

MADDA WALABU UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
POST GRADUATE STUDIES DEPARTMENT OF MANAGEMENT

**THE IMPACT OF LEADERSHIP STYLES ON EMPLOYEES
MOTIVATION, AND ORGANIZATIONAL PERFORMANCE A CASE
OF BALE ZONE URBAN DEVELOPMENT AND HOUSING OFFICE**

By
Gezehagn Dejene Ijara



**A THESIS SUBMITTED TO MADDA WALABU UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS POST GRADUATE
STUDIES DEPARTMENT OF MANAGEMENT IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF BUSINESS ADMINISTRATION**

Advisor: - Mr. Mohammedhussen Mama

June, 2018
Bale Robe, Ethiopia

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APPROVAL SHEET
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By: Gezehagn Dejene Ijara

Approved by Board of Examiners

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3) Internal Examiner

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Declaration

I declare that this study entitled, The Impact of Leadership Styles on Employees Motivation, And Organizational Performance a Case of Bale Zone Urban Development and Housing Office” is my own work. I have carried out the present study independently with the guidance and support of my research advisor, Mr. Mohammedhussen Mama. The study has not been submitted for award of any degree or diploma and that all sources of materials used for the study have been appropriately acknowledged.

Gezehagn Dejene Ijara

Signature: -----

Date:

Statements of Certification

This is to certify that Ato Gezehagn Dejene has carried out his research work on the topic entitled The Impact of Leadership Styles on Employees Motivation, and Organizational Performance a Case of Bale Zone Urban Development and Housing Office”. The work is original and is suitable for submission for the award of Master Degree in Business Administration (MBA).

Advisor: Mr. Mohammedhussen Mama

Signature: -----

Date: -----

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Gezehagn Dejene Ijara

Acronyms

BZUDHO	Bale Zone Urban Development and Housing Office
WUDHO	Woreda Urban Development and Housing office

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Abstract

This study aimed to investigate the impacts of leadership styles on employees motivation, and organizational performance in Bale Zone Urban Development and Housing office. It specifically sought to examine the impact of laissez-faire, transactional and transformational leadership styles on employees motivation, and organizational performance in BZUDHO.

The research approach employed in the study was quantitative research method. The researcher used a descriptive survey for the study. Descriptive survey research design that helped in establishing the relationship of leadership styles and employees motivation, and Organizational performance. In this regard, data for this study was collected on the independent variable, which was leadership styles (transformational, transactional and laissez faire), and that of the dependent variable, which was employees motivation, and Organizational performance. The relationship between the two variables was investigated by using Pearson product moment Correlation Co-efficient, in order to determine the strength of their relationship and the coefficients of determination existing between them. The study was carried out in randomly selected ten Offices of Bale Zone UDHO. Then, from a total of 326 populations of employees 180 were selected for study purpose. Out of these, 169 (93 %) of them correctly filled and returned. Questionnaire was the main instrument of data collection. Descriptive statics, Pearson Correlation and multiple regression analysis were employed. The finding of the study shows leadership styles has a positive significant correlation with employees' motivation, and organizational performance in BZUDHO. The findings shows that the leadership styles (transformational, transactional and Laissez faire) has a significant impacts on employees motivation, and organizational performance in BZUDHO. From this finding the study concludes that transformational, transactional and laissez faire leadership styles has a positive significant impact on employees' motivation and organizational performance in BZUDHO. Owing from the stated finding and conclusions, the following recommendations are made. Providing training for leaders on the features and importance of leadership styles is very important. Transformational leadership style is one of the leadership style that has got significant impact on employees motivation which in turns resulted in high organizational performance. Hence BZUDHO is better to implement transformational leadership style than transactional and lassies fair leadership styles. Transactional leadership style has got significant impact on employees motivation simultaneously on organizational performance. Despite this the impact is moderate compared to transformational leadership style in the organization. So BZUDHO better to implement where it fits. Laissez faire leadership style has got significant impact on employees motivation and organizational performance in BZUDHO, but the Laissez faire leadership style scored the lowest impact on employees motivation, and organizational performance. Though this style has shown lowest impact BZUDHO would better to exercise where the subordinates (employees) are capable enough about the task they perform and highly committed to their respective organization

Key words: Transformational leadership, Transactional leadership, Laissez-faire, organizational performance, Employees motivation.

CHAPTER ONE

1.1. Background of the Study

The word 'leadership' has been defined contextually in accordance with the various aspects of human activities, such as businesses aspects, academics, social works, or others (Timothy, 2011). So, the concept and definition of leadership and leadership style is differing from one aspect of human activities to the other. For instance, in most literature, leadership has been defined as the process of providing direction, influencing others, and obtaining the willingness of peoples towards the leader's vision (Yukl, 2002, Omolayo, 2000). Leadership is described by some researchers (Jing and Avery, 2008) as a vital sources or tools in order to enhance the organizations performance.

Leaders create a vision, goals and influence others to share that vision towards the goal and bringing change in the organizational performance as well as motivating others to support that vision of change (Bloisi et al, 2009). Visionary leaders also create a strategy for the future state, and build commitment towards the vision. Visionary leadership will result in high level of cohesion, commitment, trust, motivation and hence performance in the new organizational environment.

Moreover, Jing and Avery (2008) stated visionary leadership as playing a crucial role in a situation where there are insufficient resources for the manager to rely on supplying external rewards. Therefore, most developing countries who have insufficient resources and across different level of organizations, transformational (visionary) leadership among any other leadership style has rapidly become the style of leadership chosen for application in transforming the performance of the organization.

As one of the developing countries, Ethiopia needs visionary leaders to transform the public sectors performance. However, even though the Ethiopian government tries to improve the public sector leadership by launching different civil service reform programs which can capacitate the leader's skill, many public service sectors practice is not yet as expected, most of them lacked visionary leadership. Generally, public sector organizations operated under very poor conditions for many years. This shows the leadership style can affect the organization performance. And it is supported by a researcher Mekedes (2013) as the

achievement of effective organizational performance and the attainment of the intended goal depend on the leaders of the organizations and their leadership styles. The other factor which depends on the leader's behavior is the development of motivational environment with their followers. As Gamage and Pang (2003) pointed out that individual motivation and organizational climate is significantly influenced by the leadership style of the administrators and this motivational power of the leader is the focal point to realize the satisfaction of the employees as well as the organization performance. (Belias and Koustelios, 2014)

In addition to this, the growth of the organization productivity is highly influenced by the presences of satisfied and delighted employees. Particularly, public organization which is done under competent and highly turbulent environment can ensure survival and improve its performance by developing motivated work force .The influential leadership role determine individual commitment in achieving organization's goals (Dobre, 2013).

Motivation is necessary for performance. If the employees are not satisfied with their jobs and not motivated to fulfill their tasks and achieve their goal, the organization cannot attain success (Dobre, 2013).

In light of these, this study investigate the links between leadership styles and employees motivation, and organizational performance in Bale Zone Urban Development and Housing office as a case study.

1.2. Statement of the Problems

The leadership style that characterizes the interaction between leaders and their followers (staff members) is most the important in terms of employees efficiency and productivity. (It can either motivate or discourage employees, which in turn can cause the employees' performance to increase or decrease Mekedes, (2013). The other fact that inspired the researcher was the existing literature and some empirical researches widely stated the effects of leadership on the organizational effectiveness and employees' motivation; still there is gap to found out the impacts of leadership styles in various paradigms. For instance, (Omidifar, 2013 and Mekedes, 2013) argued that there is significant relationship between leadership styles, organization performance and job motivation. Whereas, these researches have short comes in relation to their focused area of leadership theories and styles. For example,

Omidifar, 2013 study was not focused on different leadership styles rather on the general sense of leadership style, (Mekedes's, 2013) research also focus on visionary leadership style tend to focused on the characteristics or behaviors of successful leaders. So, there is a gap to generalized strategies for public organizations leadership style that can assure motivated and productive work force. In addition, much prior research had examined the assumed leadership and performance relationship, but it has examined a restricted number of leadership paradigms such as classical and organic paradigms

A motivated and qualified workforce is essential for any organization that wants to increase productivity and customer satisfaction. On the contrary, some empirical studies stated that one of public sectors limitation is the application of different employees motivation techniques which indicated by low commitment, unproductively, and high turn- over (Mekedes, 2013).

In addition to these, Miriam E, et al. (2010) states that the public sector suffers from aging and plateauing employees, who are especially hard to motivate. The same to this, it was the main issue to Ethiopian public sector organizations. As the researcher's observation and some government reports show poor customer satisfaction and high staff turnover was a generic problem across the whole public service in Ethiopia as shown in the Federal Democratic Republic of Ethiopia public sector capacity building program mid- term evaluation report, (2017).

As different monitoring and evaluation reports including government report (2014, 2015, 2016, and 2017) on the achievements of the reform initiatives indicate, there is still a wide range of gap in conducting researches to solve the problems of ineffectiveness of performances in public service organizations. On the other hand, many studies (Jing and Avery, 2008, Rowe et al., 2005) on the role of leadership and organizational performance conducted so far on profit making /business organization, but rare are available regarding the cases of public service organizations. So, it is expected that this study will have a high contribution to minimize the research gap in the area of leadership role and organizational performance as well as employees motivation in public service organizations.

Moreover, according to the source and data launched from the Oromia region sectors' annual assessment report (2017), the issue of low customers satisfaction and high turnover is a fact

which affects many public organizations in the region. Similarly, as mentioned in annual assessment report issued by Bale Zone Urban Development and Housing Office (2015-2017) some selected sectors and woredas performance in relation to the accomplishment of their defined goals revealed that the actual performance is below the expected level of achievement of planned targets. Therefore, this study tried to examine the impact of leadership styles on employees' motivation, and organizational performance in Bale Zone Urban Development and Housing office in particular.

1.3. Objectives of the study

1.3.1. General Objective

The general objective of the study is to examine the impact of leadership styles on employees motivation, and organizational performance in Bale Zone Urban Development and Housing Office.

1.3.1.1. Specific Objectives

- 1) To examine the relationship between transformational leadership Style and employees motivation in Bale Zone Urban Development and Housing Office.
- 2) To identify the relationship between transformational leadership style and organizational performance in Bale Zone Urban Development and Housing Office.
- 3) To examine the relationship between transactional leadership style and employees motivation in Bale Zone Urban Development and Housing Office.
- 4) To assess the relationship between transactional leadership style and organizational performance in Bale Zone Urban Development and Housing Office.
- 5) To examine the relationship between laissez faire leadership style and employees motivation in Bale Zone Urban Development and Housing Office.
- 6) To assess the relationship between laissez faire leadership style and organizational performance in Bale Zone Urban Development and Housing Office.
- 7) To see the impact of leadership styles (transformational, transactional and laissez faire leadership styles) on employees motivation, and organizational performance in Bale Zone Urban Development and Housing Office.

1.4. Study Hypotheses

To see the impact of leadership styles on employees' motivation, and organizational performance in the study, the following hypotheses are designed.

- H₁:** There is a positive significant relationship between transformational leadership style and employees motivation in Bale Zone Urban Development and Housing office.
- H₂:** There is a positive significant relationship between transformational leadership style and Organizational performance in Bale Zone Urban Development and Housing office.
- H₃:** There is a positive significant relationship between transactional leadership style and employees motivation in Bale Zone Urban Development and Housing office.
- H₄:** There is a positive significant relationship between transactional leadership style and organizational performance in Bale Zone Urban Development and Housing office.
- H₅:** There is a positive significant relationship between Laissez Faire leadership style and employees motivation in Bale Zone Urban Development and Housing office.
- H₆:** There is a positive significant relationship between Laissez Faire leadership style and organizational performance in Bale Zone Urban Development and Housing office.
- H₇:** Transformational leadership style has a positive significant impact on employees motivation in Bale Zone Urban Development and Housing Office.
- H₈:** Transformational leadership style has a positive significant impact on organizational performance in Bale Zone Urban Development and Housing Office.
- H₉:** Transactional leadership style has a positive significant impact on employees motivation in Bale Zone Urban Development and Housing Office.
- H₁₀:** Transactional leadership style has a positive significant impact on organizational performance in Bale Zone Urban Development and Housing Office.
- H₁₁:** Laissez- Faire leadership style has a positive significant impact on employees motivation in Bale Zone Urban Development and Housing Office.
- H₁₂:** Laissez Faire leadership style has positive significant impact on organizational performance in Bale Zone Urban Development and Housing Office.

1.5. Significance of the Study

The study attempts to investigate the impact of leadership styles on employees motivation, and Organizational performance in Bale Zone Urban Development and Housing office. Thus, the findings of this study provide essential information about the current status of leadership styles and its impact on the achievement of intended goal as well as in developing motivated work force in public organizations for Bale Zone Urban Development and Housing office. Further , the finding of this study also help the local and national government authorities to use the findings in identifying the problems and issues confronted in the employees motivation, and organizational performance in order to formulate relevant policies to tackle the problems.

Finally, the study serves as a pathway for other researchers who will have an interest to conduct further investigation in depth in other parts of the public organization at large.

1.6. Delimitation of the Study

The study is to see the Impact of Leadership Styles on Employees Motivation, and Organizational Performance in Bale Zone Urban Development and Housing Office. There are different types of leadership styles such as authoritarian, democratic, laissez-faire, transactional and transformational amongst which, the transformational, transactional and laissez-fair leadership styles were selected for the study. The study is also delimited to 10 out of 36 Bale Zone Urban Development and Housing offices for its manageability. The target population for the study was consist employees of sampled woredas. The researcher has better access and exposure about the Bale Zone urban development and Housing office, as he has been working as one of an employees in the Zone and this would help in gathering valid data for the research, which in turn help the researcher to involve actively in the research process.

The other limitation was the sample size of the study. Even if, Bale Zone Administration have 32 Office in zone level and 20 woredas. The study was limited on one Office from Zone and nine woredas which were taking from the respective office. And finally shortage of time and lack of sufficient fund to conduct the study.

1.7. Operational Definition of Key Terms

Some of the important terms used in this study were operationally defined as follows:

Employees motivation: in this study this terminology described as the behavior of employees for being aroused and sustained to a certain level in the direction of productive work out put at the place of employment and making positive contribution to the achievement of the organizational goal.

Impact: the word impact defined in this study as specifically the effect of leadership style on organizational performance and motivation as measure by the mean rating of employees and leaders using a questionnaire.

Leadership: leadership in this study refers to a style mostly used by leaders in BZUDHO as rated by their subordinates using self made Leadership Questionnaire developed by the researcher based on the literature.

Organizational performance: it refers the actual result obtained by means of effective leadership and assessed by regression coefficient measurement of performance.

1.8. Organization of the Paper

The study organized and presented in five chapters. Chapter one consists of introduction, background of the study, statement of the problem, objectives of the study, significance of the study, delimitation of the study, limitation of the study, operational definition of key terms and organization of the study. Chapter two discusses review of related literatures in accordance with the basic questions raised in the statement of the problem. Chapter three narrates the methodology considered necessary for the study. The Presentation, analysis and interpretation of the data are presented in Chapter four while the last chapter contains the summary, conclusions and recommendations. Finally, questionnaires and other documents are annexed.

CHAPTER TWO

2. REVIEW LITERATURE

This chapter presents the theoretical framework of the study as developed from a review of relevant literature and related studies. It includes a review of leadership, leadership theories, leadership styles, employees motivation and organizational performance.

2.1. The Concept of Leader and Leadership

2.1.1. Leader

Pierce and Newstrom (2006) defined a leader as one who exercised intentional authority over one or more other individuals, in an effort to guide actions toward the accomplishment of some mutual goal; such a goal requires mutually supporting actions among members of the group. Leaders get things done through people. They set the direction and get other people to follow them. As Johns (2008) says: “a leader takes people where they want to go. A great leader takes people where they don’t necessarily want to be, but ought to be”.

2.1.2. Leadership

Different people have interpreted leadership differently based on the individual perspective. According to Pierce and Newstrom (2006), “there are almost as many definitions of leadership as there are persons who have attempted to define the concept.” Leadership has been defined in terms of individual traits, behavior, influence over other people, interaction patterns, role relationships, occupation of an administrative position, and perception by others regarding legitimacy of influence (Yukl, 2006). Leadership is an interaction between two or more members of a group that often involves a structuring or restructuring of the situation and the perceptions and expectations of members (Oyetunyi, 2006).; and is concerned with three things; leaders, followers and their interactions.

Some other definitions are as follows:

- ✍ Leadership is “the influential increment over and above mechanical compliance with the routine directives of the organization.” (Oyetunyi, 2006)
- ✍ Leadership is “the process of influencing the activities of an organized group toward goal achievement.” (Omar, 2005).
- ✍ Leadership is the “the process of influencing employees to work toward the achievement of objectives”. (Oyetunyi, 2006)

- ✍ Leadership is “the ability to influence a group toward the achievement of goals” (Robbins, 2003)
- ✍ Leadership as an interpersonal process through which a leader directs the activities of individuals or groups towards the purposeful pursuance of given objectives within a particular situation by means of communication (Armstrong, 2004).
- ✍ Leadership as the behavior of an individual when that person is directing and coordinating the activities of a group toward the accomplishment of a shared goal (Rowe, W.G, 2005)
- ✍ Leadership is defined as the art of transforming people and organizations with the aim of improving the organization (Oyetunyi, 2006).
- ✍ Leadership is defined as the ability to inspire confidence and support among followers who are expected to achieve organizational goals (Oyetunyi, 2006). For the purpose of this study, this definition will be applied more than others.

2.1.3. Theories of leadership

Leadership has evolved over time and has taken different forms. Views on leadership theories have been changing over the years. Oyetunyi (2006) asserts that the leadership paradigm has changed over the last decades; and that it has transited from the traditional leadership approaches to the new perspectives. According to Pierce and Newstrom (2006) leadership theories recognize that effective leadership depends on the interaction of three factors namely: the traits and behaviors of the followers, the characteristics of the followers and the nature of the situation in which leadership occurs.

Leadership, as studied through the traditional theories such as the Ohio State University studies, Pierce and Newstrom (2006), the managerial grid model (Blake and Mouton, 1985), and the contingency theories is often assumed to occur between a leader and the followers (Cheng, 2002). However, most leadership theories are explored on the trait, behavioral, and contingency approaches (Armstrong, 2004).

As such, the following leadership theories provide scholars with a vision and introduce leadership behaviors that may assist leaders of organization to better manage their institutions in different situations.

2.1.4. Trait theory

Trait theories investigate the personal characteristics of successful leaders. These theories consider the innate qualities or traits characteristic of good leaders. Such theories are based on the opinion that leaders are right and leadership is rooted in the authority of their righteousness (Oyetunyi, 2006). Successful school leaders were described by in terms of their personal attributes, interpersonal abilities, and technical management skills (Omar, 2005). Technical management skills include producing results, resolving conflicts, analyzing and evaluating problems, the ability to enhance the work environment, and goal oriented and also found that leaders were a bit more intelligent, outgoing, creative, assertive, responsible and heavier than average people although he contradicted himself later by concluding that a person does not become a leader because of a combination of traits since the impact of traits differs according to situation. However, while the early emphasis on individual personality and talent is no longer viewed as the sole determinant of a good leader, an appropriate combination of personal characteristics is seen as an important contribution to effective leadership.

The Trait Theory contends that certain individuals possess psychological and physical characteristics that allow them to become leaders. The underlying assumption here would seem to be that leaders are born, not made. Bass and Stodgill (1990) pointed out that successful leaders tend to have the following qualities:

- ✍ Strong desire for task accomplishment.
- ✍ Persistent pursuit of goals.
- ✍ Creativity and intelligence used to solve problems.
- ✍ Initiative applied to social situations.
- ✍ Self-assured personality.
- ✍ Willingness to accept behavioral consequences.
- ✍ High tolerance for ambiguity.
- ✍ Ability to influence people.
- ✍ Ability to structure social interactions.

Researchers began an endless search to identify biographical, personality, emotional, physical, intellectual, cultural, and other personal characteristics of successful leaders (Bird, 1960; Ibukun and Oyewole, 1997; Peterson, 2004; Triandis, 2006). In an earlier time, it was thought

to be enough to describe personality traits of leaders in explaining leadership. Qualities such as courage, wisdom, and character are examples of those traits, said to make an individual leader. Today, one might still admire someone with these traits, but would not assume they ensured effectiveness for a particular set of leader functions (Armstrong, 2004).

There appears to be two kinds of traits research. One identifies traits that might distinguish leaders from followers, while the other distinguishes effective leaders from ineffective leaders. However, the problem of assessing leader effectiveness in different situations is more complicated than identifying who is the leader. Ibukun and Oyewole (2007) observed that there are traits essential to leadership. First, intelligence relative to others in the group is a factor. Most leaders in Ibukun and Oyewole's study tended to be somewhat more intelligent than non-leaders; hence, leaders tended to be more knowledgeable. Other studies have shown that leaders tend to be more intelligent than their followers, although they might not be comparatively very intelligent if they are considered with some members of other groups. Hence, ability of leaders is relative to the specific social unit or organization. Second, self-confidence or at least the ability to look self-confident appeared to be necessary for leadership in the Ibukun and Oyewole study. However, a person who is self-confident in one situation may be anything but assured in an entirely different case.

The early studies failed to support that a person must possess some particular set of traits to become effective leaders and there was a weak correlation between leader intelligence and leader effectiveness. Hersey, et al., (2006). A leader with certain traits may be effective in one situation but failed on the other. Thus traits cannot be accessed as a single factor that guarantees the success of leaders.

(Hersey, et al., 2006). Noted that the view of leadership is entirely situational in origin and that no personal characteristics are predictive of leadership. It is recognized that certain traits increase the likelihood that a leader will be effective, but they do not guarantee effectiveness, and the relative importance of different traits is dependent on the nature of the leadership situation.

2.1.5. Behavioral Theories

Behavioral theories of leadership focus on the relationship between leadership behaviors and employees reactions. Instead of trying to determine what successful leaders are, behavioral theories focus on what leaders actually do. Many studies over the last three decades have examined the correlation between questionnaire measures of leadership behavior and measures of subordinate satisfaction and performance. These theories concentrate on styles of leadership, for example, autocratic, democratic, and laissez-faire or alternatively, task/production oriented and people/relationship oriented. Behavior theories examine whether the leader is task oriented (initiating structure); people oriented (consideration), or both. Studies conducted at the University of Michigan and Ohio State University in 1945, established two major forms of leader behavior namely: employees-centered/consideration and production-centered/initiating structure (Hersey, et al., 2006). The study therefore intended to explore whether this exists amongst leaders in schools.

During the 1950s, dissatisfaction with the trait approach to leadership, namely what the leader does and how he/she does it, sparked a series of research studies. The foundation for the style of leadership approach was the belief that effective leaders utilized a particular style to lead individuals and groups to achieve certain goals, resulting in high productivity and morale. Unlike trait theories, the behavioral approach focused on leader effectiveness, not the emergence of an individual as a leader. Although many terms were assigned to the different leadership styles, two factors were stressed in each approach: task orientation and employees orientation. Armstrong , (2004) described that task orientation is the emphasis on which the leader places getting the job done by such actions as assigning and organizing the work, making decisions, and evaluating performance; employees orientation is the openness and friendliness exhibited by the leader and his or her concern for the needs of subordinates.

Two major research efforts were directed towards investigating the behavioral approach to leadership: the Ohio State studies and University of Michigan studies. Burns (2008) said that the overall objective of Ohio State studies was to examine the patterns of behavior of persons designated to be leaders, i.e., those who satisfy common group needs. Through these studies, two independent leadership dimensions were identified: initiating structure and consideration.

Initiating structure is analogous to a task oriented leadership style, while consideration refers to an emphasis on an employee's oriented leadership style (Burns, 2008).

At approximately the same time research was being conducted at The Ohio State University, a series of leadership studies were in progress at the University of Michigan. Avolio and B.J (2005) said the primary purpose of the studies was to identify styles of leader behavior that result in increased work-group performance and satisfaction. Two distinct styles of leadership were developed from their studies: job-centered leadership and employees-centered leadership. The main conclusion reached by the University of Michigan studies was that effectiveness of leadership style should not be evaluated solely by productivity measures, but should include other employees centered or related measures, such as satisfaction

2.1.6. Situational/ Contingency Theories

In the 1960s, researchers recognized the limitations of the behavioral theories and began to refine and develop new approaches to the study of leadership. This focused on the more complex situational theories of leadership. Blake and Mouton (1985) defined the relationship of three attributes of managers: concern for production, concern for people, and hierarchy positional attributes. The variables concern for production and concern for people bear similarity to the initiating structure and consideration aspects of the Ohio State studies. The third variable, hierarchy, places the former notions in context; the manner in which the concerns for production and people are linked together by a leader was described as hierarchy.

The contingency theory, popularized by (Russel, J. E. A. (2008), describes that leadership effectiveness is contingent upon the interaction of certain leader attributes with specific demands of the environment. The contribution of Fiedler's work to the contingency theory lies in his recognition that situations in which leaders find themselves vary a great deal, and that different types of leaders would experience greater success in certain types of situations than others. Situational, or contingency, leadership theories prescribe that the correct leadership style to use is contingent on such factors as the leader-member relationship, the followers themselves, the organizational culture or climate and other environmental factors. Essentially, the situational theory is based on the proposition that effective leadership cannot be explained by any one factor.

2.1.7. Neo charismatic Theories

These theories are mainly represented by transactional leadership and transformational leadership.

2.1.7.1. Transformational Leadership style

The term ‘transformational leadership’ was first coined by J.V. Downton in *Rebel leadership: Commitment and Charisma in a Revolutionary Process* (1973). Transformational Leadership, proposed by Burns and extended by Bass and associates, has been conceived as a more complete model of leadership than that advocated by the trait, style, contingency, or exchange theorists. Burns (2008) first clearly distinguished between leaders who were oriented to exchange and those who were oriented to change, the latter identified as Transformational Leaders. Transformational Leadership, because of the components of idealized influence, inspiration, intellectual stimulation and individualized consideration, has been suggested as the optimum style for managing change. Bass, B.M, Avolio, B.J. (2001) discovered that leaders scoring higher on Transformational Leadership factors have followers who display greater levels of transformational behaviors. The model of transformational leadership and its key components are explained in the figure below.

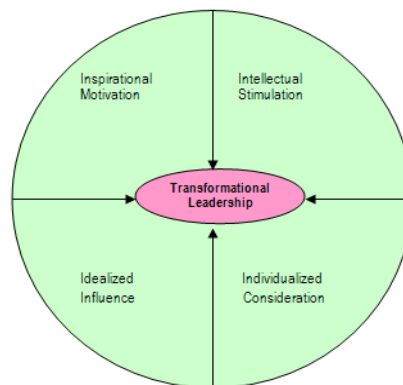


Figure 1.1: Model of Transformational Leadership

A transformational leader goes beyond managing day-to-day operations and crafts strategies for taking his company, department or work team to the next level of performance and success. Transformational leadership styles focus on team-building, motivation and collaboration with employees at different levels of an organization to accomplish change for the better. Transformational leaders set goals and incentives to push their subordinates to higher performance levels, while providing opportunities for personal and professional growth for each employees. (David Ingram, 2014).

Burns (2008) initially introduced the concept of transforming leadership in his descriptive research on political leaders but it is a term now used in the field of Organizational Psychology. When taking Maslow's Hierarchy of Needs theory into account, transformational leaders understand that employees have a range of needs and the extent to which they ultimately perform in the workplace is determined by the extent to which these needs are met. These needs are illustrated below:

2.1.7.2. Benefits of Transformational Leadership style

Northouse (2004) transformational literature, in both the private and public sectors, that individuals who exhibited transformational leadership skills were more effective leaders with better work outcomes than transactional leaders. Avolio and B.J (2005) argue that transformational leaders are more effective because they understand the importance of adapting to the needs and motives of their followers and can therefore get their followers to be more inspired and accomplish great things whilst completing the tasks at hand and simultaneously having their needs met.

In line with Maslow's hierarchy of needs model, transformational leadership appeals to the highest-order need of an individual namely, self-actualization. Together vast things can be achieved when the vision and passion of one man and the willingness of many inspired followers work towards achieving goals. Studies from military, educational, and business perspectives have actually identified the benefits of transformational leadership behaviors'. Specific to the business context, research shows that leaders who exhibit higher levels of transformational leadership behaviors have followers who report increased levels of inspiration, motivation, empowerment, commitment and lower rates of absenteeism (Smith, Montagno and Kimono, 2004). Transformational leadership could also be viewed as the more

humane leadership theory, in comparison to the more militaristic transactional theory. Therefore, instead of negative motivation, this theory believes that followers will rise higher through positive motivation. An example of a great transformational leader was Sam Walton, founder of Wal-Mart, who whilst alive, would actually visit Wal-Mart stores across the country to meet with employees to show

his appreciation for what they did and how much he valued them. Walton believed that a simple “rule of success” as displayed in his autobiography was to appreciate employees by praising them (Walton, 1996). This “rule of success” and many other successful transformation leadership behaviors have contributed towards Wal-Mart being the largest retail company in the world operating in more than five continents across the globe.

From a social perspective, individuals who have commanded respect such as Martin Luther King and Nelson Mandela have also been idealized for centuries and are typically viewed as transformational leaders that have been able to revolutionize a nation.

Common traits of such respected leaders is that they had the ability to successfully appeal to the basic values of people with great enthusiasm and an eloquent speaking style offering a compelling vision. Their ability to intellectually stimulate people’s minds by inspiring them to think differently and suggesting new ways of looking at things are only some of the characteristics that transformational leaders possess.

In addition to this, Avolio and Bass (2004) contend that transformational leadership is a reputable way of leading in that it not only raises the level of the followers’ ethical conduct but also that of its leader which adds towards a positive and loyal working relationship. Either way, a great advantage of this leadership model is that it creates an enthusiastic work atmosphere and as employees are more motivated they will work for the leader, even if the monetary and other benefits offered are less because they will be inspired by the vision. In effect, this therefore also contributes towards higher levels of output and in the process future leaders are naturally identified from the lot of followers.

According to Avolio and Bass, (2004) the rapid rate of change in all organizations is calling for more adaptable and flexible leadership. Leaders must make sense of challenges faced by themselves and their followers. The type of leadership style needed is transformational and is known for directing its followers towards the future and creating organizational cultures of

creative change and growth. In addition to this, transformational leadership increases performance levels by influencing followers' values, goals and higher order needs to meet the organization's mission. Followers are challenged to think in new ways, inspired to accomplish goals which were previously out of reach and motivated to keep values and moral standards in mind when performing their daily duties (Avolio and Bass, 2004). Followers therefore trust, admire and show great levels of loyalty toward their leader and organization as they are motivated to do more than they originally thought possible (Hamlin, R.G., and Serventi, S.A., 2008).

2.1.7.3. Limitations of Transformational Leadership style

A great limitation of this theory is that transformational leadership is fundamentally based on the ability of the leader to inspire the work force to perform their best and together to work as a team toward the good of the organization. However, leaders of organizations may not possess the character traits needed to accomplish this. Another limitation is that often too much emphasis is placed on leadership style over substance. From an organizational perspective, there is a growing demand for "evidence based" decision-making where to show leadership, you need to cite hard evidence.

Therefore, whether an individual can present their business case in an inspiring manner is not as important as having the solid facts to back them up. There is a great deal of perfectly effective leadership that is not transformational (Avolio and Bass, 2004).

2.1.7.4. Transactional Leadership style

'Transactional leadership styles are more concerned with maintaining the normal flow of operations. Transactional leadership can be described as "keeping the ship afloat." Transactional leaders use disciplinary power and an array of incentives to motivate employees to perform at their best' (Russel, J. E. A. 2008).

The term "transactional" refers to the fact that this type of leader essentially motivates subordinates by exchanging rewards for performance.

Transactional leadership can be defined as a method of exchange between the leader and follower in order to achieve a stated objective or goal (Bass, 1985). At this basic level of leadership, it is viewed as the method of getting subordinates to meet job requirements by

reinforcing rewards or punishments. This leadership style has a large focus on clarifying subordinate role and tasks that must be performed (Tims, et.al (2011)

As leaders and followers engage in “transactions”, it is essential for the leader to have the power to reward followers and clarify the importance of how working towards the achievement of a task will be met. The use of rewards and punishments are therefore core to these processes as doing this will build confidence in followers to exert the necessary effort to achieve expected levels of performance (Russel, (2008) The transactional dimensions of leadership style, as determined by Avolio and Bass (2004) can be summarized by the following approaches: Management by Exception (passive), Management by Exception (active), Contingent Reward and the Laissez-faire style.

Transactional leaders are very similar to transformational leaders in that they are both able to establish clear goals, clarify individual roles and motivate their followers to meet specified objectives. The main difference is that transactional leaders will only inspire through “first order” transactions/exchanges and will use external rewards for example, commission rather than intrinsic motivation in order to reach agreed-upon goals (Avolio and Bass, 2004). This type of leadership style is therefore only designed to satisfy basic human needs such as an individual’s physiological, safety and social needs when taking Maslow’s Hierarchy of Needs model into account.

Firstly, management by exception (passive) refers to leaders that are passive managers. They are the kind of leaders that will only take immediate corrective action after a problem or deviation occurs. In this way the leader waits for problems to arise before they act or may sometimes not take any action at all (Bass, Jung, Avolio and Berson, 2003). With this type of leadership, negative feedback, criticism and negative contingent reinforcement are often the modes used for correcting behavior (Bass, Jung, Avolio and Berson, 2003).

Secondly, management by exception (active) refers to leaders who actively manages teams and proactively seek out problems or deviations from standardized procedures. However, immediate corrective action will only take place once deviations occur. These types of transactional leaders will usually specify the standards for compliance beforehand and will make their followers understand that which institutes ineffective performance (Russel, 2008).

Thirdly, contingent reward refers to an approach that provides for various kinds of rewards in exchange for the mutually agreed-upon accomplishment of goals. Followers will therefore accept and comply with the leader to avoid disciplinary actions, but in exchange for complying they will receive monetary rewards, praise and resources (Avery, 2004). Contingent reward implies that the reward should match the outcome achieved and that it should be consistently applied. Exchanges can often be highly differentiated within the organization therefore; the reward scale should be established in a fair and equitable manner.

Lastly, transactional leaders that use a Laissez-faire approach to manage, relinquishes and avoids responsibilities with a “do-not care” attitude. Employees are thus left to get on with their work. Most often, laissez-faire leadership will work for teams in which the individuals are experienced and skilled self-starters however; this type of leadership is greatly frowned upon (Avery, 2004). As transactional leadership theories attempt to explain the relationship between leaders and followers through the concept of transactions/exchanges, the use of rewards and punishments are therefore central to these processes and will be used to condition the expected performance of employees working under this leadership style. In addition to this, goal setting is also a product of transactional leadership however; it is not always easy to attain these goals in less structured environments. It is therefore crucial that transactional leaders focus on role clarification in order to help the follower understand exactly what needs to be done in order to meet the organization’s goals and objectives.

Further to this, since transactional leaders typically lead employees based on their title, position of authority, status, superior knowledge and the ability to control resources, this type of leadership style reflects more of a power relationship as opposed to an influential one (Kahn, 1990). A transactional leader generally does not look ahead in strategically guiding an organization to a position of market leadership; instead, these managers are solely concerned with making sure everything flows smoothly today’ (David Ingram, 2014)

2.1.7.4.1. Benefits of Transactional Leadership style

In line with Maslow’s hierarchy of needs model, transactional leadership appeals to the lower-order needs of an individual namely, food, shelter and security. This leadership style therefore works in most cases provided that employees are driven by basic needs and rewards. Organizations that are highly hierarchical with a clear chain of command can follow the

“carrot and stick” approach and achieve productivity and reach goals much easier. Once employees agree to perform certain duties, they are under the supervision and in the hands of their manager who will simply ensure that processes are properly complied with. Under transactional leadership, goals and objectives are usually only set for the short term, making them less daunting and also easier to fulfill.

Employees are often motivated by the fact that short-term goals seem more attainable as they understand exactly what is expected of them (Nielsen, et. al 2008). Powerful and assertive leaders also often find the transactional model very beneficial to their way of managing things (Jing and Avery 2008).

2.1.7.4.2. Limitations of Transactional Leadership style

Transactional leadership can often stunt the growth of employees as they become complacent in doing what they are told and only as much as they are told. Employees under this type of leadership are refrained from thinking “out of the box” as using initiative and implementing new and innovative ideas are frowned upon (Jing and Avery 2008).

This system of leading therefore promotes passive and submissive workforces as they are not required to express themselves. The lack of intellectual stimulation and inspiration from transactional leaders can often lead to employees not being motivated especially if they are driven by higher-level needs. As a result, followers who do not perform are punished which often lowers the morale of motivated employees (Bass et al., 2003). This leadership model consequently creates a stressful work environment as productivity will be maintained but innovations and breakthroughs will be tough to find which can prevent organizations from maintaining their competitive edge.

Whilst transactional leadership can be fairly effective as a method of influencing followers, it does not result in any real change as its focus tends to be short-term by maximizing immediate results with rewards (Nielsen, et. al. 2008). Often, employees being managed by transactional leaders can perceive the monitoring of this method as constraining which could lower their likelihood of contributing to organizational objectives. Corrective interventions and management-by-exception styles which transactional leaders typically use can upset some followers and decrease their performance. Organizations are faced with incremental changes transactional leaders find it difficult to negotiate relatively complex situations as they now

need to bring about greater levels of commitment from their followers and move beyond the basic level of managing to willingly get their followers to make major changes to their mindsets and behaviors in line with these business changes (Bass, 1990). In addition to this, transactional leaders have the final say in decision-making which does not leave any room for empowering followers but in retrospect could contribute towards disengaged and withdrawn employees.

Lastly, as the source of followers' commitment comes from the rewards, agreements and expectations negotiated with the leader, the operations in the organization could become averagely predictable as employees are most likely to just work towards attaining the goals set out for them and are not willing to go beyond this (Jing and Avery 2008). As transactional leadership usually fails to raise or increase subordinate performance beyond the expected levels of performance, by its own implication, this style of management could create or enhance lazy followers that are disengaged and lacks the ambition required to be of value add to their organizations (Jing and Avery 2008).

2.1.7.5. Laissez Faire Leadership style

Laissez-faire leadership, also known as declarative leadership. It is a type of leadership style in which leaders is hands-off and allows group members to make the decisions. This style of leadership implies that someone in the position of a leader does not fulfill leadership responsibilities and practically does not engage or involve in any meaningful transactions whatsoever. This leader does little or nothing to affect either the followers or the outcomes of their behaviors. Passive or avoidant leadership describes the leaders who avoid getting involved in the work progress and decision making. They would not like to clarify agreements and expectations of work for the followers. Goals and standards of tasks are not clearly presented for the followers. This leadership style consists of passive management-by-exception leadership and is seen as withdrawn and uninvolved. (Secretan, L.2004)

Leaders who display passive management-by-exception will not interfere into problem solving until followers suffer from certain serious deviations or wrongs. Tims, M., Bakker, A. B., and Xanthopoulou, D. (2011). According to Mullins (2005) a Laissez-Fair style is where the manager observes that; members of the group are working well on their own. He further described this manager as the one who consciously makes a decision to pass the focus of

power to members, to allow them freedom of action “to do as they think best”, and not interfere, but it really available if help is needed. This definition shows that there is no complete avoidance of leadership in this style. This type of leadership may be effective with well-motivated and experienced employees, but could not lead to failure when subordinates are deceptive, unreliable and untrustworthy (Secretan, L.2004).

2.1.7.6. Summary of leadership styles

Bass, et. al (2003) concluded that there is no one best way of leadership style. One style that works at one situation might be inappropriate at another condition. Secretan, L. (2004) concluded that the most effective leaders appear to exhibit a degree of versatility and flexibility that enable them to adapt their behavior to the changing and contradictory demands made on them.

All the above theories and styles of leadership reveal a series development of leadership scholars from Trait Theories to Neo charismatic Theories of leadership. The scholars and practitioners has been found to be understand earliest theories focused on leaders personal behavior while later the focal point of these theories shift to the role of leadership and its effects. Moreover, the theories showed that how the leaders are operating different characteristics of neo charismatic theories in relation to achieve their effectiveness as well as to enhance their followers.

2.2. Motivation

Many organizations understand and take employees motivation seriously. According to Samuel and Chipunza (2009), comprehending and implementing employees motivation has become a concern for many organizations and leaders. Employees motivation is the determining factor in the work performance as well as the success of an organization in achieving its goals. The achievement of success requires employers to understand the significance of employees motivation. This understanding is crucial to improving productivity. Motivating employees is, therefore, the most critical of all leadership functions.

Various authors view the definition of employees motivation in different ways. Hellriegel, Slocum, and Woodman (2001) described motivation as the force acting within an individual that causes him or her to act or behave in a certain manner that is goal directed. The success of

the effort is the key in the quest to exploit the full potential of worker. These efforts are to ensure the quality of services or products and, ultimately, the success of the organization or institution as a whole. Kimball and Nink (2006) described motivation as internal forces that drive an individual to engage his or her ability willingly toward accomplishing a set of goals. Taloo (2007) defined motivation as a force that impels a person to take action and continue engaging in that action enthusiastically.

Other authors, however, view motivation as a process. Mullins (2010) for example, defined motivation as an inspirational process that influences members of the group to combine their individual weight collectively. In addition, Mullins stated motivation is to complete the responsibilities that they have accepted as individuals and as a group. Other definitions include the view of motivation as factors in the working environment. Ryan and Deci (2000) described motivation as the creation of working environments, stimuli, and incentives that allow employees to effectively carry out their assignments. Mullins (2010) suggested that the most important aspect of motivation is to provide employees with what they expect or want from what they do. In return, employees will provide good performance as far as service, quality, and productivity.

Motivation is a force that provides people with reasons to continue acting in a certain manner. Motivation has three main behavioral dimensions: choice, persistence, and intensity. The human psychological processes result in the outcomes of attention, choice, and task strategies, which are the patterns of behavior to reach a particular goal. Attention includes a focus on particular issues, people, or tasks and stimulates an employees to put in efforts .This focus is a kind of arousal that initiates action by a person's need or desire for something that is missing. Direction refers to the path employees take in accomplishing the goals they set for themselves and the choice of decision between different mutually exclusive courses of action. Direction is an essential behavioral outcome that leads to the exploration to achieve anticipated outcomes. This outcome may involve risk-taking and a willingness to incur losses. Persistence is whether a person changes or maintains the initially chosen behavior or action .Persistence refers to a behavioral pattern of maintaining a chosen course over time. This pattern is an aspect of behavioral outcomes that determines long-term work productivity. persistence prevents a person from deviating from the goal-seeking behaviors. The choice is to prioritize for oneself

the order of one's needs. Determination and persistence make it more meaningful. (Brown et al., 2009)

Intensity signifies how hard a person works, or the amount of effort he or she puts into the job (Brown et al., 2009). Often measured as task effort or task performance, intensity is the most frequently explored outcome of motivation. Intensity is the vigor and amount of energy employees put into this goal-directed work performance (Brown et al., 2009). The level of intensity is the most important and difficult of goals. The intensity of the behavior decides the final effect of the move. The behavioral dimensions in students are highest during the adolescent stage and the need to understand that motivation has distinctive characteristics can be successfully implemented within an organization. (Martin, et. Al 2010).

Motivation is a psychological notion dealing with internal forces that act within the mind of an individual. Motivation is dynamic, as it involves people. Who keep changing to fit in different situations (Rantz, Scott, and Porter, 2007). Pointed out that, in spite of its importance, understanding motivation is difficult as it is a complex concept. Managers and organizational leaders play the most significant role in motivating workers. Motivation should not be confused with satisfaction, as motivation refers to the process of inspiring others or stimulating them toward undertaking a desired action or decision. Satisfaction, on the other hand, is contentment. Motivation is, therefore, one of the factors that result in satisfaction (Rantz et al., 2007).

2.2.1. Motivational Theories

Considerable research has been carried out and a number of theories on what motivates people have been propounded. However , this section need to integrate and synthesize content theories (need theory and two factor theory) and process theory (expectancy and equity) for getting a clear view of the main issue as well as to provide an explanation of action outcome relationship. (Rantz et al., 2007).

2.2.2. Content Theories

Daft (2005) stated in his research “Content theories are peoples centered (explaining ‘what’). They attempt to determine needs which energize and direct behavior”. Among content theories Abraham Maslow’s Need Hierarchical Theory and Herzberg’s Two Factor (motivators and Hygiene factor) Theory are discussed by this study.

2.2.3. Maslow’s Hierarchy of Needs

“It is useful for a manager to be aware of which needs are the most important to develop motivated employees when motivation is determined by the existence of unsatisfied need. In this regard, Maslow propounded that man has a hierarchy of five needs, which begins with the basic need of physiological well-being and goes up to realization of one’s potential. And Maslow separated these five needs in to higher and lower levels. Physiological and safety needs were described as lower order needs and social, esteem and self actualization as higher order needs” (Pattanayak, 2009). Maslow further discussed as each of these needs hierarchically growth. He pointed this as “if each needs becomes substantially satisfied, the next need becomes dominant, the Maslow theory would say that although no need is ever fully gratified, a substantially satisfied need no longer motivates .So if managers want to motivate their employees, according to Maslow, they need to understand what level of the hierarchy that person is currently on and focus on satisfying the needs at and above the level”.

2.2.3.1. Physiological needs:

Physiological needs are the basic human needs for survival, such as food, warmth, shelter, drink, sleep and air. In the organizational setting, these are reflected in the needs for adequate heat, air, and base salary to insure survival (Maslow, 1970).

2.2.3.2. Safety needs:

Once physiological needs are met, one’s attention turn to safety, security and protection from physical and emotional environment and freedom from violence and for an orderly society .So such needs in the work place might reflect by the needs for job security, fringe benefits, and safe work (Maslow, 1970).

2.2.3.3. Social Needs:

Once individual has met the lower level need, physiological and Safety needs, higher level needs become motivated, the first of which are social needs. Social needs are those related to the desire to be acceptance by the peers, be part of the group, be loved and have friend ship(Maslow,1970) .In the organization , these needs influence the desire for good relationships with coworker, participation in a work team, and a positive relationship with supervisors (Daft,2005).

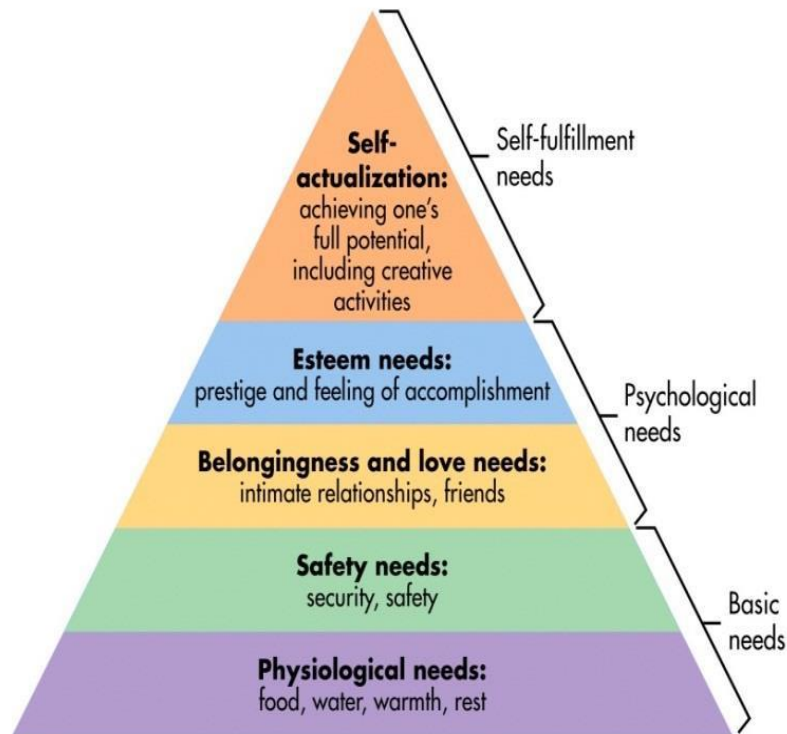
2.2.3.4. Esteem Needs:

Once a person feel a sense of belongingness, the needs for self esteem , become activate .Since, the need for esteem relates to the desire for a positive self image and for self attention, recognition, and appreciation from others, employees in the work place might reflect it by increasing responsibility, desire for high status and credit for contributions to their organization. Daft (2005)

2.2.3.5. Self-actualization:

The highest need category, self- actualization, represents the need for self fulfillment: developing one's full potential, increasing one's competence, and becoming a better person. Self-actualization needs can be met in the organization by providing people with opportunities to grow, be empowered and creative, and acquire training for challenging assignments and advancement. Daft (2005)

Figure 1: 2. Maslow's Hierarchy of Needs



Source: Robbins, (2005)

From Maslow's theory one can conclude that, factors that motivate people may vary from person to person. So leaders to motivate their employees it is vital to understand the needs being pursued by each employees. In public organizations to motivate employees leaders must be able to be familiar with the needs hierarchy at which the employees is operating, and use those needs as levers of motivation.

2.2.4. Two-Factor Theory

'Herzberg et al. (1959) developed two distinct lists of factors about attitudes of employees. One set of factors caused happy feelings or a good attitude within the worker, and these factors, on the whole, were task-related. He called them motivator, such as Recognition, Achievement, Possibility of growth, Advancement, Responsibility and the Work itself. The other set was primarily present when feelings of unhappiness or bad attitude were evident, and these factors, Herzberg claimed, were not directly related to the job itself, but to the conditions that surrounded doing that job. Herzberg named this group as hygiene factors (extra-job

factors) like: Salary, Interpersonal relations among supervisor, subordinates and peers, supervision – technical, organization policy and administration, Working conditions, Factors in personal life and Status’.

Figure 1.4: Herzberg’s Two Factor Theory



Source: Mccuddy, undated. Management Canadian edition

Thus two factors theory distinguishes between motivators and hygiene factors. Motivators are factors that give positive satisfaction, arising from intrinsic conditions for the job itself. Whereas, Hygiene factors are factors that do not give positive satisfaction, though, dissatisfaction results from their absence. These are extrinsic to the work itself.

2.4.5. Process Theories

‘These are work- centered (answering ‘how’) and explain how behavior is energized, directed and maintained. Main theories under this category are: Expectancy theory and Equity Theory’ (Daft, 2005).

2.4.5.1. Expectancy Theory

‘Expectancy theory suggests that motivation depends on individuals’ mental expectations about their ability to perform tasks and received desired reward. In other words, people will be motivated if they believe that strong effort will lead to good performance and good performance will lead to desired rewards’ (Daft, 2005).

2.4.5.2. Equity Theory

The equity theory of work motivation which was developed in the 1960s by Adams, R. (2007) is a useful way to explain the behavioral dynamics of human exchange relationships (Saari & Judge 2004). The author further postulates that any social relationship in which one person gives something to get something in return is an exchange relationship. Adams proposed that employees perceive their job as a series of inputs and outcomes. “Inputs are factors such as experience, ability and effort while outcomes include salary, recognition, and opportunity” (Worrell, 2004). The author thus stipulates that the employees perception of how they are treated in comparison to that of their colleagues directly influences their job satisfaction.

2.5. The Effect of Leadership styles on Employees Motivation

Saari & Judge (2004) described the need to persuade human capital as; *every* organization and business wants to be successful and have desire to get constant progress. The current era is highly competitive and organizations regardless of size, technology and market focus are facing employees retention challenges. To overcome these restraints a strong and positive relationship and bonding should be created and maintained between employees and their organizations. Human resource or employees of any organization are the most central part so they need to be influenced and persuaded towards tasks fulfillment.

This implies that leadership has impacts on low productivity, lack of motivation, and insufficient works, the important issues in the employees encouragement and motivation which lead them to do well are also the management approaches or the leadership styles.

Furthermore, leadership plays a very important role in determining employees job satisfaction. It extensively influences employees motivation and dedication. According to Taloo (2007) “employees job satisfaction refers to the attitude of employees towards their jobs and the organization, which employs them. Success of organizations highly depends on its workforce. More satisfied and happy employees would be more productive and profitable for the organization. Job satisfaction helps to create positive attitudes in employees, boosts up their morals, enhances their performance and creates respectful relationship with their co-workers”.

Saari & Judge (2004) summarized the mediating role of motivation as follows; Motivation has a mediating role to enhance employees as well as organization’s performance. Motivation is

the product of participation and interaction with the position one is dealing with. Consequently, if the employees feel that they are important, they will be successful in the organization as well as their personal lives. The important duties of the managers in organizations are to develop the organizations' internal and external environment in such a way that they can select appropriate goals in order to satisfy the motivational needs of the staff. This largely depends on the managers' leadership styles in making use of the employees involvement in decision making, developing good communication among and with the employees and treat them as they need.

2.6. Organizational Performance

Organizational performance is the ability of the organization to meet set targets for production and profit as well as development and growth envisioned by the Leader/Founder. Achievement of goals/objectives like maximum profit, good quality service, increased share in the market, profitable financial results and an effective strategy for development and growth form part of organizational performance (Koontz and Donnell, 2006). Organizational performance also refers to standing of the organization in relation to other organizations in terms of profit earned by the organization during a period, quality of its product in comparisons with others. Measures of performance may include revenue earned, net profit, reputation, growth, service and development.

Organizational performance is more of a survival and profitability of an organization. Its measurement is critical both in service as well as manufacturing sector. For service organization customer satisfaction and relation is more important than short term profit. In some of the service organization, it is even more important to concentrate on customer satisfaction like public organization. Jaffee, D. (2001). Performance of an organization can be measured either subjectively or objectively. In objective measures, real figures are taken into account where as in subjective measures; perception of the organization in the public is considered Saowalux, P. and Peng, C. (2007). Recently, in a study carried out by Obiwuru Timothy C. et al (2011) organizational performance can also be measured in terms of revenue earned.

In the present day competitive environment, to understand the effect of leadership on organizational performance is important because most of the researchers have concluded that leadership is also one of the competitive tools any dynamic organization must possess. An effective transformational leadership is the requirement of today's competitive business environment to attain edge over others in management and sustained performance Koontz, H. & Donnell, C. (2006). Where transformational leaders provide vision and motivate employees for difficult goals and objectives resulting into higher productivity and profitability, transactional leadership on the other hands attaches rewards for achievements of objectives and links performance with value rewards. It also ensures that the employees are provided with the required resources (Saowalux, P. and Peng, C. (2007)

2.6.5. The Effect of Leadership style on Organizational Performance

According to Ayman H. Metwally (2014) "good management and effective leadership help to develop team work and the integration of individual and group goals. Leaders have to sustain performance, sustaining and improving performance for the future is essential for the survival of the organization. While keeping eyes on performance indicators, leaders encourage creativity and innovation, risk taking and skills for future development. Performance of all employees has to be maintained and morale rebuilt. The vital role of the leader in shaping performance and coaching becomes fundamental to the success of an organization in all ramifications".

2.6.6. Model of High-Performance Organizations

"Literatures reviewed different considerable history and theory behind the notion of high-performance organizations. From this theory and from close analysis of successful business practice, experts have derived various principles of high performance. From Weber, for example, come insights about the importance of organizational structure and processes. Deming highlights the virtues of measuring people, processes and outcomes" (Rowe, W.G, 2007). From such literature, the American Management Association (2007) developed a model of performance that centers on five major characteristics of organizations.

The first of these areas is strategic approach. We posit that an organization's consistency of strategic approach helps determine its success. This consistency can be measured to see how

well the organization “walks the talk.” High-performance organizations tend to establish clear visions that are supported by flexible and achievable strategic plans. They also have clearly articulated philosophies that set the standards for everyone’s behavior. In addition, they have leaders, managers, and employees who behave consistently with the strategic plan and the company’s philosophy.

The second major characteristic is tied to customer approach that is, how a company treats its customers. High-performance organizations tend to have clear approaches to obtaining new customers, treating current customers, and retaining customers. They also build the necessary infrastructure and processes to support their customer approach.

Third is the leadership approach. This describes the organization’s strategy in managing people to achieve a particular set of behaviors. High-performance organizations tend to be clear about what behaviors employees must exhibit to execute the organizations and departmental strategies. Executives and managers set clear goals, understand employees abilities, and guide their performance. Fourth are processes and structure. This captures how organizations arrange their work processes, policies, and procedures to support and execute strategy.

Fifth are values and beliefs. These are essential to helping a company execute its strategy and achieve its mission. High-performance organizations typically have a set of well-established values that are the deep drivers of employees behavior and are well understood by the vast majority of the employees. The values and beliefs are embedded in the organization and are consistent with the company’s approach to leadership. An extensive review of the research indicates that these five factors are the major drivers that influence organizational performance. Each interacts with and influences the others, creating a whole system. A change to one creates changes in the others. Subsequently; the system tends to be in continual flux. (Rowe, W.G, 2007).

2.7. Conceptual Framework

The study was based on a conceptual construct indicating a relationship exists between the different leadership styles such as transformational, transactional and laissez-faire leadership exercising by the public leaders on their follower. And it's consequence on employees motivation and organization performance.

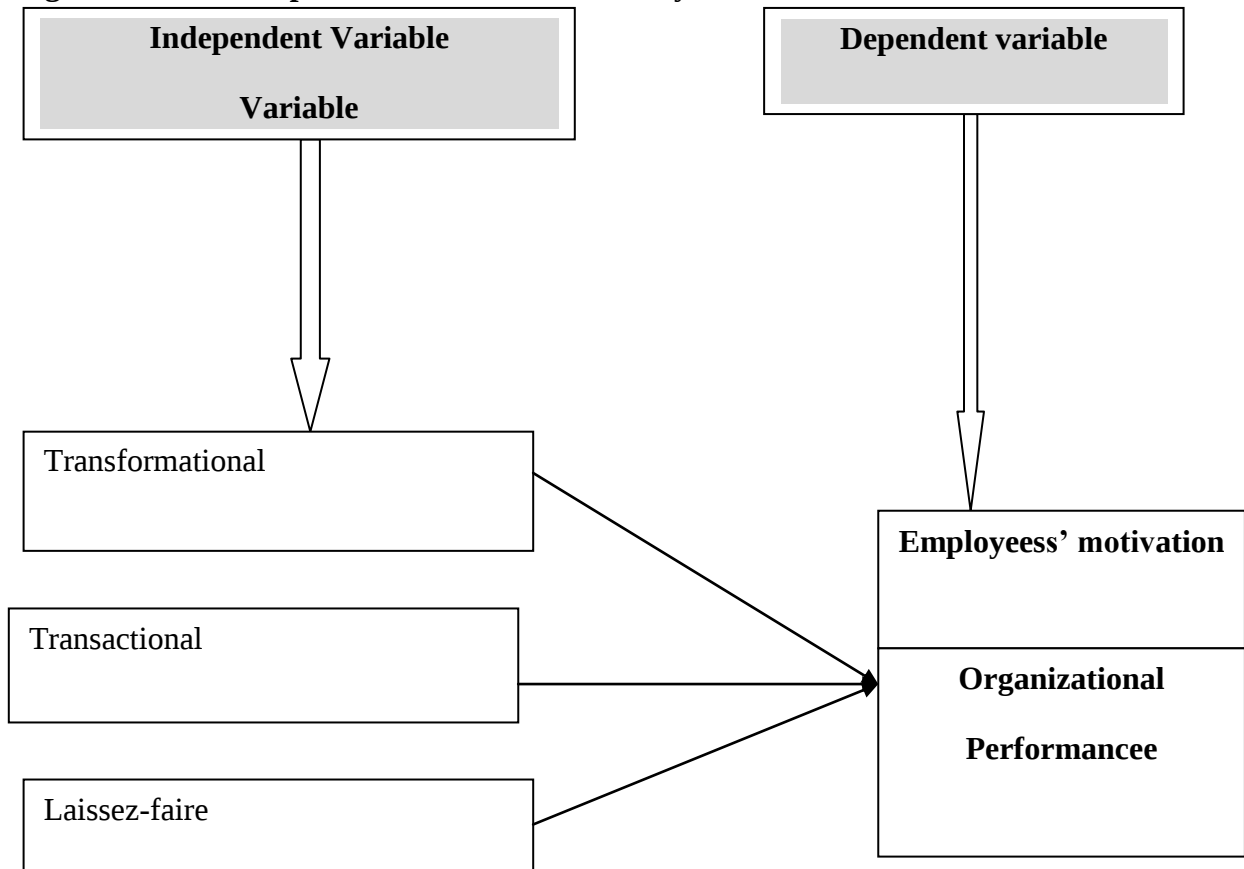
As Jing and Avery (2008).suggested by his research, positive changes in employees satisfaction lead to positive changes in organizational goal achievement and this implies the achievement of customer satisfaction. Therefore, employees motivation and customer satisfaction remain useful measures of organizational performance. Adair (2005) also perceived performance as the ability to meet organizational tasks and objectives by making leadership which fosters the cohesiveness of the work team .Consequently, performance is operationally perceived as: Executing the defined objectives, meeting customer satisfaction, achieving departmental goals and make difference in the internal process. So, all these literatures show as the role of leaders in relation to the development of their motivated subordinates.

Leadership also have vital role in achieving the intended performance at the organizational level. Anyim et al (2012) suggested this fact as “Effective leadership helps to develop team work and the integration of individual and group goals. Leaders have to sustain performance, sustaining and improving performance for the future is essential for the survival of the organization. While keeping eyes on performance indicators, leaders encourage creativity and innovation, risk taking and skills for future development. Performance of all employees has to be maintained and morale rebuilt”. Furthermore, the role of leadership differ as its various styles; transactional leadership helps organizations achieve their current objectives more efficiently by linking job performance to valued rewards and by ensuring employees have the resources needed to get the job done (Anyim et al 2012) . According to Zerihun (2014), transformational leaders are those who stimulate and inspire followers to achieve extraordinary outcomes and they have role to change an organization by recognizing an opportunity and developing a compelling vision, communicating it vision to organizational members, building trust in the vision, and achieving it by motivating organizational employees. This implies the effect of transformational leadership expressed as building

common vision, and developing trustful, as well as motivated employees. Additionally, in Laissez Faire Leadership Style, the leader tries to maintain a low profile, respects all constituencies within the organization, tries not to create waves of disturbance, and relies on the few available loyalists to get the job done.

The literature has been used as foundation to develop conceptual framework for this study and operational map is drawn along transformational, transactional and laissez-faire leadership style and its effect on employees motivation, and organizational performance as shown below.

Figure 1.5 the conceptual framework of the study



Source: - Conceptual framework developed by Bass (2006), and cited by Mekedes (2014) and Zerihun,(2014).

CHAPTER THREE

3.1. Research Methodology

In this chapter, the research design is presented. This is followed by focusing on the source of data, sample and sampling techniques, data collection instruments, and methods of data analysis.

3.1.1. Research Design

The research design is the program that guides an investigator on the process of collecting, analyzing and interpreting observations. Thus, the researcher used a descriptive survey for the study. A descriptive survey design intends to show the relationship existing between the independent and dependent variables of the study. With this regard, data for this study were collected on the independent variable which is leadership styles, and that of the dependent variable which is employees motivation, and Organizational performance. The relationship between the two variables was investigated in order to determine the strength of their relationship and the coefficients of determination existing between the two.

The research approach employed in the study was quantitative research method. The quantitative approach was employed in order to manage data from the close ended questionnaire. (Abate, 2017) Quantitative approach was aimed at examining the relationship between leadership styles and employees motivation, and organizational performance in Bale Urban Development and Housing office because ascertaining the relationship requires strict mathematical techniques of analysis. More so, quantitative methods are used because they tend to be relatively low in cost and time requirements to enable a large quantity of relevant data to be amassed and subjected to statistical analysis techniques for greater representation.

3.1.2. Sample and Sampling Techniques

Among 36 Urban Development and Housing offices in Bale Zone, ten (28%) offices were selected. Leaders and employees of these offices were the respondents of the study. As a result, the research was focus on ten out of 36 offices which were selected by using simple random sampling techniques by first stage in order to give equal chance for each office. The study was carried out in randomly selected ten Offices of Bale Zone UDHO. Then, from a

total of 326 populations 180 were selected from the sample offices for study. Out of these, 169 (93 %) of them correctly filled and returned the questioner.

The respondents were selected by using simple random sampling techniques by using the following formula, which was presented by Yamane (1967:886) as used by Israel, (1992) to determine the required sample size at 95% confidence level, and level of precision =5%

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

Where, n=sample size

N= total population

e= precision level (sampling error)

Where N= 326,

e= 0.05

$$n = \frac{326}{1 + 326 (0.005)^2}$$

$$n = \frac{326}{1 + 326 (0.0025)}$$

$$n = \frac{326}{1 + 0.82}$$

$$n = \frac{326}{1.82} = 180$$

Table 3.1 Sample population of the study area

NO	Name of the UDHO	Total population of Employees from selected offices	Sample population of Employees	Total population of Leaders	Sample population of Leaders	Total population
1	Goba	39	21	1	1	22
2	Gasera	39	15	1	1	16
3	Gindhir	38	21	1	1	22
4	Alamgana	32	12	1	1	13
5	Jarraa	30	16	1	1	17
6	Goro	30	16	1	1	17
7	Agarfa	35	13	1	1	14
8	Dinsho	30	12	1	1	13
9	Ali	20	15	1	1	16
10	BZUDHO	35	28	2	2	30
	Total	326	169	11	11	180

3.1.3. Sources of data

The data was collected from primary sources. The primary data were collected from leaders and employees who were selected from the Bale zone Urban Development and Housing office.

3.1.4. Data Collection Methods

The desired information for the study was gathered through questionnaire tools/ instruments.

3.1.4.1. Questionnaires

Three different questionnaires were used to collect data for the study. The items in the questionnaires were prepared in English, and translated in to Amharic so that respondents simply understand, and respond it. Because questionnaires are relatively better to address large number of respondents, simple and low in cost. The first part of the questionnaire contains the background of the respondents. The second parts of the questionnaires used in the study were focused independent variables questionnaires whereas part three and four focused on dependent variable questionnaires. All these parts have close ended items. These items were settled by a five point Likert Scale and respondents indicated their responses from strongly agree to strongly disagree (from 1 to 5) against each item. Validity and reliabilities of the items were checked during pilot test.

3.1.5. Data Analysis Methods

Data collection and processing, was followed by data analyzing and interpretation. The data gathered were analyzed in line with the study objectives. Quantitative approach was used in this study and it involved using statistical tools to evaluate the collected facts and data. SPSS 20 version is the software used in analyzing the collected data to gain meaningful conclusions. Data analysis, normality test, multicollinearity, Linearity, reliability test, descriptive analysis Correlation analysis, and regression analysis, Coefficient of beta, was conducted by using SPSS to determine the impact of leadership styles on employees motivation and Organizational performance. Descriptive statistics are used to summaries any patterns in the responses. Descriptive statistics contains procedures that summaries and depict the important characteristics of a measurement set.

Correlation Analysis: Correlations are a measure of the strength or degree linear relationship between two variables. A correlation coefficient has a value ranging from -1 to 1. Values that are closer to the absolute value of 1 indicate that there is a strong relationship between the variables being correlated whereas values closer to 0 indicate that there is little or no linear relationship. The sign of a correlation coefficient describes the type of relationship between the variables being correlated.

The bivariate correlation is for situations where we are interested only in the relationship between two variables. Pearson's is appropriate for continuous data, whereas the other two correlation coefficients, Kendall's tau and Spearman's, are designed for ranked data.

$$r = \frac{\sum_{i=1}^n (x_i - \bar{x})(y_i - \bar{y})}{\sqrt{\sum_{i=1}^n (x_i - \bar{x})^2 \sum_{i=1}^n (y_i - \bar{y})^2}}$$

Partial correlations can be especially useful in situations where it is not obvious whether variables possess a unique relationship or whether several variables overlap with each other.

3.2. Reliability of the Research Instrument

Today one of the most popular reliability statistics is Cronbach's alpha (Cronbach, 1951). Cronbach's Alpha determines the internal consistency or average correlation of items in a survey instrument to gauge its reliability. As stated by (C.R. Kothari, 2004), the closer the reliability coefficient 0 to 1.00 is the better. In general, reliabilities less than 0.60 are considered poor; those in the range of 0.60 to 0.80 are considered good and acceptable. To measure the consistency of the scale, Cronbach's alpha was used as a measure of reliability Bass and Avolio, (2002) were adopted to measure the leadership styles, employees motivation, and Organizational performance as 0.81. And Zarihun (2014) reported the reliability of leadership styles as 0.83 and motivation as 0.83 and organizational performance as 0.86.

After pilot study was carried out, the results obtained were entered into the computer and the reliability was calculated. As a result; the Cronbach- Alpha coefficient attained from the employees questionnaire was 0.966 for transformational leadership style and 0.744 for transactional, 0.744 for Laissez-faire, 0.922 for employees motivation, 0.920 for organizational performance. In this study, all the independent and dependent variables, met the above requirements and their alpha value is between (0.744 - 0.922). The variables showed an acceptable range of reliability and also the cronbach alpha obtained for all scales was consistent with previous studies. Basically, reliability coefficients of 0.7 or more are considered adequate.

Table 3. 2. Cronbach's Alpha Variable

Cronbach's Alpha Variable	No of items	Cronbach's Alpha
Transformational leadership style	18	.966
Transactional leadership style	7	.744
Laissez faire leadership style	4	.747
Employees motivation	9	.922
Organizational Performance	14	.920

3.3. Validity of the Research Instrument

Validity refers to the extent to which a test measures what we actually wish to measure. Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure. Validity is the extent to which differences found with a measuring instrument reflect true differences among those being tested. (C.R. Kothari, 2004). In order to ascertain face validity, the instruments had been designed and handed to senior experts. Regarding face validity three colleagues graduated from Masters of Business Administration (MBA) program in Bale zone Urban Development and Housing office were invited to check its validity. In accordance with suggestion from these experts, modification was made on the errors that were identified. As to the content validity the clarity of each item and its comprehensiveness was checked by discussing with the pilot study respondents. By doing all these, validity of the instrument was established.

3.4. Ethical Clearance

The researcher reflects on the ethical issues in every aspect of the activity during the study. While revising the literature which is done previously by different scholars, the researcher tried to acknowledge each of the literature sources. Furthermore a letter from Mada walabu University is written to Bale Zone urban development and Housing office to assure that the study is meant to be used for academic purpose. Confidentiality and anonymity of the respondent has been ensured while carrying out the study. Participants also not expected to disclose their personal information.

CHAPTER FOUR

4. Data Presentation, Analysis and Interpretation

4.1. Introduction

This chapter begins by presenting the demographic characteristics of the respondents. The second section, which is the major part of the study, focuses on the testing of hypotheses of the study. In doing this, the analysis was made by using more of quantitative data analysis and interpretation. As mentioned in the first chapter, in the objective of the study the purpose of the study was formulated to assess the impact of leadership styles on employees motivation, and Organizational performance in of Bale Zone Urban Development and Housing Office. In order to gather adequate information on this issue questionnaire was developed and distributed to employees. A total of 52 questionnaires were prepared and distributed to 180 respondents out of this 169 (93 %) were filled and returned. The numbers of unreturned (11 respondents) questionnaires were insignificant and could not affect the results.

4.2. Analysis of Demographic Characteristics of the Respondents

4.2.1. Response Rate

The study sampled 180 respondents from the target population to collect data to the impact of leadership styles on employees motivation, and Organizational performance in Bale Zone Urban Development and Housing Office. The returned questionnaire results are shown in Table 4.1.

Table 4.1 Response Rate

Response Rate	No	Percentage
Returned questionnaire	169	93.89
Unreturned questionnaire	11	6.11
Total	180	100

4.2.2. Sex of Respondents

The information in table 4.2 illustrates 138 (81.7%) and 31 (18.3%) employees were male, and female respectively. Therefore majority of the employees are male.

Table 4.2 Sex of Respondents

Sex of respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	138	81.7	81.7	81.7
	Female	31	18.3	18.3	100.0
	Total	169	100.0	100.0	

4.2.3. Age of the Respondents

Ages of the respondents have been analyzed. The finding revealed that (36.97%) who participated in the study were between the ages of 26 and 30 years, followed by (34.9%) who were between 35-44 years, (17.8%) of respondents were from 45-54, (7.7%) were under 25 years and finally (3%) of them were above 55 years The summary of the above analysis is clearly indicated in table 4.3

. Table 4.3 Age of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Under 25 years	13	7.7	7.7	7.7
	26-34 years	62	36.7	36.7	44.4
	35-44 years	59	34.9	34.9	79.3
	45-54 years	30	17.8	17.8	97.0
	above 55 years	5	3.0	3.0	100.0
	Total	169	100.0	100.0	

4.2.4. Academic Qualification of the Respondents

Regarding to the academic qualification of respondents majority 107 (63.3%) were Bachelor degree holders, 32 (18.9 %) Masters degrees, 25 (14.8%) were diploma, and less than diploma were 5 (3 %).

Table 4.4. Academic qualification of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Masters degree	32	18.9	18.9	18.9
	Bachelor degree	107	63.3	63.3	82.2
	Diploma	25	14.8	14.8	97.0
	Other	5	3.0	3.0	100.0
	Total	169	100.0	100.0	

4.2.5. Experience of the respondents

The study included the identification of the worker experience of the respondents. As to the experience majority of employees 125 (74%) were more than 5 years, 21 (12.4%), 12 (7.1%), 10 (5.9 %), were 1-3, 4-5 years, less than 1 years respectively. Therefore, majority of employees had remarkable working experience.

Table 4.5 work experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 1 years	10	5.9	5.9	5.9
	1-3 years	21	12.4	12.4	18.3
	4-5 years	12	7.1	7.1	25.4
	more than 5 years	125	74.0	74.0	99.4
	Total	169	100.0	100.0	

4.3. Descriptive Analysis

Descriptive statistics are used to summaries any patterns in the responses. Descriptive statistics contains procedures that summaries and depict the important characteristics of a measurement set Martin & S.L. (2013) This section describes means and standard deviations of the leadership styles. Table 4.6 below shows the results of descriptive statistics. In descriptive analysis, the variable is ranked by referring to the values of mean and standard deviation. The highest value of standard deviation from mean indicates the independent variables produce highest impact on the dependent variables. Based on the table 4.6 below, transformational leadership style has the highest mean value corresponding to 2.92 and standard deviation value of 0.874 indicating that transformational leadership style is highly correlated with employees motivation, and

Organizational performance. Standard deviation value of 0.693 and mean 2.86 indicating that transactional leadership style is fairly correlated with employees motivation, and organizational performance. Laissez faire leadership style has the lowest mean value corresponding to 2.62 and standard deviation value of 0.603 indicating that Laissez faire leadership style is poorly correlated with employees motivation, and organizational performance.

Table 4.6 Descriptive Statistics

Descriptive Statistics			
	N	Mean	Std. Deviation
Transformational Leadership style	169	2.92	.874
Transactional Leadership style	169	2.86	.693
Laissez faire leadership style	169	2.62	.603

4.4. Correlation Analysis

The researcher used a correlation test to identify the magnitude and strength of relationship between the dependent variable Leadership styles' (transformational, transactional, laissez faire) and the dependent variable employees motivation, and organizational performance. It is clear that correlation can tell something about the relationship between variables and helps to understand whether the relationship is positive or negative and whether the strength of relationship is very strong, strong, moderate, weak or very weak.

In general as explained by Cooper & Schindler, 2003; Leedy & Ormrod, (2001), $R > 0$ indicates positive relationship, $R < 0$ indicates negative relationship while $R = 0$ indicates no relationship or that the variables are independent and not related. Again when $R = +1.0$ describes a perfect positive correlation and $R = -1.0$ describes a perfect negative correlation. The closer the coefficients are to $+1.0$ and -1.0 ; greater is the strength of the relationship between the variables. to ascertain whether there is a statistically significant relationship exists between the independent and dependent variables, the researcher checked the correlation between the dependent variable employees motivation and Organizational performance with that of the independent variable leadership styles'. Table 4.8 below shows the relationship between these variables.

Table.4.7. Shows the measures of associations and descriptive adjectives

No	Measure of Association	Descriptive Adjective
1	> 0.00 to 0.20 ; < -0.00 to -0.20	Very weak or very low
2	> 0.20 to 0.40; < -0.20 to -0.40	Weak or low
3	> 0.40 to 0.60; < -0.40 to -0.60	Moderate
4	> 0.60 to 0.80; < -0.60 to -0.80	Strong or high
5	> 0.80 to 1.0; < -0.80 to -1.0	Very high or very strong

4.4.1. Correlations between Transformational Leadership Style and Employees

Motivation

As indicated in the table 4.8 below, the relationship between transformational leadership and the dependent variable employees motivation is moderate, positive and significant($R = 0.612^{**}$, $p < 0.05$). The value describes that there is a positive relationship between them at $R = 0.612$ and $P < 0.05$. The significant value is 0.000 shows the significance of relation between the variables. 0.612 is the positive value and having moderate effect because value is in between 0.5 to 0.7. From these findings hypothesis H_1 transformational leadership style has a positive significant relationship between with employees' motivation in BZUDHO is supported.

4.4.2. Correlations between Transactional Leadership Style and Employees

Motivation

The results demonstrate that the value of Pearson's correlation between the independent variable transactional leadership style and the dependent variable employees' motivation is 0.591^{**} . The value describes that there is positive relationship between them at $R = 0.591^{**}$, and $p < 0.05$.

The significant value is 0.000 shows the significance of relation between the variables. 0.591^{**} , is the positive value and having moderate relationship because value is in between 0.4 to 0.6. These indicate that hypothesis H_3 There is a positive significant relationship between transformational leadership style and employees' motivation in BZUDHO is supported.

4.4.3. Correlations between Laissez Faire Leadership Style and Employees

Motivation

The result from the correlation matrix in table 4.8 below, shows that the value of Pearson's correlation between the independent variable Laissez faire leadership and the dependent variable employees motivation is 0.390**. The value describes that there is a positive relationship between them at $R=0.390^{**}$ and $P<0.05$. The significant value is 0.000 shows the significance of relation between the variables. 0.390** is the positive value and having low/weak relationship because value is in between 0.2 to 0.4. This indicates that hypothesis five Laissez faire leadership style has a positive significant relationship with employees motivation of BZUDHO is supported.

4.4.4. Correlations between Transformational Leadership Style and Organizational Performance

As the result of the study shows in table 4.8 below, the value of Pearson's correlation between the independent variable transformational leadership style and the dependent variable Organizational performance is 0.651**. The value describes that there is a positive relationship between them at $R=0.651^{**}$ and $P<0.05$. The significant value is 0.000 shows the significance of relation between the variables. 0.651** is the positive value and having moderate relationship because value is in between 0.5 to 0.7. Thus, indicate that hypothesis two transformational leadership style has a positive significant relationship with Organizational performance of BZUDHO is supported.

4.4.5. Correlations between transactional Leadership Style and Organizational Performance

Table 4.8 below indicates that the value of Pearson's correlation between the independent variable transactional leadership style and the dependent variable Organizational performance is 0.491**. The value describes that there is a positive relationship between them at $R=0.491^{**}$ and $P<0.05$. The significant value is 0.000 shows the significance of relation between the variables. 0.491** is the positive value and having moderate relationship because value is in between 0.3 to 0.5. These indicate that hypothesis four transactional leadership style has a positive significant relationship with Organizational performance of BZUDHO is supported.

4.4.6. Correlations between Laissez Faire Leadership Style and Organizational Performance

The result from the correlation matrix in table 4.8 below shows that the value of Pearson's correlation between the independent variable Laissez faire leadership style and the dependent variable Organizational performance is 0.335**. The value describes that there is a positive relationship between them at $R=0.335^{**}$ and $P<0.05$. The significant value is 0.000 shows the significance of relation between the variables. 0.335** is the positive value and having low/weak relationship because value is in between 0.2 to 0.4. This indicates that hypothesis six Laissez faire leadership style has a positive significant relationship with Organizational performance of BZUDHO is supported.

Table 4.8 Correlations between Leadership styles with Employees motivation and Organizational performance

		Transfor mational	Transa ctional	laissez faire	Employees motivation	Organization al performance
Transformat ional Leadership style	Pearson Correlation	1	.531**	.268**	.612**	.651**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	169	169	169	169	169
Transaction al Leadership style	Pearson Correlation	.531**	1	.360**	.591**	.491**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	169	169	169	169	169
laissez faire leadership style	Pearson Correlation	.268**	.360**	1	.390**	.335**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	169	169	169	169	169
Employees motivation	Pearson Correlation	.612**	.591**	.390**	1	.722**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	169	169	169	169	169
Organizatio nal performanc e	Pearson Correlation	.651**	.491**	.335**	.722**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	169	169	169	169	169

4.6.7. Summary of Hypotheses and Results.

4.9. Table Summary of Hypothesis and results

H	Relationship	Results
H1	There is a positive significant relationship between transformational leadership style and employees motivation in BZUDHO.	Supported
H2	There is a positive significant relationship between transformational leadership style and organizational performance in BZUDHO.	Supported
H3	H ₃ : There is a positive significant relationship between transactional leadership style and employees motivation in BZUDHO	Supported
H4	H ₄ : There is a positive significant relationship between transactional leadership style and organizational performance in BZUDHO	Supported
H5	There is a positive significant relationship between Laissez Faire leadership style and employees motivation in BZUDHO	Supported
H6	There is a positive significant relationship between Laissez Faire leadership style and organizational performance in BZUDHO	Supported

4.5. Regression Analysis

The hypotheses of the study were tested and results recorded accordingly. However, before ascertaining the values of each hypothesis the researcher sought to establish or hypothesize the general relationship between leadership styles and employees' motivation, and organizational performance in Bale Zone Urban development and Housing Office.

To quantify the strength of the relationship between the variables, the researcher was conducted a Pearson's coefficient of correlation. In addition, the researcher carried out a regression analysis so as to examine the impact of leadership styles on employees' motivation, and organizational performance in Bale Zone urban Development and Housing Office.

Leadership styles (independent Variables) were computed based on three separate independent variables namely Transformational, Transactional and Laissez-Fair to see the impact on employees' motivation, and Organizational performance. Components of dependent variables (employees' motivation, and organizational performance) were included and tested separately. In addition to this, all independent variables were computed together to see the entire interactions and to support the hypotheses that have been developed earlier.

To proceed with linear regression test, first the researcher checked the assumptions of linear regression and assumes that normality, linearity and multicollinearity are not a problem for this

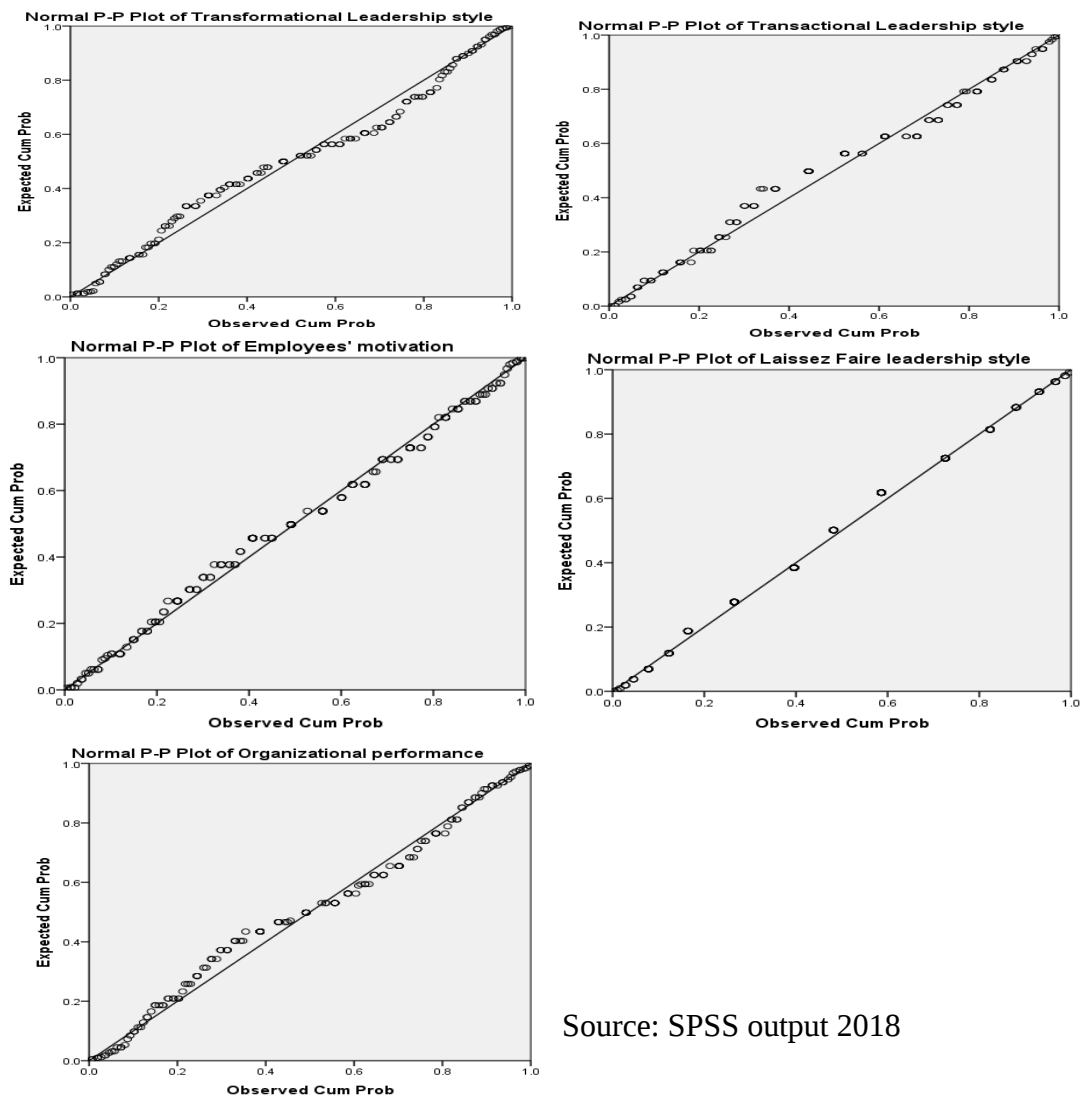
particular study. Accordingly the researcher checked three basic linear regression assumptions and proved that the all requirements were fulfilled. The results and interpretation of the three assumptions of regressions is explained below.

4.6. Assumption Analysis

4.6.1. Assumption 1: Normality

The researcher used a P-P scatter plot to test the normality assumption in figure 4.1 below. The assumption of normality was met because the points closely followed the normality trend line (Howell, 2010). With this regard, as seen in Figure 4.1 the data distributed in the perfect normal line. Based on these results, data met the assumptions of normality.

Figure 4.1, Normal P-P plot of Independent Variable and Dependent variable



Source: SPSS output 2018

The other ways of measuring the normality of distribution is through checking the level of skewness and kurtosis. Usually the value of skewness and kurtosis for normal distribution is varied from 1 to -1. (Matt, Carlos and Deson, 2013). Table 4.10 describes the skewness and kurtosis value of the variables. Multiple regressions require that independent variables in the analysis should be normally distributed. The normality of the variable of this study was also checked using skewness and kurtosis. In order to say the variable is normally distributed, the skewness and kurtosis value should be within the acceptable range of normality. The skewness and kurtosis value of +1.0 to -1.0 is acceptable range of normality. The kurtosis value for the variable transformational, transactional and laissez Faire leadership styles for dependent variable employees motivation and organizational performance in this study was (-0.755,0.157,-0.377, -0.910,-0.865) respectively, which is in the acceptable range of normality.

The skewness, value for the variable transformational, transactional and laissez Faire leadership styles for dependent variable employees motivation and organizational performance in this study was (0.404,-0.139, -0.013 and (0.124,0.144), all the five variable were under the normal acceptable ranges of =1 and -1. From this the researcher can concluded that the data collected fulfilled normality assumptions.

Table 4.10 Normality of Distribution

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Transformational Leadership style	169	.404	.187	-.755	.371
Transactional Leadership style	169	-.139	.187	.157	.371
Laissez faire Leadership style	169	-.013	.187	-.377	.371
Employees motivation	169	.124	.187	-.910	.371
Organizational performance	169	.144	.187	-.865	.371

Source: SPSS Output 2018

4.6.2. Assumption 2: Multicollinearity

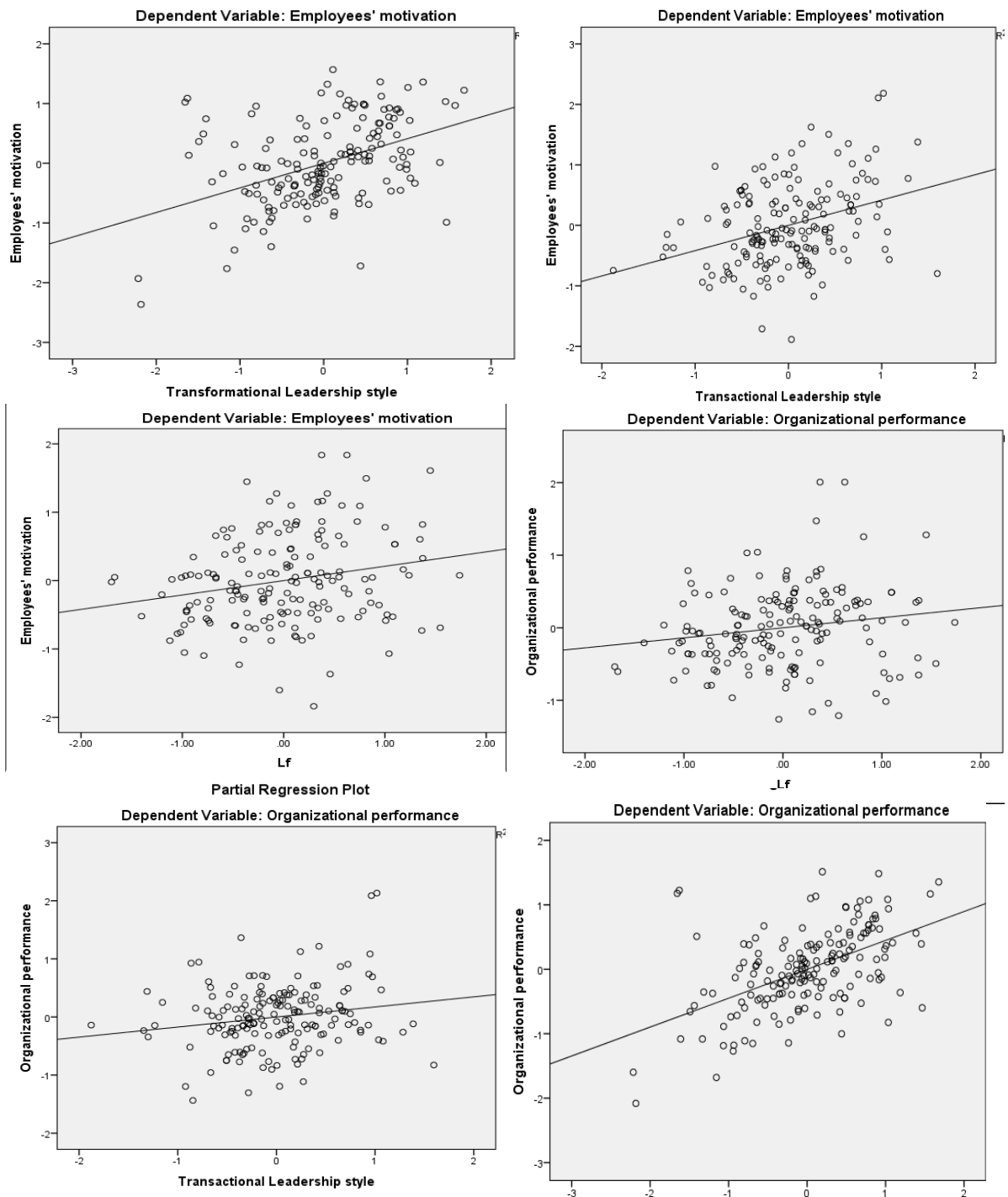
Multicollinearity occurs when there are high correlations between two or more predictors variable. In other words one predictor variable can be used to predict the other. It is an easy way to detect multicollinearity is to calculate correlation coefficient for all pairs and predictors variable. With this regard, Variance inflation factors (VIF) of multiple regression is defined as $VIF = 1/T$ with $VIF > 10$ there is an indication that multicollinearity may be present; with $VIF > 100$ there is certainly multicollinearity among the variables (Howell, 2010). The finding of study shows that all VIF results which are found in table 4.12 and table 4.15 are less than 10, so multicollinearity does not exist.

4.6.3. Assumption 3: Linearity

Linear regression analysis will be conducted if and only if the dependent and independent variables have linear relationship. To check whether the dependent variable employees motivation, and organizational performance and independent variables Transformational, transactional, laissez faire leadership style have linear relationship or not, the researcher tested by using the average value of the variables.

Figure 4.1 below shows the relationship between dependent variable and independent variable. The graph shows that employees motivation, and Organizational performance has positive relationship with transformational, transactional and Laissez faire leadership style. This implies for every increase in the independent variable transformational, transactional and Laissez faire leadership style, there will be a proportional increase in the dependent variable employees motivation, and Organizational performance effectiveness. Figure. 4.1 and 4.2 shows the relationship between dependent and independent variable, which is an inverse relationship. That means, for every single unit increase in the independent variable transformational, transactional and Laissez faire leadership style, there is a decrease in the dependent variable employees motivation, and Organizational performance by the same amount.

Fig.4.2: Linearity relationship between dependent and Independent Variables



Finally, the assumption and pre conditions for running multiple regressions have been checked and the results were within the acceptable range and now we can run multiple regression. The

multiple regression model summary analysis and Coefficients of linear regression are presented below

4.7. Multiple regression analysis between leadership styles and employees motivation

This finding was necessary to compare results from the independent variable leadership styles and those from the dependent variables so as to determine which variable has a greater impact on employees motivation, The results in Table 4.11 below indicate that the R-square, as computed using the regression, R^2 is 0.498 showing that the predictor variable, represented by leadership styles, contributes (49.8%) impacts to employees motivation. The finding of the regression shows that there are other 50.2% unexplained factors that have impact on employees' motivation.

Table 4.11 Regression between leadership styles and employees motivation

Model Summary

Model	R	R square	Adjusted R square	Std. Error of the estimate
1	.706a	.498	.489	.648

Predictors: (Constant), Laissez faire, Transformational and Transactional Leadership style

4.7.1.Coefficient of beta value analysis between leadership styles' and Employees motivation

The unstandardized Beta coefficient for the variable transformational, transactional and Laissez faire leadership style has shown positive (0.412, 0.418, 0.210) respectively. This revealed that leadership styles have significant impact on the dependent variable employees motivation. It also tells us for every unit increase in the leadership styles there will be a proportional increase in the dependent variable employees motivation effectiveness. Hence a one unit increase in leadership styles (transformational, transactional, laissez faire) will lead to a (41.2%, 41.8%, 21%) respectively increase in the employees motivation effectiveness.

The standardized beta coefficient usually shows the relative importance weight of the variables. As can be seen in table 4.12, the contribution of leadership style is positive to the variance in the dependent variable employees motivation effectiveness. Which means the relative importance weight of leadership styles (transformational, Transactional and Laissez faire) is positive, (i.e. 0.412, 0.418, 0.210) respectively.

Table 4.12 Coefficients Beta Value

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	β	Std. Error	β			Tolerance	VIF
1 (Constant)	.105	.257		.410		.682	
Transformational Leadership style	.412	.068	.397	6.076	.000	.711	1.406
Transactional Leadership style	.418	.088	.320	4.733	.000	.667	1.499
Laissez faire leadership styles	.210	.075	.168	2.822	.005	.862	1.160

Dependent Variable: Employees motivation

Additional analysis was done on coefficients where the range of alpha value of 0.05, 0.001 or 0.01 is used to explain the significant of the variable.

H₇: Transformational leadership style has a positive significant impact on employees motivation in BZUDHO. As shown on the table 4.12 above, transformational leadership style beta coefficient value is 0.397 with a significant value of 0.000 which is lower than 0.05, hence transformational leadership style is found to have a positive significant impact on employees motivation.

Finding (beta coefficient 0.397 at significant level of 0.000) so that, the H₇ is supported.

H₉: Transactional leadership style has a positive significant impact on employees motivation in BZUDHO. As shown on the table 4.12 above, transactional leadership style beta coefficient value is 0.320 with a significant value of 0.000 which is lower than 0.05, hence transactional leadership style has positive significant impact on employees motivation. So that H₉ is supported.

H₁₁: Laissez- Faire leadership style has a positive significant impact on employees motivation in BZUDHO. As shown on the table 4.12 above, Laissez faire leadership style beta coefficient value is 0.168 with a significant value of 0.005 which is lower than 0.05, hence Laissez faire leadership style has positive significant impact on employees motivation H₁₁ is supported.

Table 4.13 Summary of Hypothesis with Beta Value

	Hypothesis	Beta Value	Sig.	Results
H ₇	Transformational leadership style has a positive significant impact on employees motivation in BZUDHO.	0.397	.000	Supported
H ₉	Transactional leadership style has a positive significant impact on employees motivation in BZUDHO	0.230	.000	Supported
H ₁₁	Laissez- Faire leadership style has a positive significant impact on employees motivation in BZUDHO	0.168	.005	Supported

Dependent Variable: Employees motivation

Source: SPSS Output 2018

4.8. Regression between Leadership styles and Organizational Performance

Transformational, transactional and laissez-faire leadership styles showed significant explanation on organizational performance with R-square of 46.9 % ($p < 0.01$). R^2 is 0.469 showing that the predictor variable, represented by leadership styles, contributes (46.9%) impacts to Organizational performance in Bale Zone Urban Development and Housing office. The findings of this regression showed that there are other 53.1% unexplained factors that have impact on organizational performance.

Table 4.14 Regression between leadership styles and Organizational performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.685a	.469	.459	.545

Predictors: (Constant), Laissez Faire, Transformational, Transactional Leadership style **Source:** SPSS Output 2018

4.9. Multiple regression analysis between Leadership styles' and Organizational performance

The coefficients table presented in table 4.15 below provides information about the unstandardized and standardized beta coefficients.

The unstandardized Beta coefficient for the variable transformational, transactional and Laissez faire leadership style has shown positive (0.448, 0.173, 0.138) respectively. This revealed that there is positive relationship between the dependent variable employees motivation and the independent variable leadership styles. It also tells us that for every unit increase in the leadership styles there will be a proportional increase in the dependent variable employees motivation effectiveness. Hence a one unit increase in leadership styles (transformational, transactional, laissez faire) will lead to a (44.8 %, 17.3%, 13.8%) respectively increase in the employees motivation effectiveness.

The standardized beta coefficient usually shows the relative importance weight of the variables. As can be seen in table 4.15, the contribution of leadership style is positive to the variance in the dependent variable Organizational performance effectiveness. Which means the relative importance weight of leadership styles (transformational, Transactional and Laissez Faire) is positive, (i.e. 0.529, 0.162, 0.135) respectively.

Table 4.15 Coefficients leadership style and Organizational performance

Model	Unstandardize d Coefficients		Standardi zed Coefficien ts	T	Sig.	Co linearity Statistics	
	β	Std. Error				Tolerance	VIF
(Constant)	.532	.216		2.458	.015		
Transformational Leadership style	.448	.057	.529	7.858	.000	.711	1.406
Transactional Leadership style	.173	.074	.162	2.331	.021	.667	1.499
Liassez Faire	.138	.063	.135	2.209	.029	.862	1.160

Dependent Variable: Organizational performance

Source: SPSS Output 2018

Additional analysis is done on coefficients where the range of alpha value of 0.05, 0.001 or 0.01 is used to explain the significant of the variable.

H₈: Transformational leadership style has a positive significant impact on organizational performance in BZUDHO. Transformational leadership style beta coefficient value is 0.529 with

a significant value of 0.000 which is lower than 0.05, hence transformational leadership style is found to have a positive significant impact on organizational performance. So that, H_8 is supported.

H_{10} : Transactional leadership style has a positive significant impact on organizational performance in BZUDHO. Transactional leadership style beta coefficient value is 0.162 with a significant value of 0.021 which is lower than 0.05, hence transactional leadership style has significant positive impact on Organizational performance. So that, H_{10} is supported.

H_{12} : Laissez Faire leadership style has a positive significant impact on organizational performance in BZUDHO. Laissez faire leadership style beta coefficient value is 0.135 with a significant value of 0.029 which is lower than 0.05, hence Laissez faire leadership style has significant impact on Organizational performance. So that, H_{12} is supported.

4.16. Table Summary of Hypothesis with Beta Value

	Hypothesis	Beta Value	Sign	Results
H_8	Transformational leadership style has a positive significant impact on organizational performance in Bale Zone urban development Housing office.	0.529	.000	Supported
H_{10}	Transactional leadership style has a positive significant impact on organizational performance in Bale Zone urban development Housing office.	0.162	.021	Supported
H_{12}	Laissez Faire leadership style has a positive significant impact on organizational performance in Bale Zone urban development Housing office.	0.135	.029	Supported

4.10. Comparison of Beta Coefficient after regression

According to the result of beta coefficient the value of beta under transformational leadership style has score 0.397 on employees motivation and 0.529 on organizational performance. This indicates that transformational leadership style has higher impact on employees' motivation, and organizational performance compared with transactional and laissez-faire leadership styles.

According to the result of beta coefficient the value of beta under transactional leadership style has score 0.32 on employees motivation and 0.162 on organizational performance. These indicate that transactional leadership style has got the second highest impact on employees' motivation, and organizational performance compared with transformational and laissez-faire leadership style.

According to the result of beta coefficient the value of beta under Laissez faire leadership style has score 0.0.168 on employees motivation and 0.135 on organizational performance. These indicate that Laissez faire leadership style has got the lowest impact on employees' motivation, and organizational performance compared with transformational and transactional leadership style.

Table 4. 17. Comparison of Beta Coefficient after regression

Comparison of Beta Coefficient After Regression		
Leadership style	Employees motivation	Organizational Performance
	B	B
Transformational	0.397	0.529
Transactional	0.32	0.162
Laissez Faire	0.168	0.135

4.11. Discussion of Findings

In descriptive analysis, the variable is ranked by referring to the values of standard deviation and mean. The highest value of standard deviation from mean indicates the independent variables produce highest impact on the dependent variables. Based on the table 4.6 above, transformational leadership style has the highest mean value corresponding to 2.92 and standard deviation value of 0.874 indicating that transformational leadership style is highly correlated with employees motivation, and Organizational performance. Standard deviation value of 0.693 and mean 2.86 indicating that transactional leadership style is fairly correlated with employees' motivation, and organizational performance. Laissez faire leadership style has the lowest mean value corresponding to 2.62 and standard deviation value of 0.603 indicating that Laissez faire leadership style is poorly correlated with employees' motivation, and organizational performance.

This study examined the impact of different leadership styles (i.e. transformational, transactional and laissez-faire) on employees' motivation, and organizational performance in the BZUDHO. The study reveals that transformational, transactional and laissez faire leadership have significant relationship both on the employees motivation, and organizational performance of BZUDHO ($P = 0.612$, $\alpha = 0.05$, $P=0.591$, $\alpha=0.05$ $P=0.390$, $\alpha=0.05$), and ($P = 0.615$, $\alpha=0.05$, $P=0.491$, $\alpha=0.05$ $P=0.335$, $\alpha=0.05$) respectively. This is consistent with the finding by (David Ingram, 2014) that transformational and transactional leadership style has positive influence on employees motivation to quality offered services to customers. Befkadu's (2013) study indicated transformational leadership is advantageous to inspire the team to achieve the goals of the organization and those leaders and subordinates share interests as well as understand their outcome is linked. Thus, this study is related to the researcher's result.

H₁: There is a positive significant relationship between transformational leadership style and employees motivation in BZUDHO. The result from correlation of $p=0.612$, indicates that transformational leadership has significant relationship with employees motivation at significant level of $\alpha=0.05$. The null hypothesis that transformational has a positive significant relationship with employees' motivation in BZUDHO is supported. This finding is supported by Avolio and Bass (2004) argue that transformational leaders are more effective because they understand the importance of adapting to the needs and motives of their followers and can therefore get their followers to be more inspired and accomplish great things whilst completing the tasks at hand and

simultaneously having their needs met.

H₂: There is a positive significant relationship between transformational leadership style and organizational performance in BZUDHO. The correlation result of transformational leadership style with organizational performance $p=0.651$, indicates that transformational leadership has a positive significant relationship with organizational performance at significant level of $\alpha=0.05$. The null hypothesis that transformational has a positive significant relationship with organizational performance in BZUDHO is supported. This finding is supported by Bass and Riggio, (2006) transformational leadership increases performance levels by influencing followers' values, goals and higher order needs to meet the organization's mission. Followers are challenged to think in new ways, inspired to accomplish goals which were previously out of reach and motivated to keep values and moral standards in mind when performing their daily duties. Followers therefore trust, admire and show great levels of loyalty toward their leader and organization as they are motivated to do more than they originally thought possible (Yukl, 2002).

H₃: There is a positive significant relationship between transactional leadership style and employees motivation in BZUDHO. Moreover, the correlation analysis of $p=0.591$, indicates that transactional leadership has a positive significant relationship with employees motivation at $\alpha=0.05$. The null hypothesis that transactional leadership has significant relationship with employees motivation in BZUDHO is supported which coincides with prior study, Helleeson and Gundersen (2011) described that both transformational and transactional leadership styles are positively related to the motivation of employees. With this type of leadership, negative feedback, criticism and negative contingent reinforcement are often the modes used for correcting behavior (Bass and Avolio, 2006).

H₄: There is a positive significant relationship between transactional leadership style and organizational performance in BZUDHO. The correlation analysis of $p=0.491$, indicates that transactional leadership has a positive significant relationship with Organizational performance at $\alpha=0.05$. The null hypothesis that transactional leadership has a positive significant relationship with organizational performance in BZUDHO is supported which coincides with prior study. Transactional leaders typically lead employees based on their title, position of authority, status, superior knowledge and the ability to control resources, this type of leadership style reflects more of a power relationship as opposed to an influential one (Yukl, 2006).

H₅: There is a positive significant relationship between Laissez Faire leadership style and employees motivation in BZUDHO. The correlation of $p=0.390$, indicates laissez faire leadership style has a positive significant relationship with employees motivation at significant level of $\alpha=0.05$. The null hypothesis that laissez faire leadership style has a positive significant relationship with employees motivation is supported which is in inline with the result obtained (Oyetunyi, 2006) Laissez Faire leadership style may be effective with well-motivated and experienced employees, but could not lead to failure when subordinates are deceptive, unreliable and untrustworthy.

H₆: There is a positive significant relationship between Laissez Faire leadership style and organizational performance in BZUDHO. The correlation of $p=0.335$, indicates laissez faire leadership style has a significant relationship between Organization performance at significant level of $\alpha=0.05$. The null hypothesis that laissez faire leadership style has a positive significant relationship with organizational performance in BZUDHO is supported. This result is in line with Sougui, et al. (2016) that stated laissez-faire leaders allow freedom on how employees do their work and employees perform with no leadership barriers.

H₇: Transformational leadership style has a positive significant impact on employees' motivation in BZUDHO. Transformational leadership style beta coefficient value is 0.397 with a significant value of 0.000 which is lower than 0.05, hence transformational leadership style is found to have a positive significant impact on employees motivation. Finding (beta coefficient 0.397 at significant level of 0.000) so that the H₇ is supported. This finding is similar to Mekdes (2012) confirmed that the transformational leadership style has high contribution to employees motivation. Helleeson & Gundersen (2011) described that both transformational and transactional leadership styles are positively related to the motivation of employees and their job satisfaction. This finding also supported by Aquinas, (2007) research.

H₈: Transformational leadership style has a positive significant impact on organizational performance in BZUDHO. Transformational leadership style beta coefficient value is 0.529 with a significant value of 0.000 which is lower than 0.05, hence transformational leadership style is found to have a positive significant impact on organizational performance. So that H₈ is supported. This finding is supported by Bass and Riggio (2006), the rapid rate of change in all organizations is calling for more adaptable and flexible leadership. Leaders must make sense of

challenges faced by themselves and their followers. The type of leadership style needed is transformational and is known for directing its followers towards the future and creating organizational cultures of creative change and growth. Befkadu's (2013) study indicated transformational leadership is advantageous to inspire the team to achieve the goals of the organization and those leaders and subordinates share interests as well as understand their outcome is linked.

H₉: Transactional leadership style has a positive significant impact on employees motivation in BZUDHO. As shown on the table 4.12 above, transactional leadership style beta coefficient value is 0.320 with a significant value of 0.000 which is lower than 0.05, hence transactional leadership style has positive significant impact on employees motivation. So that H₉ is supported. This finding is in line with Avolio & Bass, (2004) transactional leaders will only inspire through "first order" transactions/exchanges and will use external rewards for example, commission rather than intrinsic motivation in order to reach agreed-upon goals. Transactional leadership style has a large focus on clarifying subordinate role and tasks that must be performed (Russel, 2008).

H₁₀: Transactional leadership style has a positive significant impact on organizational performance in BZUDHO. Transactional leadership style beta coefficient value is 0.162 with a significant value of 0.021 which is lower than 0.05, hence transactional leadership style has significant positive impact on Organizational performance. So that H₁₀ is supported. This finding is similar to Avery, (2004) findings Powerful and assertive leaders also often find the transactional model very beneficial to their way of managing organizational performance.

H₁₁: Laissez- Faire leadership style has a positive significant impact on employees motivation in BZUDHO. As shown on the table 4.12 below, Laissez faire leadership style beta coefficient value is 0.168 with a significant value of 0.005 which is lower than 0.05, hence Laissez faire leadership style has positive significant impact on employees motivation H₁₁ is supported. This finding in line with Nielsen, et.al (2008) which found employees are often motivated by the fact that short-term goals seem more attainable as they understand exactly what is expected of them.

H₁₂: Laissez Faire leadership style has a positive significant impact on organizational performance in BZUDHO. Laissez faire leadership style beta coefficient value is 0.135 with a significant value of 0.029 which is lower than 0.05, hence Laissez faire leadership style has significant impact on Organizational performance. So that H₁₂ is supported. This finding is

supported by Oyetunyi, (2006) Laissez faire leadership style may be effective with well-motivated and experienced employees, but could not lead to failure when subordinates are deceptive, unreliable and untrustworthy. According to Mullins (2005) a Laissez-Fair style is where the manager observes that; members of the group are working well on their own.

As the finding of study shows that 49.8% of factors which have impact on employees motivation are leadership styles (Transformational, transactional and Laissez faire) whereas, there are other 50.2 % unexplained factors that have an impact on employees motivation.

Finally the findings of this study revealed that leadership style has an impact on organizational performance. Based on analysis linear regression the findings, 46.9% of employees perceived that transformational, transactional and Laissez faire leadership styles factors that an impacts on organizational performance and there are other factors 53.1 which is unexplained factors that have an impacts on organizational performance.

CHAPTER FIVE

5. Summary, Conclusions and Recommendations

5.1. Summary

The study established that there is positive relationship between transformational, transactional, Laissez faire leadership style and employees motivation at significant level of ($R=0.612$, $p<0.000$, $R=0.615$, $p<0.000$, $R=0.591$, $p<0.000$) respectively in Bale Zone urban development and housing office.

This study shows that there is positive relationship between transformational, transactional, Laissez faire leadership style and Organizational performance at significant level of ($R=0.651$, $p<0.000$, $R=0.491$, $p<0.000$, $R=0.335$, $p<0.000$) respectively in Bale Zone urban development and housing office.

Based on beta coefficient value after multiple regressions the study summarizes that Transformational, transactional and laissez faire leadership style has a positive significant impact on employees' motivation in Bale Zone Urban Development and housing office.

Based on beta coefficient value after multiple regressions the study established that Transformational, transactional and laissez faire Leadership style has a positive significant impact on organizational performance of Bale Zone urban development and housing office.

The finding of study shows that 49.8% of factors which influence/impact employees motivation are leadership styles (Transformational, transactional and Laissez faire) whereas, there are other 50.2 % unexplained factors that have an impact on employees motivation.

The findings of this study revealed that leadership style has an impact on organizational performance. Based on analysis multiple regression the findings, 46.9% of employees perceived that transformational, transactional and Laissez faire leadership styles factors that an impacts on organizational performance and there are other factors 53.1 which is unexplained factors that have an impacts on organizational performance.

5.2. Conclusions

Leadership is a critical function of managers at all management levels of the organization. In exercising their leadership roles, managers often demonstrate different leadership styles, namely transformational, transactional and laissez- faire in order to obtain predetermined organizational objectives. Each of the leadership styles yields different results at different times and in different situation. Thus, the study examined the impact of different leadership styles on the employees' motivation and organizational performance in BZUDHO.

From the study findings, the study concludes that a transformational leadership style has a positive significant impact on employees' motivation in BZUDHO.

The study concludes that transformational leadership style has significant impact on Organizational performance in BZUDHO. The study established that display sense of power and confidence, talk about most important values and beliefs, consider the moral and ethical consequences of decisions, talk optimistically about the future, express confidence that goals will be achieved, Suggest new ways of looking at how to complete assignments affect Organizational performance in the BZUDHO.

The study concludes that a transactional leadership style has a positive significant impact on employees' motivation of BZUDHO. It was also learned that focus attention on irregularities, mistakes, exception and deviations from standards, express satisfaction when expectations are met, make clear what one can expect to receive when performance goals are achieved; affects employees motivation of BZUDHO.

The study concludes that a transactional leadership style has a positive significant impact on Organizational performance of BZUDHO. It was made clear that same Concentrate full attention on dealing with complaints and failures, attention towards failures to meet standards, fail to interfere until problems become serious, wait for things to go wrong before taking action affects Organizational performance of BZUDHO.

The study concludes that Laissez Faire leadership style has a positive significant impact on

employees' motivation of BZUDHO. With this regard avoidance of making decisions, delay responding to urgent questions has effects on employees' motivation of BZUDHO.

The study concludes that Laissez Faire leadership style has a positive significant impact on Organizational performance of BZUDHO. From these findings, it was made clear that leaders encourage employees to utilize their full potential, talent and creativity can affect Organizational performance of BZUDHO.

The study finally realizes that leadership styles (transformational, transactional and Laissez-Faire) has significant impact on employees' motivation and organizational performance in the BZUDHO.

5.3. Recommendations

In order to make the organization successful assigning qualified leaders in the area is unquestionable. Thus, there is the need to equip leaders with modern leadership skills. Based on the findings of the study and the conclusions drawn the following recommendations are given here under.

- i. First, the management of the BZUDHO better to encourage employees at various levels and units of the offices to adopt leadership styles (transformational, transactional and laissez faire) in the course of discharging their managerial responsibilities. This recommendation can be achieved by training and re-training the managers on the features and importance of leadership styles because leadership qualities can be acquired. Since Transformational leadership style has got the highest impact the organization should arrange training on how to implement transformational leadership style in the office. Therefore, the researcher would recommend zone and woreda Urban Development and Housing Offices to provide short term trainings to currently appointed leaders/managers at least every quarter of the year to bridge the existing leadership and management gaps. This can be done by inviting professionals in the field of leadership and management from nearby university (Madda Walabu) or others.
- ii. Depending on the findings and conclusion transformational leadership style is one of the leadership style that has got significant impact on employees' motivation which in turns resulted in high organizational performance. Hence BZUDHO is better to implement transformational leadership style than transactional and lassies fair leadership styles.
- iii. Transactional leadership style has got significant impact on employees' motivation simultaneously on organizational performance. Despite to this the impact is moderate compared to transformational leadership style in the organization. So BZUDHO better to implement where it fits.
- iv. Laissez faire leadership style has got significant impact on employees' motivation and organizational performance in BZUDHO, but the Laissez faire leadership style scored the lowest impact on employees' motivation, and organizational performance. Since the

objective of implementing different leadership styles in the organization is to motivate employees and get their maximum effort in turn to increase the organizational performance. Though this style has shown lowest impact in BZUDHO would better to exercise where the subordinates (employees) are capable enough about the task they perform and highly committed to their respective organization.

Finally before creating any serious problems, active leaders control follower behavior, predict problems, and take corrective actions. Passive leaders, however, wait until the behavior has already created problems before taking any corrective action. So that BZUDHO leaders have to internalize active leader's characters.

5.4. Recommendation for Further Studies

The upcoming research may be conducted with inclusion of more and different variables such as gender of superior and number of years working with superior. As only one organization participated in this study, future researcher could widen the number of organizations by choosing any other sector for same research such as, education, health and other organizations. The future researcher can enlarge a bigger sample data size in different region for a broader view.

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Appendix I
MADDA WALABU UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS POST GRADUATE
STUDIES DEPARTMENT OF MANAGEMENT
A Questionnaire to be filled by Leaders and Employees of Bale Zone Urban
Development and Housing office

This questionnaire is designed for a research to be conducted as part of the fulfillment to the requirement for a MBA degree in Master of business administration. The title of the study is “Impacts of leadership on the employees motivation and organizational performance”. The purpose of the study is to explore the links between leadership styles, employees motivation and organization performance. The items in the questionnaire are organized in to four parts: personal bio data of respondents, leadership styles, employees motivation factors and indicators of organizational performance.

Gezehagn Dejene Ijara

Instructions

- ✍ Participation in the study is voluntary which based on your own interest and willingness.
- ✍ Top leadership in this questionnaire refers to office leaders or managers and process owners positions.
- ✍ The information you provide for this study will be strictly confidential and used for an academic purpose only.
- ✍ Your valuable input is crucial to achieve the purpose of the study.
- ✍ Your honest and open response is greatly appreciated.

Part I

Personal Bio Data of Respondents

This part of the questionnaire deals with the demographic information. Please answer all items on this answer sheet. Put “✓” for close ended items

Sex:

Male ☐ Female ☐

1.2. Your Age

- a) Under 25 years ☐
- b) 25 – 34 years ☐
- c) 35- 44 years ☐
- d) 45- 54 years ☐
- e) Above 55 years ☐

1.3. Your position

Leaders ☐

Experts ☐

1.4. Your education level

- a) Master degree ☐
- b) Bachelor degree ☐
- c) Diploma ☐
- d) Other _____

1.5. Your office is at:

Bale Zone Urban development and Housing office ☐

woreda/town administration ☐

1.7. Years of services in the office

- a) Less than1 year ☐
- b) 1- 3 years ☐
- c) 4 – 5 years ☐
- d) More than 5 years ☐

PART-2

Leadership Styles

This questionnaire is to describe the leadership style of your Head of Function (or the person you report to), as you perceive/observe it. Please answer all items on this sheet. If an item is irrelevant, or if you are unsure or do not know the answer, leave the answer blank. Please answer this question anonymously.

Twenty nine descriptive statements are listed on the following pages. Judge how frequently each statement fits the person you are describing. Use the following rating scale and put “✓” mark for each rating. Rate your answer by choosing from 1-5, any number as per your rating

1	2	3	4	5
Strongly Agree	Agree	Moderate	Disagree	Strongly Disagree

Leadership style observed by you:

	Your designation	1	2	3	4	5
	Transformational Leadership style					
1	Instill pride in me for being associated with him/her					
2	Go beyond self-interest for the good of the group					
3	Act in ways that build others respect for him/her					
4	Display a sense of power and confidence					
5	Talk about his/her most important values and beliefs					
6	Specify the importance of having a strong sense of purpose					
7	Consider the moral and ethical consequences of decisions					
8	Emphasize the importance of having a collective sense of mission					
9	Talks optimistically about the future					
10	Talks enthusiastically about what needs to be accomplished					
11	Express confidence that goals will be achieved					
12	Seeks different perspectives when solving problem					
13	Suggest new ways of looking at how to complete assignments					
14	Spend time mentoring and coaching sub-ordinates					
15	Treat each team member as an individual rather than just as a member of the group					
16	Consider each person as having different needs, abilities and aspirations from others					
17	Help each person in the team to develop their strengths					
18	Discuss in specific terms who is responsible for achieving performance targets					

	Your designation	1	2	3	4	5
	Transformational Leadership style					
	Transactional Leadership Style					
19	Make clear what one can expect to receive when performance goals are achieved					
20	Express satisfaction when expectations are met					
21	Focus attention on irregularities, mistakes, exception and deviations from standards					
22	Concentrate his/her full attention on dealing with complaints and failures					
23	Direct his/her attention towards failures to meet standards					
24	Fail to interfere until problems become serious					
25	Wait for things to go wrong before taking action					
	Laissez Faire Leadership style					
26	Avoid getting involved when important issues arise					
27	He/she is absent when needed					
28	Avoid making decisions					
29	Delay responding to urgent questions					

PART-3

Work Motivation

You are being asked to participate in a survey to provide the researcher with information about how you feel about your job. Please indicate the extent of your agreement or disagreement with each statement by Using the following rating scale, and put “✓” mark for each rating. From 1 to 5. Please do not put your name on this questionnaire.

	Work Motivation Scale	1	2	3	4	5
1	Has managers and leaders who are helpful and fair					
2	Gives you status and prestige					
3	Provides satisfactory material rewards					
4	Allows you to reach and develop your full potential					
5	Means working in pleasant and helpful environment					
6	Is a secure one					
7	Provides good physical working conditions					
8	Is a challenging and exciting job					
9	Taken all round and considering all its aspects, is a very good one					

Part 4. Organizational performance

Please, indicate to what extent the following statements relate to your organization performance achievement. Please indicate the extent of your agreement or disagreement with each statement by Using the following rating scale, and put “✓” mark for each rating. from 1 to 5. Please do not put your name on this questionnaire

	My organization's	1	2	3	4	5
1	yearly plan is consistent with its strategic plan					
2	The managers participate in long range planning					
3	The goals of the organization are always achieved					
4	Organization objectives are clear to employees					
5	plan is frequently discussed					
6	Our service delivery process is based on customers need					
7	Our first intension is on meeting customers' needs					
8	Our office's performance measures focused on customer satisfaction					
9	Have systems to promote persons who have best performance and skill to do the job					
10	Employees are rewarded for meeting their duties or personal goals					
11	The office's internal processes are designed to enable us to work together, share experience and building team work					
12	clearly set its performance indicators					
13	Have a quarterly performance evaluation					
14	My immediate boss gave me regular feedback based on my performance					

Appendix II
መደ ወላቡ ዩኒቨርሲቲ
የቢዝነስና ኢኮኖሚክስ ኮሌጅ የማኔጅመንት ትምህርት ክፍል
ድህረ -ምረቃ ኘሮግራም

በባሌ ዞን እና በወረዳ ሠራተኞች የሚሞላ መጠይቅ

የተከበራችሁ የዚህ መጠይቅ መላሾች

ከሁሉ አስቀድሜ ለምትሰጡኝ የተከበረ ጊዜአችሁና ለታማኝ ምላሻችሁ ምስጋናዬን አቀርባለሁ። የምትሰጡኝ መረጃ በመደ ወላቡ ዩኒቨርሲቲ እየተከታተልኩ ላለሁት የንግድ አስተዳደር ሁለተኛ ዲግሪ/MBA/ መመረቂያ ጥናት አገልግሎት ብቻ የሚውል መሆኑን በመረዳት መረጃውን በትክክል እና በታማኝነት ሞልተው እንዲመልሱ በአክብሮት እጠይቃለሁ።

ጥናቱ የአመራሩ ዘይቤ በሰራተኛው የስራ ተነሳሽነት እና ተቋማዊ አፈፃፀም ላይ ያለው ተፅዕኖ ላይ ያተኮራል (*The Impacts of leadership style on employees' motivation, and organizational performance the case of BZUDHO*)። ይህ መጠይቅ በከፍተኛ አመራር፣ በመካከለኛ አመራር(የስራ ሂደት መሪዎች) እና በሰራተኞች የሚሞላ ይሆናል።

ከምስጋና ጋር!

ገዛኝን ደጀኔ ኢጃራ

መጠይቁን ለመሙላት የሚጠቅም መመሪያ

እባክዎ አማራጭ በተሰጣቸው ጥያቄዎች በቀረበላቸው የመምረጫ ስፍራ የጭረት ምልክት (✓) ያድርጉ የፅሁፍ ምላሽ ለሚያስፈልጋቸው ጥያቄዎች በተሰጣቸው ክፍት ቦታ ላይ ለአስፈላጊውን ምላሽ ይስጡ የተሳካ ጥናት ይሰራ ዘንድ ትክክለኛ መረጃ ይስጡ

ማሳሰቢያ

በመጠይቁ ላይ ስምዎን መፃፍ አይኖርብዎትም።

በመጠይቁ ውስጥ በተባዕት ያታ የተገለፀው ለእንስትም ያታ ያገለግላል።

ክፍል አንድ

የግል መረጃን በተመለከተ

ይህ የመጠይቅ ክፍል የመላሾች የግል መረጃ የሚሞላበት ነው። እባክዎን ሁሉንም መጠይቆች በመመለስ መረጃውን የተሟላ ያድርጉ።

የመላሹ ፆታ

ወንድ ☐ ሴት ☐

እድሜ

ከ 25 አመት በታች ☐

ከ 26 እስከ 34 አመት ☐

ከ 35 እስከ 44 አመት ☐

ከ 45 እስከ 54 አመት ☐

ከ 55 አመት በላይ ☐

የትምህርት ደረጃ

ሁለተኛ ዲግሪ ☐

የመጀመሪያ ዲግሪ ☐

ዲፕሎማ ☐

ሌላ ☐

የስራ መደብ

የቢሮው ሃላፊ ☐

ፈፃሚ ☐

የሚሰሩበት ቢሮ

ዞን ☐

በወረዳ/ከተማ/ማዘጋጃ ☐

የስራ ልምድ

ከ 1 አመት በታች ☐

ከ 1 እስከ 3 አመት ☐

ከ 4 እስከ 5 አመት ☐

ከ 5 አመት በላይ ☐

ክፍል ሁለት

አመራርን በተመለከተ /leadership/

እባክዎን ከዚህ በታች የተዘረዘሩትን ጉዳዮች በመመልከት ምን ያህል እንደሚስማሙ ወይም

እንደማይስማሙ በሰንጠረዥ ውስጥ ለምርጫዎ የጭረት ምልክት (✓) በማድረግ ምላሽ ይስጡ።

1	2	3	4	5
በጣም እስማማለሁ	እስማማለሁ	በመጠኑ እስማማለሁ	አልስማማም	በጣም አልስማማም

አመራርን በተመለከተ የእርሶ ዕይታ

	የእርሶ ጽ/ቤት ሃላፊ	1	2	3	4	5
	Transformational Style					
1	ከእርሱ/ሷ ጋር በመስራቴ ኩራት ይሰማኛል					
2	ከግል ጥቅም ይልቅ ለህዝብ ጥቅም ቅድሚያ ይሰጣል					
3	ለሌሎች ምሳሌ በሚሆን ሁኔታ ይሰራል					
4	በራስ መተማመንና ብቃት አለው					
5	ስለተቋሙ እሴት በጥልቀት ያውቃል					
6	ጠንካራ የሆነ የተቋሙን ዓላማ እንድይዝ በተደጋጋሚ ያስጨብጠናል					
7	የሚያስተላልፋቸው ወሳኔዎች ከሚያስከትሉት ሞራልና ስነምግባር አንፃር ነው					
8	የወል/የጋራ ተልዕኮ እንዲሰርፅ ይሰራል					
9	ስለ ወደፊት ቀና/መልካም ሃሳቦችን ያስቀምጣል/ይናገራል					
10	ፍላጎቶች እንዲሳኩ በንቃት/በጋለ ስሜት ያስገነዝባል					
11	ግቦች እንዲሳኩ በሙሉ ራስ መተማመን ያብራራል					
12	ለችግሮች መፍትሔ ለመስጠት የተለያዩ እይታዎችን ይፈልጋል/ያያል					
13	ስራዎችን ለማከናወን አዲስ ሃሳቦችን ያፈልቃል					
14	በለሙያዎችን ለመምከርና ትክክለኛ አቅጣጫ ለማሳየት ጊዜውን ይሰጣል					
15	እያንዳንዱን ሰራተኛ እንደ ብቃቱ ይገመግማል					
16	እያንዳንዱ ሰራተኛ የራሱ የሆነ የግል ፍላጎትና አመለካከት እንዳለው ይረዳል					
17	በቡድኑ ውስጥ ያለውን እያንዳንዱን ሰራተኛ ጠንካራ እንዲሆን በግል ይረዳል					
18	ስራ ግቡን እንዲመታ በዕቅድ የተመራ ወይይት ያደርጋል					

	Transactional Style					
19	ማንኛውም ሰራተኛ የልፋቱን ዋጋ/ባስመዘገበው ውጤት ልክ እንደሚከፈለው ያሳውቃል					
20	የተጠበቀው ግብ ሲሳካ እርካታውን በደስታ ይገልጻል					
21	ከሰራ ስነ-ስርዓቶች ወጣ ያለ ዝርዝርነት፤ ስህተቶች እና ማፈንገጥ ሲኖሩ ከፍተኛ ትኩረት ይሰጣል					
22	አብዛኛውን ጊዜውን የሚያሳልፈው ቅሬታና ችግርን በማስተናገድ ነው					
23	የሰራ እስታንዳርድን ለማለካት በይበልጥ ውድቀት ላይ ያተኩራል					
24	ችግር እስኪገዛፍ ድረስ ጣልቃ ገብቶ አያርምም					
25	ችግሮች ላይ እርምጃ ከመውሰድ ይልቅ ጠባቂነት ይታይበታል					
	Laissez faire style					
26	መልካም ሃሳቦች ሲነሱ ከመሳተፍ ራሱን ይቆጥባል					
27	ከሰራ መቅረትን ያዘወትራል					
28	ውሳኔ ሰጪ አይደለም					
29	ለጥያቄዎች መልስ ለመስጠት ይዘገያል					

ክፍል ሶስት

የሰራተኞች የሰራ ተነሳሽነትን በተመለከተ /employees motivation/

በመስሪያ ቤትዎ የሰራተኞችን የሰራ ተነሳሽነት ለማነሳሳት በዋነኛነት የሚተገብረውን መሰረት በማድረግ ከስር የተዘረዘሩትን የሰራተኛን የሰራ ማነቃቂያ ዘዴዎች በመመልከት ምን ያህል እንደሚስማሙ ወይም እንደማይስማሙ በሰንጠረዥ ውስጥ ለምርጫዎ የጭረት ምልክት (✓) በማድረግ ምላሽ ይስጡ

1	2	3	4	5
በጣም እስማማለሁ	እስማማለሁ	በመጠኑ እስማማለሁ	አልስማማም	በጣም አልስማማም

	የሰራ ተነሳሽነት መስፈርቶች : አመራሩ	1	2	3	4	5
1	በቂ የአመራር ችሎታ ያላቸው አመራሮች አሉን					
2	ለሰራተኛው ክብርና እዉቅና የሚሰጥ ነው					
3	ለጠንካራ ሰራተኞች የዓይነት ማበረታቻ ይሰጣሉ					
4	ሙሉ አቅማችንን እንድንጠቀምበት ሁኔታን ያመቻቻሉ					
5	ምቹ የሰራ ቦታን/ሁኔታን ይፈጥራሉ					
6	ጥበቃ እንዲደረግልን ያመቻቻሉ					
7	ለሰራ አስፈላጊውን ግብዓት ሁሉ ያሟላሉ					
8	ስራችን አድካሚ እንደሆነ ይረዳሉ					
9	ሁሉንም ሰራተኛ ባማከለ ሁኔታ ያበረታታሉ					

ክፍል አራት

ተቋማዊ አፈፃፀም/Organizational Performance/

እባክዎ የሚከተሉት ጉዳዮች ምን ያህል የመስሪያ ቤትዎን አፈፃፀም ደረጃ እንደሚገልፁ በተሰጡት አማራጮች የጭረት ምልክት (✓) በማድረግ መስማማት ወይም አለመስማማትዎን ይግለፁ፡፡

1	2	3	4	5
በጣም እስማማለሁ	እስማማለሁ	በመጠኑ እስማማለሁ	አልስማማም	በጣም አልስማማም

	መስሪያ ቤቱ	1	2	3	4	5
1	ከስትራቴጂክ እቅዱ የተቀዳ አመታዊ እቅድ አለው					
2	አመራሩ የረዥም ጊዜ ዕቅድ ስዘጋጅ ይሳተፋሉ					
3	መስሪያ ቤቱ የሚያስቀምጠው ግብ ሁል ጊዜ ይፈፀማል/ይሳካሉ					
4	የመስሪያ ቤቱ ይዞ የሚጓዟቸው ዓላማዎች ለሠራተኛው ግልጽ ናቸው					
5	በእቅዱ ዙሪያ ተከታታይነት ያለው ውይይት ያደርጋል					
6	አገልግሎት አሰጣጡን ተገልጋይ ተኮር አድርጓል					
7	ቀዳሚ የትኩረት አቅጣጫው የተገልጋይ ፍላጎትን ማርካት ነው					
8	የስራ አፈፃፀሙ የሚለካው ከተገልጋይ እርካታ አንፃር ነው					
9	መልካም አፈፃፀምና ችሎታ ያላቸው ሰራተኞችን ወደ ተሻለ አድገት /ደረጃ የሚያሳድግበት አሰራር አለው					
10	መልካም አፈፃፀም ያላቸው ሰራተኞችን ይሸልማል					
11	የውስጥ አሰራሩን የልምድ ልውውጥ የሚዳብርበት፤ ቡድናዊ ስሜት የሚጎለብትበት እና በጋራ ለመስራት ምቹ በማድረግ ቀርቦታል					
12	ግልፅ የአፈፃፀም መለኪያዎች አሉት					
13	የሩብ አመት የአፈፃፀም ምዘና ስርዓት አለው					
14	በአፈፃፀም ደረጃ ዙሪያ ተከታታይነት ያለው የግብረ-መልስ አሰጣጥ ስርዓት አለው					

Appendix III

Correlations

		Transform ational Leadershi p style	Transact ional Leaders hip style	Laissez Faire leadershi p style	Employe es motivati on	Organizat ional performa nce
Transforma tional Leadership style	Pearson Correlation	1	.531 ^{**}	.268 ^{**}	.612 ^{**}	.651 ^{**}
	Sig. (2-tailed)		.000	.000	.000	.000
	N	169	169	169	169	169
Transaction al Leadership style	Pearson Correlation	.531 ^{**}	1	.360 ^{**}	.591 ^{**}	.491 ^{**}
	Sig. (2-tailed)	.000		.000	.000	.000
	N	169	169	169	169	169
Laissez faire Leadership style	Pearson Correlation	.268 ^{**}	.360 ^{**}	1	.390 ^{**}	.335 ^{**}
	Sig. (2-tailed)	.000	.000		.000	.000
	N	169	169	169	169	169
Employees motivation	Pearson Correlation	.612 ^{**}	.591 ^{**}	.390 ^{**}	1	.722 ^{**}
	Sig. (2-tailed)	.000	.000	.000		.000
	N	169	169	169	169	169
Organizatio nal performanc e	Pearson Correlation	.651 ^{**}	.491 ^{**}	.335 ^{**}	.722 ^{**}	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	169	169	169	169	169

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

Regression

	N	Mean	Std. Deviation
Transformational Leadership style	169	2.92	.874
Transactional Leadership style	169	2.86	.693
Laissez faire leadership style	169	2.62	.603
Employees motivation	169	2.97	.906
Organizational performance	169	2.57	.742

Model Summary^b

R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
				R Square Change	F Change	df 1	df2	Sig. F Change
.706 ^a	.498	.489	.648	.498	54.511	3	165	.000

a. Predictors: (Constant), laissez faire leadership style, Transformational Leadership style, Transactional Leadership style

b. Dependent Variable: Employees motivation

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B		Correlations	
	B	Std. Error				Lower Bound	Upper Bound	Zero-order	Partial
(Constant)	.105	.257		.410	.682	-.403	.613		
Transformational Leadership style	.412	.068	.397	6.076	.000	.278	.546	.612	.428
Transactional Leadership style	.418	.088	.320	4.733	.000	.244	.593	.591	.346
Lf	.210	.075	.168	2.822	.005	.063	.357	.390	.215

a. Dependent Variable: Employees motivation

Model Summary^b

R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
				R Square Change	F Change	df1	df2	Sig. F Change	
.685 ^a	.469	.459	.545	.469	48.552	3	165	.000	1.913

a. Predictors: (Constant), laissez Faire leadership style, Transformational Leadership style, Transactional Leadership style

b. Dependent Variable: Organizational performance

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	Beta	Std. Error				Lower Bound	Upper Bound
(Constant)	.532	.216		2.458	.015	.105	.959
Transformational Leadership style	.448	.057	.529	7.858	.000	.336	.561
Transactional Leadership style	.173	.074	.162	2.331	.021	.026	.320
Laissez faire leadership style	.138	.063	.135	2.209	.029	.015	.262