.00 with a mean of 0.784 (SD =0.25). The transactional leadership scale ranged from 0.00 to 1.00 with a mean of 0.227 (SD =0.316). In addition, the result on the laissez-faire leadership scale ranged from 0.00 to 0.71 and an average of 0.105 (SD =0.186).

In order to know the dominant leadership style in the organization as perceived by the employees of the organization, the mean rank of the three leadership styles are analyzed. In order to rank as per their importance, the study used Friedman Test and the result is presented as follow;

#### Friedman Test Mean Ranks of Leadership Styles

	Mean Rank
Transformational Leadership Style	2.86
Transactional Leadership Style	1.81
Laissez-faire Leadership Style	1.34

Source: Compiled from survey questionnaires using SPSS V 25, (2020)

The result as indicated in the above table revealed that the most dominant leadership style in Meskaye Hizuna Medhane Alem Monastery School is transformational leadership style with the highest mean rank (2.86). The transactional leadership style is the second most common/dominant type of leadership in the school with a mean rank of 1.81 and Laissez-faire leadership is found to be the least common leadership style in the school with a mean rank of 1.34.

In order to test whether these observed differences are statistically significant or not, the researcher applies the Friedman procedure test. The SPSS output of the Friedman Test Statistics for the three leadership styles in the organization is shown below.

**Friedman Test Statistics for Leadership Styles**

Test Statistics <sup>a</sup>	
N	80
Chi-Square	110.989
df	2
Asymp. Sig.	.000
a. Friedman Test	

As reported in the above table above, the computed Friedman Chi-square statistics is 110.989 with two degree of freedom and the Asymptotic p-value is 0.000, which is less than 0.05. Hence, we conclude that the observed differences in the rankings among the three leadership styles in the organization are not simply by chance.

From this, the study concludes that transformational leadership is dominantly practicing in the school. This means that leaders in the school concentrates on the development of followers as well as their needs. Transformational leadership style concentrates on the development of followers as well as their needs. Managers with transformational leadership style concentrate on the growth and development of value system of employees, their inspirational level and moralities with the preamble of their abilities (Ismail *et al.*, 2009). As stated by Bass and Avolio (1990), transformational leadership happens when leader become wider and uphold the interests of the employees, once they generate awareness and acceptance for the purpose and assignment of the group, so when they blend employees to appear beyond their own self-interest for the good of the group. This also indicate that leaders of the school encourages followers to view problems from new perspectives, provide and encouragement communicates a vision, stimulates emotion and identification as stated by Bass and Avolio

(1990). Podsakoff *et al.*, (1990) also disclosed transformational leadership had active influence on individual and organizational outcomes such as employee satisfaction and performance. Higher levels of transformational leadership were associated with higher levels of group potency.

By far the most dominant style reported was transformational, and the second most dominant style reported was transactional (Bateh, 2011) as this study also supported it. This confirms an earlier finding by Jones and Rudd's (2008) survey that as a group the deans or program directors in colleges and universities tended to prefer transformational leadership, also making use of transactional leadership.

The study also revealed that transactional leadership is the second dominant leadership style in the school. This indicates that there is no contingent reinforcement, either positive contingent reward or negative active or passive forms of management-by-exception in the school. As Kahai *et al.*, (1997) stated the group efficiency of the employees will be less if transactional leadership is not well practiced in the organization. According to Burns (1978), transactional leader tends to focus on task completion and employee compliance and these leaders rely quite heavily on organizational rewards and punishments to influence employee performance.

The study revealed that laissez-faire leadership style is least practiced in the school. This means that the leader's ability to lead is not contingent upon various situational factors, including the leader's preferred style. Contingency theories to leadership support a great deal of empirical freedom to leadership, (laissez-faire style) Northouse (2007). This finding stresses the importance of focusing on inter personal relationships between the leader's style and the demands of various situations and employees in the school. Under this type of leadership according to Kumar (2011) maximum freedom is allowed to subordinates. They are given freehand in deciding their own policies and methods and to make independent decisions.

#### **4.2.2 Organizational Performance of the School**

This section attempts to discuss the result of the perceived organizational performance of Meskaye Hizuna Medhane Alem Monastery School as per the employees of the school. As indicated in the conceptual framework, the organizational performance of the school is based on the employee job satisfaction and customer satisfaction. Since it was difficult to collect the data from the customers of the school due to COVID 19 pandemic, the data is collected from

the employees' perception about the issue. The questions were presented in dichotomous variable in the form of "1=Satisfied & 0= not satisfied" options. The proceeding sections contain the summary statistics for the scales that result from taking means across the constituent scale items.

#### 4.2.2.1 Employees Job Satisfaction

This section presents the descriptive information on the perceived employee job satisfaction according to the employees of the school. The respondents were required to respond the statements to a scale ranging between 0 (for not satisfied) and 1 (for satisfied). The summary statistics for the scales that result from taking means across the constituent scale of employee job satisfaction is presented in table 4.8 below.

**Table 4.8: Descriptive Statistics of Employees Job Satisfaction**

Employee Job Satisfaction	N	Mean	Std. Dev.
There is a defined type of leadership procedure within the organization	80	.3250	.47133
The organization admin do know they exist leadership style procedure well	80	.3375	.47584
Do you believe that there is a strong relationship between the existing leadership style and organization performance	80	.3250	.47133
The personnel of the organization does have clear and distinctive roles and responsibilities	80	.3500	.47998
Always the admin department prepares to lead or to complete in a quality way	80	.3250	.47133
Leadership style in the organization influence the stability of staff members	80	.3250	.47133
Leadership styles employed by the organization influence employee job	80	.3125	.46644
Valid N (listwise)	80		

Source: *Survey, 2020*

From the above table 4.8, in reference to the mean, most of the respondents have shown the highest satisfaction for the clear and distinctive roles and responsibilities of the personnel in the school (Mean = .35, SD= .478). The respondents also shown higher satisfaction on "the organization admin do know they exist leadership style procedure well" (Mean = .338, SD= .471). In contrary, relatively among the variables of employee job satisfaction, respondents showed the least satisfaction for "leadership styles employed by the organization influence employee job" (Mean = 0.312, SD= .466). The average mean of perceived employee job satisfaction in the school with 80 respondents is found as Mean = 0.45 and SD = .355.

This implies that job satisfaction of employees in the school is below averagemean score i.e. 0.5. As indicated in the previous sections, transformational leadership style is dominant

leadership style in the school. However as indicated in the above table employees' job satisfaction in the school is below average mean. Hence, this finding of the study is contrary to the findings of Bass (2009), Li & Hung (2009), and Pereira & Gomes (2012). These researchers argued that transformational leadership has a positive impact of job satisfaction. However, the finding of this study is supported by other scholars' research finding such as Northouse (2013), Pieterse *et al.*, (2010), and Wang & Howell (2010). These scholars concluded that the effectiveness of transformational leadership existed only in certain conditions.

Leaders under this style encourages followers to seek innovative and creative approaches to achieve their objectives, which results into new ideas and addressing issues and finding improved solutions (Bass *et al.* 1994).

#### 4.2.2.2 Customer Satisfaction

This section presents the descriptive information on the perceived customer satisfaction about the school according to the employees of the school. The respondents were required to respond the statements to a scale ranging between 0 (for not satisfied) and 1 (for satisfied). The summary statistics for the scales that result from taking means across the constituent scale of customer satisfaction is presented in table 4.8 below.

**Table 4.9: Descriptive Statistics of Customer Satisfaction**

Customer Satisfaction	N	Mean	Std. Dev.
The organization is capable of providing clear vision about the leadership style	80	.4000	.49299
The organization Leadership is skilled in developing the school mission, goals and objective	80	.3875	.49025
There is a long-term relationship between the organization and its customers	80	.4250	.49746
The organization Leadership is communicating with the customer about its vision to have a common understanding with staff and community	80	.3875	.49025
The organization principal brought change based on school vision which is perceived by the school community	80	.4000	.49299
Do you think customers are satisfied with the organization leadership style	80	.4000	.49299
The School Leader identify students and community needs to improve curriculum	80	.3625	.48376
Valid N (listwise)	80		

Source: *Survey, 2020*

From the above table 4.9, in reference to the mean, most of the respondents have shown the highest satisfaction for the existence of long-term relationship between the organization and its customer (Mean = 0.425, SD = .497). In contrary, relatively among the variables of customer satisfaction, respondents showed the least satisfaction for “the school leader identify students and community needs to improve curriculum” (Mean = 0.363, SD = .484).

The average mean of perceived customer satisfaction in the school with 80 respondents is found as Mean = 0.55 and SD = .367. As perceived by the employees of the school, the average mean of perceived organizational performance in the school with 80 respondents is found as Mean = 0.50 and SD = .48.

This implies that the customer satisfaction level of the school is below the average mean value (i.e. 0.5). If we comprehensively evaluate this finding along with the findings explained in the previous sections we can conclude that transformational leadership style (the dominant leadership style in the school) leads to the least satisfaction level of its customers. This is because, as indicated in the descriptive analysis part, the leaders of the school are leading with pressures, the managers of the school are weakly allowing customers and employees to be a part of the decision making process, and the managers of the school do not help customer to accept responsibility for completing their duty. This finding supports a study conducted by Burd (1998). Burd (1998) on his study concluded that there is strong relationship between greater use of involvement practices and higher levels of client satisfaction. In this context, Bazara (2002) argued that an effective leadership increases the possibilities of customer satisfaction, creates healthy organizational climate, qualified and satisfied manpower, high quality performance, high quality productivity and organizational strength.

### 4.3 Correlation Analysis

This study used both descriptive and explanatory designs to reach at aforementioned objectives. Correlation analysis is one of explanatory design that is intended to see whether there is significant relations between the independent variables i.e. leadership styles such as transformational leadership, transactional leadership and laissez-faire leadership and dependent variable i.e. organizational performance of Meskaye Hizuna Medhane Alem Monastery School. The measurement that is applied here is the Pearson correlation coefficient with its associated sig.values (p-values). As stated in Almaquist *et al.* (2016), the correlation coefficient 1 or -1 is termed as perfect, -0.9 to -0.7 (or 0.7 to 0.9) termed as strong, -0.6 to -0.4 (or 0.4 to 0.6) termed as moderate and -0.3 to -0.1 (or 0.1 to 0.3) termed as weak. Based on this premises, the correlation analysis was conducted and presented as below;

**Table 4.10: Pearson Correlation: Relationship between Leadership Style Dimensions and Organizational Performance**

Variables	Transformational Leadership	Transactional Leadership	Laissez-faire Leadership
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<b>Transformational Leadership</b>	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	80		
<b>Transactional Leadership</b>	Pearson Correlation	-.078	1	
	Sig. (2-tailed)	.491		
	N	80	80	
<b>Laissez-faire Leadership</b>	Pearson Correlation	-.099	.525**	1
	Sig. (2-tailed)	.383	.000	
	N	80	80	80
<b>Organizational Performance</b>	Pearson Correlation	.265*	.557**	.439**
	Sig. (2-tailed)	.017	.000	.000
	N	80	80	80

\*. Correlation is significant at the 0.05 level (2-tailed). \*\*. Correlation is significant at the 0.01 level (2-tailed).

Source: Computed by the Researcher, Survey (2020)

The results in the table 4.10 show that there is a positive & statistically significant relationship between all the selected dimensions of leadership and organizational performance i.e. transformational leadership ( $r = 0.265, 0.017; P < 0.05$ ), transactional leadership ( $r = 0.557, 0.000; P < 0.01$ ) and laissez-faire leadership ( $r = 0.439, 0.00; P < 0.05$ ).

This finding supports a previous study conducted by Bhargavi and Yaseen (2016). Their study result shows that there is a positive relationship between the leadership styles and the organizational performance. A study in Uganda on the effect of leadership styles on performance of local governments, a case of Mbale district done by Gimuguni, *et al* (2014) also concluded that there is a moderate high positive and significant relationship between the three leadership styles (transformational, laissez-faire, transactional), and performance in Mbale local government. Sun (2002) compares leadership style with the leadership performance in schools and enterprises, and found that leadership style had a significantly positive correlation with the organizational performance in both schools and enterprises. Howell and Frost (1989) cited in Fu-Jin *et al.*, (2010) also confirm that there is a positive relation between leadership style and organizational performance.

This indicates that these three styles of leadership i.e. transformational leadership, transactional leadership and laissez-faire leadership induce the employees to have better job satisfaction and customers to be satisfied with Meskaye Hizuna Medhane Alem Monastery School. However, even though there is a significant positive relationship between the three leadership styles practicing in the school with the organizational performance of the school, the strength of the relationship varies across each leadership styles.

As per the classification of relationship stated by Almaquist *et al.* (2016), there is a significant, positive and weak relationship between transformational leadership style and organizational performance in the school. Besides this, there is a significant, positive and moderate relationship between the remaining two leadership styles (transactional & laissez-faire leadership styles) and organizational performance in the school. This finding supports a previous study conducted by (Duguma, 2009).

Hence, this study revealed that there is relatively strong, significant & positive relationship between transactional leadership style and organizational performance in the school followed by laissez-faire leadership and transformational leadership styles respectively. This indicates that transactional leadership & laissez-faire leadership styles must be promoted in the school.

This finding of the study supports a previous study conducted by Nongo (2015). Nongo (2015) conducted a research on the effect of leadership styles on organizational performance in three selected small scale enterprises and concluded that transactional leadership is more appropriate in inducing performance in small scale enterprises than transformational leadership style.

As also stated by Echavarria (2018), transactional leadership succeeds best in a context of order, structure and rigid hierarchy. This means that in order to perform well, the leadership of the school has to clearly and strictly define the roles of its employee and ensure individuals perform their roles correctly and effectively. Furthermore, a clear system of penalties and rewards for performance has to be establish.

This finding supports a previous studies of (Brand, Heyl & Maritz, 2000). Brand, Heyl & Maritz (2000) conducted a study on service, retail and manufacturing sectors, as well in the armed forces of the United States, Canada and Germany that points towards the marginal impact transactional leaders have on the effectiveness of their subordinates in contrast to the strong, positive effects of transformational leaders. However, this finding of the study contradicts with a study conducted by Meyer & Botha (2000). Meyer & Botha (2000) conducted a study on the Canadian financial industry and found that transformational leadership is more strongly correlated with higher employee satisfaction and individual/organizational performance than transactional leadership.



## 4.4 Logistic Regression Analysis

To test the effect of each leadership styles on the organizational performance of Meskaye Hizuna Medhane Alem Monastery School, a binomial logistic regression model was employed. This model is preferred because the dependent variable of the study is in binary or dichotomous in nature. Binomial logistic regression was calculated to determine whether the three leadership styles predicted the organizational performance of the school. Logistic regression also predicts the likelihood of organizational performance of the school affected by the leadership styles or not.

A binary logistic regression (often referred to simply as logistic regression), predicts the probability that an observation falls into one of two categories of a dichotomous dependent variable based on one or more independent variables that can be either continuous or categorical (Hair *et al.*, 2010). Like all linear regressions, logistic regression is a predictive analysis.

### 4.4.1 Diagnostic Test of Assumptions

Logistic regression is a non-parametric statistics approach. Like parametric statistics, binary logistic regression requires to fulfill certain assumptions before employing it. As recommended by Hair *et al.* (2010), the assumptions for logistic regression are the following:

#### A. Linearity

As stated by Hair *et al.* (2010), logistic regression does not require a linear relationship between the dependent and independent variables. As stated by Almquist *et al.* (2015) if the value of sig. deviation from linearity in the ANOVA test is greater than 0.05, then the relationship between the independent variables are linearly dependent; and if the value is less than 0.05, then the relationship between independent variables with the dependent is not linear. Keeping this in mind, linearity test between the independent variables (i.e. leadership styles) and dependent variable (i.e. organizational performance) were computed by SPSS version 25 and the result of the test is presented as follow;

**Table 4.11: Linearity Test (ANOVA Table)**

			Sum of Squares	df	Mean Square	F	Sig.
Organizational Performance * Transformational Leadership	Between Groups	(Combined)	9.259	6	1.543	11.580	.000
		Linearity	.018	1	.018	.138	.711
		Deviation from Linearity	9.241	5	1.848	13.869	.000
	Within Groups		9.728	73	.133		

	Total		18.987	79			
Organizational Performance * Transactional Leadership	Between Groups	(Combined)	9.527	7	1.361	10.358	.000
		Linearity	8.325	1	8.325	63.354	.000
		Deviation from Linearity	1.202	6	.200	1.525	.002
	Within Groups		9.461	72	.131		
	Total		18.987	79			
Organizational Performance * Laissez-faire Leadership	Between Groups	(Combined)	7.291	5	1.458	9.226	.000
		Linearity	5.931	1	5.931	37.524	.000
		Deviation from Linearity	1.360	4	.340	2.151	.023
	Within Groups		11.696	74	.158		
	Total		18.988	79			

Source: Compiled from Survey Questionnaires using SPSS V 25, 2020

Based on the ANOVA Output Table as indicated above, value sig. Deviation from Linearity of all independent variables is found less than 0.05. The value of Sig. Deviation from Linearity of organizational performance & transformational leadership is  $0.000 < 0.05$ , transactional leadership & organizational performance  $0.002 < 0.05$  & organizational performance and laissez-faire leadership  $0.023 < 0.05$ . Therefore, it can be concluded that there is no a linear relationship between each dimensions of leadership styles (independent variable) and organizational performance (i.e. dependent variables). Hence, the pre-requisite for conducting logistic regression with this criterion is fulfilled.

### B. Multicollinearity Test

As stated by Hair *et al.* (2010), logistic regression requires there to be little or no multicollinearity among the independent variables. Gujarati (2004) states that multicollinearity problem arises when there is a linear relationship among explanatory variables that the result could not obtain estimates of all parameters. As it was indicated in the preceding section, it is proved that there is no linearity between independent variables and dependent variables and hence we can say that there no multicollinearity among the independent variables. However, the existence of multicollinearity among independent variables is assessed as follow.

As stated by Almquist *et al.* (2015), the decision-making criteria for the existence of multicollinearity is that; if the VIF (Variance inflation factors ) value lies between 1 -10, then there is no multicollinearity and if the VIF value  $< 1$  or  $> 10$ , then there is multicollinearity. Based on this criteria, the test were conducted on the independent variables and the result is shown as below;

### Table 4.12: Multicollinearity Test

	<b>Tolerance</b>	<b>VIF</b>
Transformational Leadership	.989	1.011
Transactional Leadership	.724	1.381
Laissez-faire Leadership	.721	1.387

Source: Compiled from Survey Questionnaires using SPSS V 25, 2020

Based on the coefficients output – collinearity statistics, obtained VIF value of transformational leadership, transactional leadership and laissez-faire leadership ranges 1 to 10. This implies that there is no multicollinearity symptom. Hence, the pre-requisite for conducting logistic regression with this criterion is fulfilled. As recommended by Hair *et al.* (2010), before running the logistic regression model, all required key assumptions were tested and all the statistical analysis reported accomplishment of these criteria.

#### 4.4.2 The Model Result

As indicated in the preceding section, there are no assumptions violated for undertaking the logistic regression analysis and get a valid result. SPSS statistics generates many tables of output when carrying out binomial logistic regression. In this section, the researcher mainly focuses on the four main tables required to understand the results from the binomial logistic regression procedure.

##### A. Variance Explained

In order to understand how much variation in the dependent variable can be explained by the model (the equivalent of  $R^2$  in multiple regression), estimation results of the logistic regression model is displayed as below in “Model Summary” table 4.13.

**Table 4.13: Model Summary**

<b>Step</b>	<b>-2 Log likelihood</b>	<b>Cox &amp; Snell R Square</b>	<b>Nagelkerke R Square</b>
1	54.627 <sup>a</sup>	.479	.650

a. Estimation terminated at iteration number 7 because parameter estimates changed by less than .001.

Source: Computed by the researcher, from Survey Questionnaires using SPSS V 25, 2020

This table contains the **Cox & Snell R Square** and **Nagelkerke R Square** values, which are both methods of calculating the explained variation. These values sometimes referred to as *pseudo R<sup>2</sup>* values (and will have lower values than in multiple regression). The result of model summary implies that the explained variation in the dependent variable (i.e.

organizational performance) based on our model ranges from 47.9% to 65.0%, depending on the two preferences i.e. Cox & Snell  $R^2$  or Nagelkerke  $R^2$  methods, respectively. Nagelkerke  $R^2$  is a modification of Cox & Snell  $R^2$ , the latter of which cannot achieve a value of 1. For this reason, it is preferable to report the Nagelkerke  $R^2$  value.

Therefore, Nagelkerke's measure is relied for indicating the strength of the relationship. Based on this, the logistic regression model revealed that the estimated logistic regression model could explain approximately 65% of the variation in the dependent variables (organizational performance). Thus, it can be concluded that the logistic regression model fits the sample data well.

### B. Goodness-of-fit Test

Almquist *et al.* (2015) states that model fit or goodness of fit statistics helps to determine whether the model adequately describes the data. For checking this, Omnibus Tests of Model Coefficients, and Hosmer & Lemeshow Test were conducted. The Omnibus Tests of Model Coefficients is used to check that the new model (with explanatory variables included) is an improvement over the baseline model Almquist *et al.* (2015). It uses *chi-square tests* to see if there is a significant difference between the Log-likelihoods.

In Omnibus Tests of Model Coefficients, a p-value (sig) of less than 0.05 for block means that the block 1 model (the new model) is a significant improvement to the block 0 (baseline model) model. On the other hand, Hosmer & Lemeshow Test assesses whether the predicted probabilities match the observed probabilities.  $P > .05$  means the new model will accurately predict the actual probabilities. Based on this basis, the result is presented as follow;

**Table 4.14: Goodness-of-fit Test**

Tests	Chi-square	df	Sig.
Omnibus Tests of Model Coefficients	52.192	3	.000
Hosmer and Lemeshow Test	7.112	7	.417

Source: Computed by the researcher, from Survey Questionnaires using SPSS V 25, 2020

The table above gives the overall test for the model that includes the predictors. The chi-square value of Omnibus Tests of Model Coefficients is 52.192 with a p-value .000 tells us that our model as a whole fits significantly better than an empty model (i.e., a model with no

predictors). In the same manner, the chi-square value of Hosmer and Lemeshow Test is 7.112 with a p-value  $0.417 > 0.05$  tells us that the block 1 model (the new model) is a significant improvement to the block 0 (baseline model) model. From the two tests, we conclude that our logistic regression model as a whole fits significantly.

### C. Category Prediction

Binary logistic regression estimates the probability of an event occurring (Hair *et al.*, 2010). It is very common to use binomial logistic regression to predict whether cases can be correctly classified (i.e., predicted) from the independent variables. Therefore, it becomes necessary to have a method to assess the effectiveness of the predicted classification against the actual classification. There are many methods to assess this with their usefulness often depending on the nature of the study conducted. However, all methods revolve around the observed and predicted classifications, which are presented in the "Classification Table", as shown below:

**Table 4.15: Classification Table**

	Observed		Predicted		
			Organizational Performance		Percentage Correct
			No	Yes	
Step 1	Organizational Performance	No	47	2	95.9
		Yes	9	22	71.0
	Overall Percentage				86.3

a. The cut value is .500

Source: Computed by the researcher, from Survey Questionnaires using SPSS V 25, 2020

The above table provides us the information of percentage accuracy, sensitivity percentage and specificity. Percentage accuracy reflects the percentage of cases that can be correctly classified as "no" organizational performance with the independent variables added (not just the overall model) and sensitivity reflects the percentage of cases that had the observed characteristic (i.e. "yes" for organizational performance which were correctly predicted by the model (i.e., true positives). Specificity reflects the percentage of cases that did not have the observed characteristic (e.g., "no" for organizational performance) and were also correctly predicted as not having the observed characteristic (i.e., true negatives).

Based on this, the above result indicates that 71% is known as the sensitivity of the prediction and 95.9% is known as the specificity of prediction whilst the overall predictive accuracy is 86.3%. From this, we can conclude that 71% of the observed respondents who perceived that the leadership styles in the school is affecting organizational performance and 95.9% who

perceived that the leadership styles in the school is not affecting the organizational performance were correctly predicted that gives an overall percentage of 86.3. Significantly, this is higher as compared with the null model.

#### D. Variables in the Equation

The "Variables in the Equation" table shows the contribution of each independent variable to the model and its statistical significance. This table is shown below:

**Table 4.16: Variables in the Equation**

		B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I. for EXP(B)	
								Lower	Upper
Step 1 <sup>a</sup>	Transformation Leadership	1.113	1.443	.595	1	.440	3.044	.180	51.445
	Transactional Leadership	6.570	2.131	9.506	1	.002	13.646	10.953	46498.028
	Laissez-faire Leadership	8.276	2.801	8.731	1	.003	27.431	16.220	950974.98
	Constant	-3.269	1.344	5.916	1	.015	.038		

a. Variable(s) entered on step 1: Transformational, Transactional & Laissez-faire Leaderships

Source: Computed by the researcher, from Survey Questionnaires using SPSS V 25, 2020

The Wald test ("**Wald**" column) is used to determine statistical significance for each of the independent variables and it tests the effect of individual predictor while controlling other predictors. The statistical significance of the test is found in the "**Sig.**" column. Exp (B) indicates an odds ratio.

From these results we can see that transactional leadership ( $p = .002$ ) and laissez-faire leadership ( $p = .003$ ) added significantly to the model/prediction of organizational performance of the school, but transformational leadership ( $p = .440$ ) did not add significantly to the model. In another word, based on the above table, transactional leadership style and laissez-faire leadership style in the school significantly predict the likelihood of organizational performance (i.e. employee job satisfaction & customer satisfaction).

The result of the binary logistic regression also revealed that, for each one-unit increase on transactional leadership scale, the odds of being satisfied (employee job satisfaction & customer satisfaction) increased by 13.65 and for each one-unit increase on laissez-faire leadership scale, the odds of being satisfied increased by 27.43. This implies that laissez-faire leadership style has a great impact on organizational performance (i.e. employee job satisfaction & customer satisfaction) in the school. Among the three leadership styles, only transactional & laissez-faire leadership styles have a clearly positive significant effect on organizational performance of Meskaye Hizuna Medhane Alem Monastery School. The

transformational leadership style is statistically insignificant. This finding is supported by a study conducted by Echavarria (2018). Echavarria (2018) in his study concluded that transactional leadership has a positive influence over the organizational performance. He also stated that in this leadership style, the effective leader that provides specific guidance in terms of the job to be done seems to be better appreciated than the leader that entails individual engagement, getting “too personal”.

Then the equation of the binary logistic regression would be:

$$\text{Ln [odds]} = -3.269 + 1.11\text{Transformational Leadership} + 6.57\text{Transactional Leadership} + 8.28\text{Laissez-fair Leadership}$$

## **CHAPTER FIVE: SUMMARY OF MAJOR FINDINGS, CONCLUSION AND RECOMMENDATION**

This study aimed to examine the effect of leadership styles on the organizational performance of Meskaye Hizuna Medhane Alem Monastery School. This chapter presents the summary of major findings, conclusion and recommendations.

### **5.1 Summary of Major Findings**

In order to address the first research question, descriptive analysis on the perceived leadership style practice of the three leadership styles (i.e. transformational, transactional & laissez-faire leadership) in the school according to the employees of the school was carried out. By identifying the leadership scale with the highest score, the study revealed that the most dominant leadership style in Meskaye Hizuna Medhane Alem Monastery School is transformational leadership style with the highest mean of 0.784 (SD=0.25). The transactional leadership style is the second most common/dominant type of leadership in the school with an average of 0.227 (SD=0.316). Laissez-faire leadership is found to be the least common leadership style in the school with an average of 0.105 (SD=0.186).

Correlation analysis was carried out to address the second research question. The measurement that is applied was the Pearson correlation coefficient with its associated sig.values (p-values). The study revealed that there is a positive & statistically significant relationship between all the selected dimensions of leadership styles and organizational performance i.e. transformational leadership ( $r = 0.265, 0.017; P < 0.05$ ), transactional leadership ( $r = 0.557, 0.000; P < 0.01$ ) and laissez-faire leadership ( $r = 0.439, 0.00; P < 0.05$ ). As per the classification of relationship stated by Almaquist *et al.* (2016), there is a significant, positive and weak relationship between transformational leadership style and organizational performance in the school. Besides this, there is a significant, positive and moderate relationship between the remaining two leadership styles (transactional & laissez-faire leadership styles) and organizational performance in the school. Hence, this study revealed that there is relatively strong, significant & positive relationship between transactional leadership style and organizational performance in the school followed by laissez-faire leadership and transformational leadership styles respectively.

The third research question requires testing the predicted effect of each leadership styles on the organizational performance of Meskaye Hizuna Medhane Alem Monastery School and hence, the researcher utilized a binary logistic regression model. This model is preferred because the dependent variable of the study is in binary or dichotomous in nature. Before conducting the binary logistic regression, the fulfillments of all the required assumptions were assessed.

The binary logistic regression analysis revealed that transactional leadership ( $p = .002$ ) and laissez-faire leadership ( $p = .003$ ) added significantly to the model/prediction of organizational performance of the school, but transformational leadership ( $p = .440$ ) did not add significantly to the model. In another word, transactional leadership style and laissez-faire leadership style in the school significantly predict the likelihood of organizational performance (i.e. employee job satisfaction & customer satisfaction).

The result of the binary logistic regression also revealed that, for each one-unit increase on transactional leadership scale, the odds of being satisfied (employee job satisfaction & customer satisfaction) increased by 13.65 and for each one-unit increase on laissez-faire leadership scale, the odds of being satisfied increased by 27.43. This implies that laissez-faire leadership style has a great impact on organizational performance (i.e. employee job satisfaction & customer satisfaction) in the school. Among the three leadership styles, only



transactional & laissez-faire leadership styles have a clearly positive significant effect on organizational performance of Meskaye Hizuna Medhane Alem Monastery School. The transformational leadership style is statistically insignificant.

## **5.2 Conclusions**

This study has focused on the effect of leadership styles on organizational performance in the case of Meskaye Hizuna Medhane Alem Monastery School. This study answered the following questions. What kind of leadership practice in the organization? Are there significant relationships between leadership style and organizational performance? Which leadership style constructs high level of organizational performance? How the organizations improving its performance by improving its leadership practice? The focus was on only three types of leadership styles i.e. transformational, transactional and laissez-faire leadership styles.

The study concludes that the dominant leadership style in the school is transformational leadership followed by transactional and laissez-faire leadership styles. The study revealed that there is a positive & statistically significant relationship between all the selected dimensions of leadership styles and organizational performance. However, there is relatively strong, significant & positive relationship between transactional leadership style and organizational performance in the school followed by laissez-faire leadership and transformational leadership styles respectively. This indicates that transactional leadership & laissez-faire leadership styles must be promoted in the school. As also stated by Echavarria (2018), transactional leadership succeeds best in a context of order, structure and rigid hierarchy. This means that in order to perform well, the leadership of the school has to clearly and strictly define the roles of its employee and ensure individuals perform their roles correctly and effectively. Furthermore, a clear system of penalties and rewards for performance has to be establish.

The study also concludes that transactional leadership and laissez-faire leadership styles significantly predicts the likelihood of the organizational performance of the school, but transformational leadership did not predicts the likelihood of the organizational performance of the school. Among the three leadership styles, only transactional & laissez-faire leadership styles have a clearly positive significant effect on organizational performance of Meskaye Hizuna Medhane Alem Monastery School; and laissez-faire leadership style has a greatest

impact on organizational performance of the school. The transformational leadership style is statistically insignificant.

### **5.3 Recommendations**

The findings of the study indicates that transactional leadership and laissez-faire leadership styles significantly predicts the likelihood of the organizational performance of the school, but transformational leadership did not predicts the likelihood of the organizational performance of the school. In another word, among the three leadership styles, only transactional & laissez-faire leadership styles have a clearly positive significant effect on organizational performance of Meskaye Hizuna Medhane Alem Monastery School; and laissez-faire leadership style has a greatest impact on organizational performance of the school. From this, the study recommends that laissez-faire leadership & transactional leadership styles must be promoted in the school. With respect to these leadership styles, the following recommendations are forwarded based on the findings of descriptive analysis of the study: -

#### **A. Laissez-fair Leadership**

As indicated in the descriptive analysis, respondents revealed that in complex situation the managers of the school does not allow an employees to work problems out on their own and they do not aallow the employee to appraise their work. Besides this, the organization leaders doesn't give complete freedom for employee to solve problems by their own. Hence, the school is recommended to an employees to work problems out of their own, to appraise their work and give complete freedom for them to solve problems by their own.

In this scenario, the leader of the school does not need directly supervise the staffs and does not need to consider regular communication or feedback. Instead, they need to autonomy the staffs and empower them to form decisions that relate to their jobs. However, the leader should offer guidance for the staffs when they request assistance. While doing this, the leaders have to ensure that the staff members have sufficient knowledge or skills required for completing the task or creating decisions to avoid the risk of following this leadership style.

#### **B. Transactional Leadership**

As indicated in the descriptive analysis of the study, the study revealed that the leaders of the school do not believe that employees must be given rewards or punishments to motivate the

employees to achieve organizational objectives. Besides this, time to solve customer complaints is short. Hence, employees of the school should be rewarded more on the basis of performance. Besides this, it is highly recommended that worker's salaries to be based more on performance than other parameters. In other words, performance appraisal should play a greater role in the promotion process. And every level of responsibility and result achieved must be with a corresponding of remuneration.

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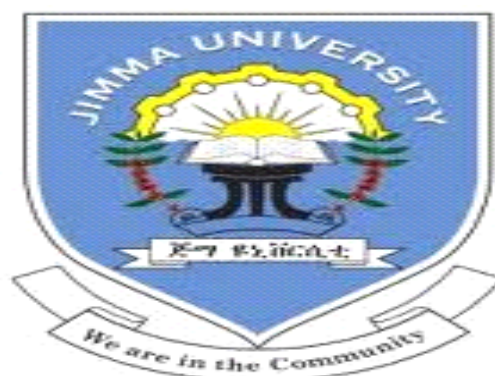
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## Appendix

### Appendix A: Questionnaire for Meskaye Hizuna Medhane Alem Monastery School



**JIMMA UNIVERSITY**  
**COLLEGE OF BUSINESS & ECONOMICS MBA PROGRAM**  
**Questionnaire**

Dear Respondents,

This questionnaire is developed for an academic effort planned for the collection of data to conduct a thesis paper on the title “**The Effect of Leadership style on organization performance in Meskaye Hizuna Medhane Alem Monastery School, in Addis Ababa Ethiopia.**”

Therefore, I would appreciate if you could spare a few minutes of your time to answer the following questions about practices in your organization. All the information provided will be purely used for academic purposes and your identity will be treated with the utmost confidentiality. So, your genuine, frank and timely response is vital for the successfulness of the study.

Thank you in advance for your attention and time to assist with a contribution to this research is very greatly appreciated.

**General Instructions**

- *It is not necessary to write your name*
- *Please mark (√) in appropriate box to your response*

**SECTION A: Demographics**

1. Please indicate your gender

Male [ ] (1)                      Female [ ] (2)

2. Your Educational Level

Secondary school (1)      College Diploma (2)      1st Degree (3)

2ndDegree and above (4)      Other, Please Specify \_\_\_\_\_

3. Your Work Division \_\_\_\_\_

4. Your Work Experience within the Organization (in years)

< 2 Years (1)    2 – 5 (2)    6 – 15(3)    > 16 (4)

5. Please indicate the department that you work in

Program staffs [1]    Support staff [2]

**Section B: Effect leadership style on employee job satisfaction and customer satisfaction**

The Following questions relate to the effect of leadership style on employee job satisfaction and customer satisfaction. Please mark (√) in the appropriate cell to your response with each the following statement based on your experience working in this organization. Use the Dichotomous questionnaire method a "yes/no" question.

Please Indicate the extent of integration of your company 1=Yes    0=No		1	0
<b>Part I-A</b>	<b>Employee Job Satisfaction</b>		
1	There is defined types of leadership procedure within the organization.		
2	The admin the organization do know the exist leadership style procedure well		
3	There is strong relationship between the exist leadership style and organization performance		
4	The personnel of the organization do have clear and distinctive roles and responsibilities		
5	The admin department prepares plane for to lead or to complete in quality way.		
6	Leadership style in the organization influence stability of staff members		
7	Leadership style employed by the organization influence organization employee job satisfaction.		
<b>Part I-B</b>	<b>Customer Satisfaction</b>		
1	The organization is capable in providing clear vision about the leadership style		
2	The organization Leadership is skilled in developing the school mission, goals and objective		
3	There is a long-term relationship between the organization and its customers		
4	The organization Leadership is communicating with customer about its vision in order to have common understanding with staff and community		

5	The organization principal brought change based on school vision which is perceived by the school community		
6	do you think customers are satisfied on the organization leadership style		
7	The School Leadership identify students and community need so as to improve curriculum		
<b>Please Indicate the extent of integration of your company</b> 1=Yes    0= No		1	0
<b>Part II-A</b>	<b>Examining Leadership Style</b>		
<b>What leadership style is currently being practiced at the organization</b>			
<b>Transformational leadership</b>			
1	The organization managers allow customers and employee to be a part of decision-making process.		
2	The organization leaders provide guidance without pressure		
3	The managers makes frequent and supportive communication.		
4	The managers helps employee and customer to accept responsibility for completing their own duty		
5	The School Leadership helps the parents by providing different current information		
6	The managers help the organization community to find their passion		
7	The company is keen to hold regular meetings with departments managers and customers to coordinate the work		
<b>Transactional Leadership</b>			
1	The organization managers believes that employees need to be supervised closely.		
2	The organization leaders believes that most employees in the general population are lazy		
3	Time to solve customer complaints is short		
4	As a rule, managers believes that employees must be given rewards or punishments in order to motivate them to achieve organizational objectives		
5	I feel insecure about their work and need direction		
6	The managers is the chief judge of the achievements of the members of the		

	group		
7	The leaders gives orders and clarify procedures		
<b>Laissez-Faire Leadership</b>			
1	In complex situations, the managers allows employee to work problems out on my own		
2	Leaders stays out of the way of subordinates as they do their work		
3	As a rule, leaders should allow employee to appraise their own work		
4	Organization leader give complete freedom for the employee to solve problems by their own		
5	In most situations, employees prefer little input from their leaders		
6	There is lack of communication		
7	There is poor working relationship		

**Section C:** - Below are some open-ended questions related to the practices and problems of School leadership. Please state them as much as possible in the space provided.

1. What problem you observed with the conditions of leadership style?

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2. What solution do you suggest to solve the problem mentioned above?

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**Thank you for your time!!!**