



THE EFFECT OF LEADERSHIP STYLES ON ORGANIZATIONAL PERFORMANCE: A CASE STUDY ON TRACON TRADING PLC

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A research thesis submitted to the School of Commerce in the partial fulfillment of the requirements for a Master's Degree in Business Leadership

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STATEMENT OF DECLARATION

I, the undersigned, hereby declare that the work contained in this thesis is my own original work and that I have not previously in its entirety or in part submitted at any university for a degree.

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STATEMENT OF CERTIFICATION

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This is to Certify that the thesis prepared by *Meletetsega Mesfin*, entitled: “*The Effect of Leadership Styles on Organizational Performance: A Case Study on Tracon Trading PLC*” in partial fulfillment of the requirements for the Degree of Master of Arts *in Business Leadership* complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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ABSTRACT

The purpose of this study was to examine the relationship between leadership styles, limited to autocratic, democratic, and laissez-faire; and organizational performance in the case of Tracon Trading PLC, Head Office in Addis Ababa, Ethiopia. This research was conducted using the quantitative approach with data collected using a questionnaire; specifically, with the collection of 148 questionnaires. The data analysis was performed using descriptive statistics and regression analysis using SPSS V20. The results showed that the relationship between democratic leadership style and organizational performance was statistically significant and positive. On the other hand, autocratic and laissez-faire leadership styles were found to be both statistically significant with a negative relationship on organizational performance. Inferring from findings, it is recommended for the organization to use the autocratic leadership styles in clerical departments, the democratic leadership for brainstorming idea sessions, and the laissez-faire leadership for the Real Estate sector in the organization.

Keywords: *Autocratic leadership style, democratic leadership style, laissez-faire leadership style, and organizational performance*

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CHAPTER ONE

INTRODUCTION AND BACKGROUND

Introduction

This chapter discusses the overall background of the topic, the research objectives, and the gaps this research would fill. Moreover, this chapter outlines the background of the research, the problem statement in which is stated the gap this study tries to fill, the profile of the company under consideration, research questions to address the problem in context, the aims or objectives of the study alongside its significance, scope, limitation, structure, and the meaning of keywords.

1.1 Background of the Study

The concept of leadership holds different meanings from an individual or situation to another as it can be used in diverse areas such as academics, business, politics, etc. For the past ten years leadership has gotten a lot of attention and feedback from different scholars, which makes it an interesting study as well as one that demands further study (Jony, Alam & Amin, 2019). Some scholars define leadership as an important weapon for organizations to achieve their goals (Veliu, Manxhari & Demiri, 2017). Others offer a more straightforward definition coming of leadership as the ability to guide others despite their roles be colleagues, clients, or peers towards reaching desired results (Marshall & Broome, 2017).

Leadership is a very important element in any organization especially in the business sector as it is a key factor to determine the overall success of the company (Hamdan, 2018). The effectiveness of a leader is a very crucial factor for the success or failure of an organization, a group, or even a nation (Fiedler, 1996). For instance, an organization is said to be effective when the needs of employees are stable with that of the needs of owners, clients, and the community. Indeed, leadership plays the role in directing the organization and its

members towards the achievements of the goals as well as make sure both organization and employees are prospering and economically growing with the proper leadership style (Meraku, 2017).

Nowadays, every organization needs a suitable leadership style matching the dynamic change in business environments that have become more customer-focused. A leader's style and effectiveness ensure that organizational objectives will be attained as per the vision and missions of the company (Cakir & Adiguzel, 2020). Leaders should be concise and clear about their leadership style rather than inconsistent. Accordingly, this research will investigate the effects of several leadership styles namely autocratic, democratic, and laissez-faire on organizational performance by taking the case of Tracon Trading PLC.

1.2 Profile of the Company

Tracon Trading PLC is a family-owned corporation with over 40 years of expertise in a variety of industries units including but not limited to coffee export, import of construction machinery, edible oil, aluminum assembling, and real estate. Its vision is to achieve the best renowned, environmentally and socially responsible global company as valued by key stakeholders.

Its mission is to serve customers via the provision of top-quality products and services and thereby contribute to the economic and development endeavors of Ethiopia. Tracon's organizational values include customers satisfaction, empowering employees, as well as social responsibility and integrity, alongside growing in profit, and having trust and respect amongst each other (Tracon Trading PLC, 2021).

The organization on which the study focuses is composed of five branches in Addis Ababa and two other branches in Sebeta and Langano having 600 employees in total. Tracon Trading has many businesses as mentioned above, for this study the Head office will be our focus as their main business coffee and import is found there. At the Head Office, employees depending on their department are managed differently. According to Tracon Trading PLC (2021), each sector of their business such as coffee, aluminum assembling, import of machinery, retail, and others have their structure in terms of management,

finance, and human resource. Overall, this company is known for being a top performer in terms of growth profitability and efficiencies in generating \$194.07 million in sales (USD).

1.3 Statement of the Problem

Previous research made on the two concepts that are leadership and organizational performance has mostly concluded that both have somewhat a complicated relationship and hence inconclusive connection to each other. Jing and Avery (2008) concur, that the research on the relationship between leadership and performance is very much complicated and carries many problems yet to be solved. As such, they concluded that no inference can be drawn on leadership style facilitating the improvement of organizational performance. Other scholars such as Koech & Namusonge (2012) present findings on leadership styles being inconsistent and having little to no impact on organizational performance. Furthermore, it should be noted that the two concepts are multi-faced and remain complicated to examine and investigate their relationship with their research, still yielding inconclusive findings (Knies, Jacobsen & Tummers, 2016).

Nonetheless, recent research work has shown that there exists a direct relationship between leadership style and organizational performance (Beakana, 2017). For any kind of organization to thrive, survive and reach success; leadership style and its impact on the employee is a key determinant (Ibrahim & Daniel, 2019). Moreover, in the Ethiopian context Girma (2019) and Regan (2020) concluded in their research work that the relationship between organizational performance and leadership style is significant.

Most studies have focused on organizational performance as a whole or specifically on the financial aspect when studying the relationship between leadership style and organizational performance. This implies that more studies could be an asset to other works of literature on the matter of the factor not studied. As such, this study focused on the customer's perspective aspect of organizational performance that is a new product or service introduction, quality of product or service, the marketing strategy effectiveness, and client's satisfaction. Therefore, this study was carried out with the aim of filling the above knowledge gap.

1.4 Objectives of the Study

1.4.1 General Objective of the Study

This study's primary goal is to examine the effects of leadership styles on organizational performance by taking the case of Tracon Trading PLC.

1.4.2 Specific Objectives of the Study

- i. To investigate the relationship of autocratic leadership style on organizational performance in Tracon Trading PLC
- ii. To investigate the relationship of democratic leadership style on organizational performance in Tracon Trading PLC
- iii. To investigate the relationship of laissez-faire leadership style on organizational performance in Tracon Trading PLC

1.5 Research Questions

1. What is the effect of autocratic leadership style on organizational performance in Tracon Trading PLC?
2. What is the effect of democratic leadership style on organizational performance in Tracon Trading PLC?
3. What is the effect of laissez-faire leadership style on organizational performance in Tracon Trading PLC?

1.6 Significance of the Study

This study will contribute firstly in helping forthcoming academics, educators, and academicians to fully understand the impact and influence of various leadership styles on organizations' performance and complementing the existing findings on the matter. In addition, it will offer Tracon Trading PLC a set of recommendations to enhance its company. It will further support the company in improving leadership initiatives taken up by its different managers in acquiring applicable leadership skills for successful management and organizational success.

1.7 Scope of the Study

This study is in concept confined within three leadership styles which are autocratic, democratic, and laissez-faire, and their effects on organizational performance specifically the customer aspect through the case of Tracon Trading PLC. The study used a quantitative approach to identify the relationship between leadership styles and organizational performance using both primary and secondary data. Geographically, the study focused on the Head Office of Tracon Trading PLC.

1.8 Limitations of the Study

The is enclosed to only the influence of the three leadership styles (autocratic, democratic, and laissez-faire) on organizational performance in Tracon Trading PLC and as such does not study the other types of leadership styles and other factors that could have an impact on organizational performance. Also, as the nature of the questionnaire is one that is Likert scale its advantageous in ways of it is not time-consuming however respondents tended to sometimes agree to the statement also known as acquiescence bias. Moreover, as the study solely focuses on only one company this limits the generalizability of its findings. Finally, in light of financial costs and limited time frame, the research focus was only on the Head Office of Tracon Trading PLC.

1.9 Structure of the Study

This paper is divided into five sections. The first section looks at the background of the research, the profile of the company, the study's general and specific objectives, research questions, significance of the study, the scope of the study, limitations of the research, and definition of keywords. The second part of this study presents the theoretical framework, review of related literature, conceptual framework, and the hypotheses drawn from the empirical reviews. The third section of this research details the study's research approach that is what research methods, sampling procedures, and overall methodology were used. The fourth part consists of a full detailed analysis of the study variables presented in table format. The last section will finalize the study by presenting an overview of the findings, the conclusion made, recommendations to take, and the scope for further research.

1.10 Definition of Keywords

Keywords: Leadership, Leadership Style, Organizational Performance

Leadership is a tool necessary and critical to every company where employees will look up, learn, and thrive from their leaders that have their style of leading depending on their personality and situation they currently are in (Caramela, 2018).

Leadership style can be defined as a pattern of behavior that represents or reflects a leader. Leadership styles are a pattern that a leader uses to affect the conduct and direct his subordinates in encouraging them to achieve set forth goals (Megha, 2018).

Organizational Performance is an important criterion in determining organizational success or failure. It can be defined as an element that has a significant and crucial role under the existence of the organization no matter the kind whether it be profit or non-profit organizations (Rehman, Mohamed & Ayoup, 2019).

CHAPTER TWO

LITERATURE REVIEW

Introduction

This section presents a review of the literature and previous studies related to the research conducted including the relationship of the independent variables with the dependent variable in light of different perspectives. The theoretical and empirical reviews of related studies, conceptual frameworks, and hypotheses of the study are discussed thereof.

2.1 Theoretical Framework of the Study

2.1.1 The Notion of Leadership

Leadership has different meanings according to different scholars, for instance, Burns (1978) defined leadership as the most seen and least understood thing on the earth. Others consider leadership as a crucial topic to research in the academic and business world as it has grown and progressed over the years (Kumar, 2018).

2.1.2 Lewin Leadership Theories (the 1940s)

Lewin developed the aspect of leadership styles, where he characterized them as autocratic (authoritarian), democratic, or laissez-faire (Lewin, Lippitt & White, 1939). Kurt Lewin's three leadership styles are described as follows:

A) Autocratic (Authoritarian) Leadership Style

The policy is solely determined by the leader and he/she is the only decision-maker. This leadership style is usually identified as an unfair and dictatorial method as many who use it resort to threats, fear, and punishment to lead. For this reason, this leadership style is considered as dangerous as should the leader be aggressive the subordinates may react negatively and halt the output they are producing. Additionally, when the leader is absent their ability for independent work, effectiveness and talent are reduced.

B) Democratic (Participative) Leadership Style

This leadership style is aimed at considering the feelings of employees and encourage them to participate in decision-making. It offers subordinates greater job satisfaction and a willingness to work together. Moreover, the employees are allowed to work with whomever they choose and divide tasks among themselves; unlike the autocratic leadership style in which the leader dictates the work task assignment. As a result, this leadership style is often referred to as participative leadership.

C) Laissez-Faire Leadership Style

In this leadership style, the leader keeps him/herself busy with other types of work and stays away from his subordinates. A leader of this type has no goals neither does he/she make decisions. In such a leadership style, employees are often unstable and the organizational results are very sloppy. The occurrence of failure and insecurity occurring are also very typical.

2.1.3 Leadership Styles

Leadership style can be defined as a pattern of behavior used to identify a leader. A leader is someone who encourages and influences people to behave in a way to achieve specific set goals. In today's challenging and dynamic world, leaders need to be effective and aware of the leadership style that best suits their organizations (Nanjundeswaras & Swamy, 2014).

2.1.3.1 Autocratic Leadership Style

An autocratic leader is someone aware of his status and has little faith in subordinates (Suparna, 2021). Jony, Alam & Amin (2019) defined the autocratic leadership style as one that significantly practices direct command of followers to achieve goals; it highly controls and follows up individual's performance. Dyczkowska & Dyczkowski (2018) also explain autocratic leadership style as leadership in which the leader decides by themselves, this leadership style is highly relying on strict regulations, control processes and remains in professional relationships with their followers. Autocratic Leadership can be effective when there is a time restriction, untrained new followers or workers expected to follow

some procedures to perform organizational tasks, as well as when employees don't respond to any other leadership style (Jony, Alam & Amin, 2019). Similarly, Dyczkowska & Dyczkowski (2018) suggest that autocratic leadership may become productive when followers possess the same behavior, the leader will be able to understand the employees' and firms' crises.

2.1.3.2 Democratic Leadership Style

Also known as participative leadership style, it is a style including employees or subordinates in the decision-making process but with the leader making the final decision after communication with the group (Jdetawy, 2018). The democratic leader helps both himself and the team in sharing their stake in decision-making. Democratic leadership characteristics involve team members sharing among each other their thoughts and opinions while the leader has final authority on the decisions but still creates a sense of belongingness to the group on the decision making and promotes creativity.

Jony, Alam, & Amin (2019) stated that leaders using this form of leadership style inform their followers about everything that affects their work and allows them to participate in the decision-making process. The democratic leader develops plans to help employees develop goals and evaluate their performance as well as encourages subordinates to grow and learn. Democratic leadership becomes most successful when used with highly skilled or experienced followers or when implementing operational changes or resolving individual or group problems (Dyczkowska & Dyczkowski, 2018). Even though, the process demands more time democratic leadership has a great contribution to organizational and individual innovation and creativity since it allows subordinates encouraged to share ideas and it encourages organizational learning. According to both Dyczkowska & Dyczkowski (2018) and Jony, Alam & Amin (2019), this style of leadership is deemed to empower and reward subordinates rather than punish weak performances to motivate their subordinates toward goal achievement.

2.1.3.3 Laissez-Faire Leadership Style

According to studies, this is the type of leadership that results in the lowest levels of productivity among group members. The Laissez-faire leadership style is focused on delegating responsibility and decision-making to employees. In this type of leadership style, the only interference from the side of the leaders takes place when a problem arises. (Boogard, 2021). This kind of leadership style does not exert any type of control over its employees as they are expected to be experienced professionals (Al-Malki & Juan, 2018).

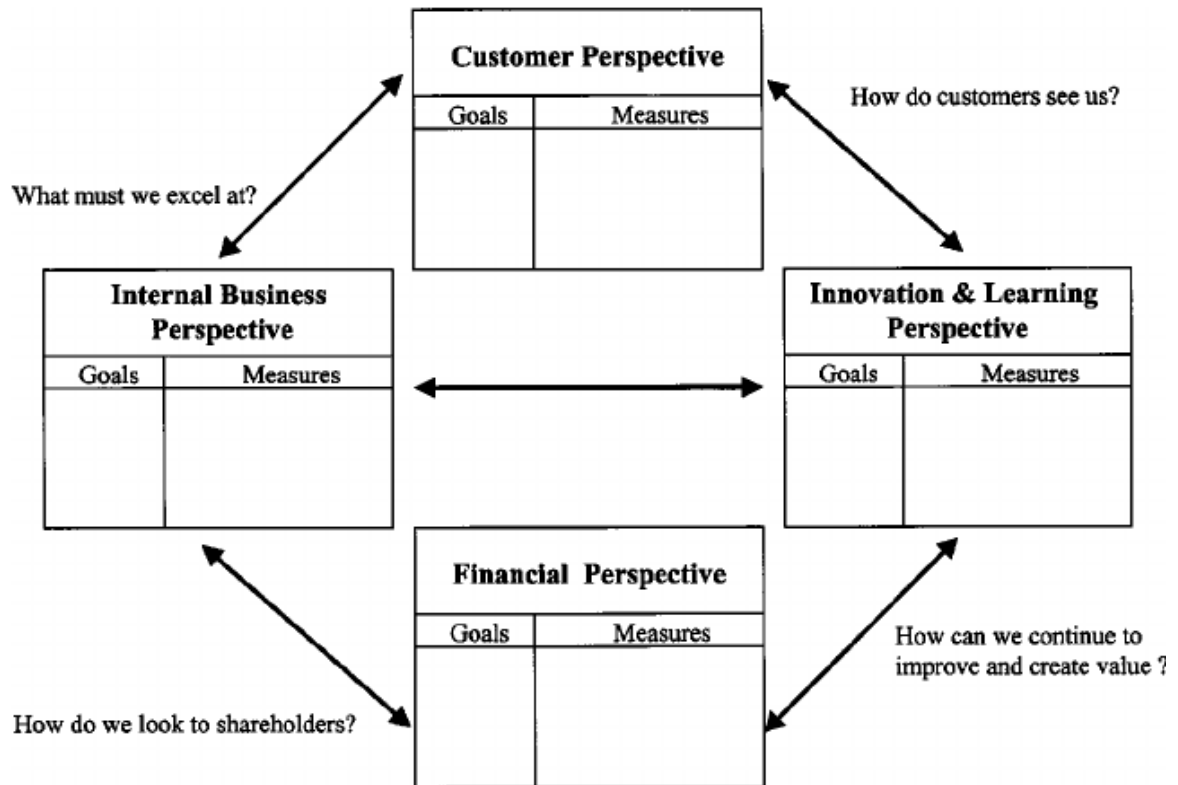
2.1.4 The Concept of Organizational Performance and its Dimensions

Kanter & Brinkerhoff (1981) noted that performance is one indicator of an organization's success and that it may be defined in a variety of ways. Thus, the reason why it is said that organizational performance is contextual and its definitions elusive. They also have pointed out that the measures for organizational performance depend on the purpose for measuring it and which questions were raised in measuring it and so the definition changes as the purpose or the use of it changes. Organizational performance becomes an important factor for indicating if companies are to survive and succeed in their business (Rehman, Mohamed & Ayoup, 2019). Organizational performance is a crucial aspect that should be scrutinized in great depth, it is a procedure that any company does regularly to ensure that its performance continues to prosper and expands on efficacy and overall quality. (Humayon, et al., 2018)

2.1.4.1 Dimensions of Organizational Performance

According to Kaplan & Norton (1992), organizational performance measures can be divided into four perspectives, namely; customer perspective, financial perspective, internal business perspective, and innovation and learning perspective. Figure 1 below shows the four different measures of organizational performance developed by Kaplan & Norton (1992) which is known as the Balanced Scorecard (BSC).

FIGURE 1 ORGANIZATIONAL PERFORMANCE MEASURES



(Source: Kaplan & Norton, 1992)

❖ **Customer Perspective**

Nowadays, organizations are keen and focused on the customer, they all want to reach the number one spot in delivering high value to customers. This viewpoint is concerned with the organization focusing on those elements that represent what the customers desire as one of its goals. Hence, to put the balanced scorecard to work, some core measures to include in this perspective are quality, production of new products, customer satisfaction, and on-time delivery amongst others. This can be summarized as a clear definition of goals for time, quality, performance, and service and converting these goals into specific measures. Overall, this includes indicators that contribute to creating value for customers (Kaplan & Norton, 1992).

❖ **Financial Perspective**

The financial measurement of performance is the traditional and most commonly used tool as a measure of an organizations' performance. Financial measures include mostly profitability, the market value of the firm, return on assets, investment and equity, liquidity, and various other ratios. Some organizations' survival was measured by cash flow, success by quarterly sales, prosperity by increased market share, and return on equity.

❖ **Internal Business Perspective**

This perspective is focused on identifying the factors that have a great impact on customer satisfaction such as cycle time, quality, employee skills to name a few. It aims at the identification and improvement of critical internal business processes that yield a competitive edge and result in greater customer satisfaction. The internal business perspective assumes that to satisfy customers and earn a financial return, the organization must be efficient and effective at what it does. Thus, this perspective's measurements are based on the objective of producing products and providing services that meet customer satisfaction efficiently and effectively. Overall, companies should focus internally on themselves by identifying the competencies they need to improve and excel at while specifying measures for them.

❖ **Innovation and Learning Perspective**

The capacity of a company to innovate and learn enhances its operational efficiency, leading it to expand and thereby increase shareholder value (Kaplan & Norton, 1992). A company's ability to innovate, improve, and learn product introduction is directly linked with the organizations' values. To increase revenues, market share, and be part of a new market a company must be able to introduce new products or services and create more value for customers. Innovation has become a key factor in the knowledge economy. This innovation and learning perspective can be measured in a variety of ways, these may include; the speed of transactions, IT usage, training and development, new product and services development, and strategic alliance and partnership.

2.2 Empirical Review of the Study

2.2.1 Autocratic Leadership Style and Organizational Performance

Igbaekemen & Odivwri (2015) research on the impact of leadership styles on organization performance results indicates that autocratic leaders are to be held accountable for describing activities, policies, and guidelines of the company. These leaders expect their subordinates to trail those same tracks since they don't believe in them. It concluded that autocratic leadership style had a negative relationship with organizational performance.

Al-Khaled (2020) researched the influence of leadership styles on organizational performance and concluded that the autocratic leadership style has a negative relationship and was the least effective as it might demotivate employees and reduce productivity and performance.

Aghahowa (2021) research studying the impact of leadership styles on organizational performance in a Nigerian private company concluded that autocratic leadership was significant and had a negative relationship with organizational performance. He stated that the autocratic leadership style can be used in situations where the deadline is tight and when employees aren't well-skilled to direct themselves in contributing to the goals of the organization.

2.2.2 Democratic Leadership Style and Organizational Performance

Bhargavi & Yaseen (2016) research on the effect of democratic leadership style on organizational performance revealed that democratic leadership was statistically significant and positively related to the performance of the organization as it gives new possibilities for employees to apply their innovative ideas and participate in decision-making.

A study researched the impact of leadership on the organizational performance of Coca Cola Company in Nigeria in June 2019 by Ibrahim & Daniel (2019) concluded that democratic or participative types of leadership is the best of all the leadership styles

because of the benefits employees received from the overall aim to reach the organization's goals.

Jony, Alam & Amin (2019) studied the impact of leadership styles on organizational performance and state that democratic leadership is significant and positively connected to organizational performance.

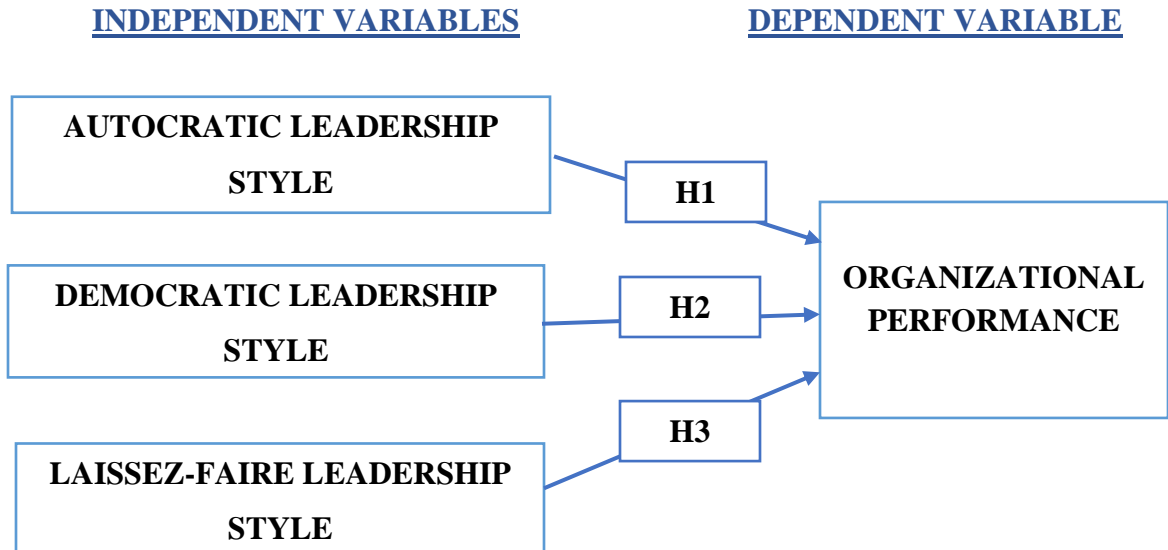
2.2.3 Laissez-Faire Leadership Style and Organizational Performance

Ukaidi (2016) investigated a study on the effect of styles of leadership on organizational performance to examine two Nigerian universities' leadership styles and found that laissez-faire had a negative relationship with organizational performance compared to the style of democratic leadership which had a positive impact. In addition, he stated that this technique is suited when employees understand their responsibilities well and have strong analytical skills, as well as when leaders have a high degree of trust in the staff and do not blame each other for errors in any situation

Research made on the influence of leadership style on organizational performance in Ghana concluded that laissez-faire and autocratic leadership style have a negative and significant relationship with organizational performance. In addition, they also concluded that each leadership style is suited to attain a set of specific goals in different circumstances or situations (Akpaprep, Jengre & Mogre, 2019).

2.3 Conceptual Framework of the Study

FIGURE 2- CONCEPTUAL FRAMEWORK



The conceptual framework of this study will be organized based on the purpose of the study. In this study, the three leadership styles (autocratic, democratic, and laissez-faire) will be the independent variables and organizational performance in the aspect of operational performance will be considered as a dependent variable as Figure 2 indicates. The review of the literature on the position of leadership styles and organizational performance delivers a vital framework for this study in terms of the variables that are going to be used. Studies conducted on the effect of the leadership styles on organizational performance revealed that leadership styles affect organizational performance and correlate with each other. Leadership styles have an important role in achieving an organizational goal and increase organizational commitment as well as organizational performance. To this end, this study tries to examine the link between independent variables and dependent variables which are the three leadership styles present in the organization and organizational performance respectively.

2.4 Hypotheses of the Study

The hypotheses of the study were developed based on related review literature and articles discussed in the previous section. The hypotheses of the study are as follows:

H1- The relationship between autocratic leadership style and organizational performance is statistically significant and negative.

H2- The relationship between democratic leadership style and organizational performance is statistically significant and positive.

H3- The relationship between laissez-faire leadership style and organizational performance is statistically significant and negative.

CHAPTER THREE

RESEARCH METHODOLOGY

Introduction

This chapter constitutes the study's overall procedure employed to gather and analyze the data used in the research study. This includes discussions on the research approach, research design, methods, sampling procedures, and research instruments.

3.1 Research Approach

Research approaches are research strategies and processes that cover everything from general assumptions to precise data collection, analysis, and interpretation. Quantitative, qualitative, and mixed methods research are the three most popular and common research approaches. The quantitative approach entails gathering and translating data into numerical form so that statistical computation and conclusions can be drawn (Alzheimer, 2009). Thus, the quantitative approach is used for this study as it is suitable for one studying a causal relationship between variables.

3.2 Research Design

Research design is the framework that includes the methods, techniques, and procedures to be used for this study. It includes exploratory, descriptive, explanatory, and experimental to name a few. However, this study applied both descriptive and explanatory research designs. Descriptive design encloses unique thoughts and ideas to analyze the connection and variances within variables by analyzing a large population sample (Sileyew, 2019). The goal of descriptive statistics is to show where something is located and investigate how items are interconnected with one another. Moreover, the explanatory study also known as causal research design enables to find of the causal relationships among the independent variables which are the three-leadership style and the dependent variable which is organizational performance. Thus, both the descriptive and explanatory types of design were used in this study.

3.3 Target Population, Sample Frame, and Sample Size

The target population can be defined as a set of the whole population or a set to be considered qualified for data analysis (Whaley, 2021). For this study, the target population to be taken was 280 employees working at the Head Office as per the human resource team of Tracon Trading. This target population basis selected because it was less costly and easily accessible for conducting the study. The sampling frame is a complete and correct list of target population members only (Cunanan & Cruz, 2008). In addition, a sampling frame is a list that contains all sampling units from which the sample is drawn, in this research it is 280.

The total number of the participants of the study were used to calculate the sample size with the use of the below equation by Kothari (2004):

$$n = N \div \{1 + [N \times e^2]\}$$

This formula entails (n) as the sample size, (N) as the target population in this study which is 280, (e) as the standard error in this study is five percent and 1 held constant. With this the sample size will be detailed as:

$$n = 280 \div [1 + (280 \times (5\%)^2)]$$

=164.70 which is approximately 165

$$\underline{\underline{N = 280 \text{ and } n = 165}}$$

Henceforth, this study was conducted at Tracon Trading Head Office with 165 as a sample size of respondents excluding cleaners and security guards.

3.4 Sampling Method and Sampling Procedure

Probability sampling and non-probability sampling are the two most used basic approaches to sampling designs. The probability sampling can be divided into simple random, stratified, sampling, cluster sampling, systematic sampling, and multi-stage sampling. The study used a simple random sampling technique. This is because this method allows each

member of the population to have an equal chance of being selected and bias will be avoided (Bhandari, 2020).

3.5 Data Collection Methods and Procedures

The study used both primary and secondary data. The secondary data sources included literature of different scholars and related literature to this study. A survey questionnaire filled out by participants was the primary source used in this study.

A standardized questionnaire and a valid one used redundantly in many researches with an agreement level from “strongly disagree to strongly agree” in a 5-point Likert scale was used to study the relationship of the variables of leadership styles and organizational performance. For the independent variables autocratic, democratic, and laissez-faire leadership styles each having six questions were based on Bass & Avolio’s (1995) questionnaire that was modified to fit the study’s context. On the other hand, a questionnaire developed by Kaplan & Norton (1992) on the dimensions of organizational performance was used for the dependent variable and modified to fit the study context. Moreover, both questionnaires used simple English which was easy for employees to understand.

Overall, the appendix included three parts. The first part included a summary of the participants' demographic characteristics. This was followed by a second part consisting of series of statements capturing the leadership styles questions. And lastly, the organizational performance of the company was assessed.

3.6 Methods of Data Analyzing and Processing

Descriptive statistics summarizes the features of a data set, inferential statistics will help to come to conclusions and make predictions based on the data (Bhandari, 2020). Hence, the study used both of these methods. The data analysis involved frequencies, mean and standard deviation presented in tables. The data were entered into SPSS (Statistical Package for the Social Sciences) version 20 after collection. Descriptive statistics provided numbers of the information to give an overall image of the data collected. Moreover, Pearson’s correlation to describe the relationship of the variables will be used.

Furthermore, regarding inferential statistics, a well-thought analysis of the regression model was used to study the relationship between the variables as well as test and examine the hypotheses of the study.

3.7 Reliability and Validity of the Research Instruments

When conducting a study, reliability and validity are required tools to test. These two guide the research to be unique in its way. Reliability refers to the stability and consistency of findings whereas the truthfulness and how correctly a technique measures what is meant to examine indicates validity (Haradhan, 2017). With the SPSS software, the study will analyze the research instruments' reliability and validity. Furthermore, an acceptable range of Cronbach Alpha starts from a number equal to or higher than 0.70 (Ursachi, Horodnic & Zait, 2015).

3.8 Ethical Consideration

In this study, the respondents who took part were given information to raise awareness on the study's overall goal as well as the ability to choose if they wanted to be a part of it. Before handing out the survey it was made sure the participant agreed upon it. In addition, as respondents filled out the questionnaire there was no requirement for filling out their names thus their responses remained anonymous, Lastly, all remaining ethical concerns were examined during the study.

CHAPTER FOUR

THE RESULTS

Introduction

This section of the study aims to present the results and interpretation of the research study data. Descriptive statistics and regression model were the procedures used for the data analysis procedure.

4.1 Response Rate of Participants

TABLE I REPORT RATE OF PARTICIPANTS

| | Frequency | Percent |
|-----------------------------|-----------|---------|
| Questionnaires Distributed | 165 | 100% |
| Questionnaires Returned | 148 | 89.6% |
| Questionnaires not Returned | 17 | 10.4% |

(Source: Research Survey, 2021)

The survey prepared for this study was given out to 165 Tracon Trading PLC employees. After collection, 148 were returned and used in the study representing 89.6 percent out of the total distributed questionnaires as can be inferred from Table I.

4.2 Test of Reliability of the Research Instruments

TABLE II RELIABILITY OF RESEARCH INSTRUMENTS

| Variables of the Study | N of Items | Cronbach's Alpha |
|--------------------------------|------------|------------------|
| Autocratic Leadership Style | 6 | .829 |
| Democratic Leadership Style | 6 | .830 |
| Laissez-Faire Leadership Style | 6 | .879 |
| Organizational Performance | 6 | .721 |

(Source: Research Survey, 2021)

SPSS version 20 was used in analyzing the survey data, using Cronbach Alpha. Table II states that all variables having an alpha value greater than 0.7, thus the instruments used to carry out the study are reliable.

4.3 Characteristics (Demographics) of Participants

TABLE III SEX OF PARTICIPANTS

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------|-----------|---------|---------------|--------------------|
| Valid | Male | 87 | 58.8 | 58.8 | 58.8 |
| | Female | 61 | 41.2 | 41.2 | 100.0 |
| | Total | 148 | 100.0 | 100.0 | |

(Source: Research Survey, 2021)

The participants of this study pointed out by Table III are 87 in number that is 58.8 percent for males and a frequency of 61 indicating 41.2 percent for females.

TABLE IV AGE OF PARTICIPANTS

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|----------------|-----------|---------|---------------|--------------------|
| Valid | Below 25 years | 43 | 29.1 | 29.1 | 29.1 |
| | 26-36 years | 84 | 56.8 | 56.8 | 85.8 |
| | 37-47 years | 21 | 14.2 | 14.2 | 100.0 |
| | Total | 148 | 100.0 | 100.0 | |

(Source: Research Survey, 2021)

29.1 percent of participants that is 43 correspond to the age group below 25 years old. 84 participants, the equivalent of 56.8 percent is in the interval age group of 26 and 36 years old while the remaining 21 that is 14.2 percent are between 37 to 47 years old as displayed in Table IV.

TABLE V EDUCATION STATUS

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|------------------------------|-----------|---------|---------------|--------------------|
| Valid | Certificate/Advanced Diploma | 38 | 25.7 | 25.7 | 25.7 |
| | Bachelor Degree | 110 | 74.3 | 74.3 | 100.0 |
| | Total | 148 | 100.0 | 100.0 | |

(Source: Research Survey, 2021)

As can be drawn from Table V, from the total employees of Tracon Trading PLC that participated, 110 in number that is 74.3 percent hold a bachelor's degree; the remaining 38 that is 25.7 percent of participants hold a certificate/ advanced diploma.

TABLE VI YEARS OF WORK EXPERIENCE

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-------------|-----------|---------|---------------|--------------------|
| Valid | 0-5 years | 81 | 54.7 | 54.7 | 54.7 |
| | 6-10 years | 51 | 34.5 | 34.5 | 89.2 |
| | 11-15 years | 16 | 10.8 | 10.8 | 100.0 |
| | Total | 148 | 100.0 | 100.0 | |

(Source: Research Survey, 2021)

In terms of work experience, 54.7 percent of participants that is 81 in number have work 0 to 5 years' experience. A frequency of 51 corresponding to 34.5 percent of participants has between 6 to 10 years of work experience. Finally, 16 among the participants of the study that is 10.8 percent are with 11 to 15 years of work experience as displayed in Table VI.

4.4 Descriptive Statistics

In the descriptive analysis section, the rating will be merged into disagree, neutral, and agree. The disagree rating merges the percentage of strongly disagree (SD) and disagree (D), the neutral rating will remain the same and the agree rating merges the percentage of strongly agree (SA) and agree (A).

4.4.1 Autocratic Leadership Style

TABLE VII DESCRIPTIVE OF AUTOCRATIC LEADERSHIP

| SN | Statements | Disagree (SD + D) | Neutral | Agree (SA + A) | Mean | Std. Deviation |
|----|--|----------------------|---------------|-------------------|-------|-------------------|
| 1 | My manager believes employees need to be supervised closely, or they are not likely to do their work. | 4.1% [6] | 12.2% [18] | 83.8% [124] | 4.250 | 0.824 |
| 2 | My manager believes he/she is the chief judge of the achievement of the member of the group. | 4.7% [7] | 18.9% [28] | 76.4% [113] | 3.966 | 0.795 |
| 3 | My manager believes that most employees in the general population are lazy. | 4.1% [6] | 10.1% [15] | 85.8% [127] | 4.000 | 0.670 |
| 4 | My manager believes effective leaders must give orders and clarify procedures. | 6.8% [10] | 12.2% [18] | 81.1% [120] | 4.027 | 0.824 |
| 5 | My manager believes most employees feel insecure about their work and need direction. | 5.4% [8] | 19.6% [29] | 75% [111] | 3.878 | 0.954 |
| 6 | My manager believes that employees must be given rewards or punishments to motivate them to achieve organizational objectives. | 19.6% [29] | 19.6% [29] | 60.8% [90] | 3.642 | 1.043 |

(Source: Research Survey, 2021)

The inference made in Table VII shows that 4.1% disagreed, 12.2% were neutral, and 83.8% agreed to the statement of managers believing employees need to be closely supervised otherwise with the assumption that they won't do their work otherwise. This corresponds to a mean of (4.250) and a standard deviation of (0.824). The second statement on managers believing that they are the main assessor of a group's member

accomplishments was answered with 4.7% disagreement, 18.9% were neutrality, and 76.4% agreement; with a mean of (3.966) and standard deviation of (0.795). On the third statement, 4.1% disagrees, 10.1% remained neutral and 85.8% agreed with the belief that the manager believes most employees are lazy; with a mean of (4.000) and standard deviation of (0.670). On managers believing effective leaders must give orders and clarify procedures, 6.8% of participants disagreed, 12.2% remained neutral, while 81.1%; with a mean of (4.027) and a standard deviation of (0.824). The statement of managers believing the majority of employees are anxious about their tasks and want guidance were answered with 5.4% strongly disagreeing, 19.6% remaining neutral and 75% agreeing with a mean of (3.878) and standard deviation of (0.954). Participants' answers to the last statement of managers believing that workers must be rewarded or punished to make them productive to fulfill organizational goals were as follows 19.6% disagreed, 19.6% were neutral, and 60.8% agreed with a mean of (3.642) and standard deviation of (1.043). As can be implied in Table VII, the mean of the statements is higher than average which is 2.5, thus showing that most statements were filled out as “agreed”.

4.4.2 Democratic Leadership Style

TABLE VIII DESCRIPTIVE OF DEMOCRATIC LEADERSHIP

| SN | Statements | Disagree (SD + D) | Neutral | Agree (SA + A) | Mean | Std. Deviation |
|----|--|----------------------|---------------|-------------------|-------|-------------------|
| 1 | My manager believes most workers prefer supportive communication from their leaders. | 4.7% [7] | 4.7% [7] | 90.6% [134] | 4.446 | 0.794 |
| 2 | My manager believes it is the leader’s job to help subordinates find their “passion”. | 4.7% [7] | 15.5% [23] | 79.8% [118] | 4.176 | 0.863 |
| 3 | My manager believes leaders need to help subordinates accept responsibility for completing their work. | 14.9% [22] | 36.5% [54] | 48.6% [72] | 3.392 | 0.805 |
| 4 | My manager lets employees participate in decision-making. | 5.4% [8] | 20.9% [31] | 73.7% [109] | 3.851 | 0.759 |

| | | | | | | |
|---|--|---------------|---------------|----------------|-------|-------|
| 5 | My manager believes people are competent and if given a task will do a good job. | 6.1% [9] | 21.6% [32] | 72.3% [107] | 3.797 | 0.962 |
| 6 | My manager believes guiding without pressure is the key to be a good leader. | 21.6% [32] | 20.9% [31] | 57.4% [85] | 3.554 | 1.039 |

(Source: Research Survey, 2021)

Table VIII implied that 4.7% disagreed, 4.7% were neutral and 90.6% agreed with the statement of managers believing most workers prefer supportive communication from their leaders with a mean of (4.446) and standard deviation of (0.794). 4.7% of participants disagreed, while 15.5% remained neutral and 79.8% agreed, with the second statement that managers believed they are responsible to assist their employees in discovering their passion; with a mean of (4.176) and standard deviation of (0.863). The table also indicated that 14.9% disagreed, 36.5% were neutral and 48.6% agreed with the statement that leaders need to help subordinates accept responsibility for completing their work; with a mean of (3.392) and a standard deviation of (0.805). On the statement of managers letting employees participate in decision-making 5.4% of participants disagreed, 20.9% remained neutral and, 73.7% agreed with a mean of (3.851) and standard deviation of (0.759). On the fifth statement that managers believing employees can complete successfully if a job was handed out to them was responded with 6.1% disagreement, 21.6% neutrality, and 72.3% agreement with a mean of (3.797) and standard deviation of (0.962). 21.6% disagreed, 20.9% were neutral, and 57.4% agreed with the last statement that managers believe the key to being successful is to offer advice and not exerting pressure; with a mean of (3.554) and a standard deviation of (1.039). As can be seen in Table VIII, the mean of the statements is higher than average which is 2.5, thus showing that most statements were filled out as “agreed”.

4.4.3 Laissez-Faire Leadership Style

TABLE IX DESCRIPTIVE OF LAISSEZ-FAIRE LEADERSHIP

| SN | Statements | Disagree (SD + D) | Neutral | Agree (SA + A) | Mean | Std. Deviation |
|----|--|----------------------|---------------|-------------------|-------|-------------------|
| 1 | In general, my manager believes it is best to leave subordinates alone. | 45.9% [68] | 17.6% [26] | 36.5% [54] | 2.851 | 1.121 |
| 2 | As a rule, my manager allows subordinates to appraise their work. | 67.6% [100] | 6.8% [10] | 25.7% [38] | 2.304 | 1.135 |
| 3 | My manager gives subordinates complete freedom to solve problems on their own. | 66.2% [98] | 16.9% [25] | 16.9% [25] | 2.311 | 0.975 |
| 4 | My manager believes in most situations, workers prefer little input from the leader. | 58.8% [87] | 7.4% [11] | 33.8% [50] | 2.601 | 1.105 |
| 5 | My manager requires staying out of the way of subordinates as they do their work. | 65.6% [97] | 7.4% [11] | 27% [40] | 2.473 | 1.040 |
| 6 | In complex situations, my manager lets subordinates work problems out on their own. | 50% [74] | 20.3% [30] | 29.7% [44] | 2.595 | 1.118 |

(Source: Research Survey, 2021)

Table IX indicates that 45.9% disagreed, 17.6% were neutral and 36.5% agreed to the statement “in general, my manager believes it is best to leave subordinates alone”; with a mean of (2.851) and a standard deviation of (1.121). 67.6% disagreed, 6.8% were neutral and 25.7% agreed to the second statement that as a rule, a manager allows subordinates to appraise their work; with a mean of (2.304) and standard deviation of (1.135). The statement on allowing subordinates sole control in solving their issues was answered with 66.2% disagreement, 16.9% neutrality, and 16.9% agreement with a mean of (2.311) and standard deviation of (0.975). 58.8% of participants disagreed, 7.4% were neutral while 33.8% agreed to the statement in most cases managers believe employees wanted less involvement from the leader; with a mean of (2.601) and standard deviation of (1.105). The fifth statement on the fact that the managers must keep out of the employees’ way while they perform their duties was answered with 65.6% disagreement, 7.4% neutrality, and

27% agreement with a mean of (2.473) and standard deviation of (1.040). On the last statement, on managers letting subordinates work problems out on their own during complex situations was 50% disagreed, 20.3% were neutral and 29.7% agreed; with a mean of (2.595) and standard deviation of (1.118). As can be seen in Table IX, the mean of the statements is lower than average which is 2.5, thus showing that most participants “disagreed” with the statements.

4.4.4 Organizational Performance

TABLE X DESCRIPTIVE OF ORGANIZATIONAL PERFORMANCE

| SN | Statements | Disagree (SD + D) | Neutral | Agree (SA + A) | Mean | Std. Deviation |
|-----------|---|------------------------------|----------------|---------------------------|-------------|---------------------------|
| 1 | My organization provides high-quality products and services. | - | 4.1% [6] | 95.9% [142] | 4.487 | 0.577 |
| 2 | My organization introduces new products/ services from time to time. | - | 8.1% [12] | 91.8% [136] | 4.405 | 0.637 |
| 3 | My organization keeps customers satisfied with our products and services. | 3.4% [5] | 5.4% [8] | 91.2% [135] | 4.203 | 0.670 |
| 4 | My organization is keen on customer loyalty. | 3.4% [5] | 6.8% [10] | 89.9% [133] | 4.182 | 0.700 |
| 5 | My organization always puts customers’ needs first. | - | 7.4% [11] | 92.6% [137] | 4.216 | 0.566 |
| 6 | My organization has a strong image brand and reputation. | 7.4% [11] | - | 92.5% [137] | 4.203 | 0.782 |

(Source: Research Survey, 2021)

Table X indicates that 4.1% were neutral and 95.9% agreed with the first statement “my organization provides high-quality products and services”; with a mean of (4.487) and a standard deviation of (0.577). The second statement on the organization introducing new products/services from time to time was answered with 8.1% neutrality and 91.8% agreement with a mean of (4.405) and standard deviation of (0.637). Concerning the third

statement on the organization keeping customers satisfied with products and services, 3.4% disagreed, 5.4% were neutral and 91.2% agreed with a mean of (4.203) and standard deviation of (0.670). On the statement “my organization is keen on customer loyalty” was filled out with 3.4% disagreement, 6.8% neutrality, and 89.9% agreement with a mean of (4.182) and standard deviation of (0.700). 7.4% remained neutral and 92.6% agreed with the statement that the organization always prioritizes customers’ needs; with a mean of (4.216) and standard deviation of (0.566). At last, 7.4% disagree and 92.5% agree on the organization having a strong image brand and reputation; with a mean of (4.203) and standard deviation of (0.782). As can be seen in Table X, the mean of the statements is higher than average which is 2.5, thus showing that most statements were filled out as “agreed”.

4.5 Correlation of the Study Variables

The Pearson correlation analysis shows the connection between the variables of the study. It helps know the direction of the variables on whether they are positive or negative as well as if they are statistically significant.

TABLE XI PEARSON CORRELATION

| | | Autocratic _Leadershi p_Style | Democratic _Leadership _Style | LaissezFair e_Leadershi p_Style | Organizational_Performanc e |
|--|------------------------|-------------------------------------|-------------------------------------|---------------------------------------|--------------------------------|
| Autocratic_ Leadership_ Style | Pearson Correlation | 1 | .128 | .033 | -.168* |
| | Sig. (2- tailed) | | .122 | .694 | .041 |
| | N | 148 | 148 | 148 | 148 |
| Democratic _Leadership _Style | Pearson Correlation | .128 | 1 | -.174* | .370** |
| | Sig. (2- tailed) | .122 | | .034 | .000 |
| | N | 148 | 148 | 148 | 148 |
| LaissezFair e_Leadershi p_Style | Pearson Correlation | .033 | -.174* | 1 | -.328** |
| | Sig. (2- tailed) | .694 | .034 | | .000 |
| | N | 148 | 148 | 148 | 148 |
| Organizational_Perfor mance | Pearson Correlation | -.168* | .370** | -.328** | 1 |
| | Sig. (2- tailed) | .041 | .000 | .000 | |
| | N | 148 | 148 | 148 | 148 |
| *. Correlation is significant at the 0.05 level (2-tailed). | | | | | |
| **. Correlation is significant at the 0.01 level (2-tailed). | | | | | |

(Source: Research Survey, 2021)

The correlation matrix in Table XI found autocratic, democratic, and laissez-faire leadership styles to have a coefficient of (-.168), (.370), and (-.328) respectively. From these coefficient signs, it can be said that autocratic and laissez-faire have a negative relationship whereas democratic leadership retains a positive one. Additionally, while autocratic leadership had a weak relationship, democratic and laissez-faire leadership styles

had a moderate relationship with the dependent variable organizational performance. Moreover, it was found that all three of the leadership styles were statistically significant with alpha values of (.041), (.000), and (.000) respectively.

4.6 Multiple Regression Model Analysis

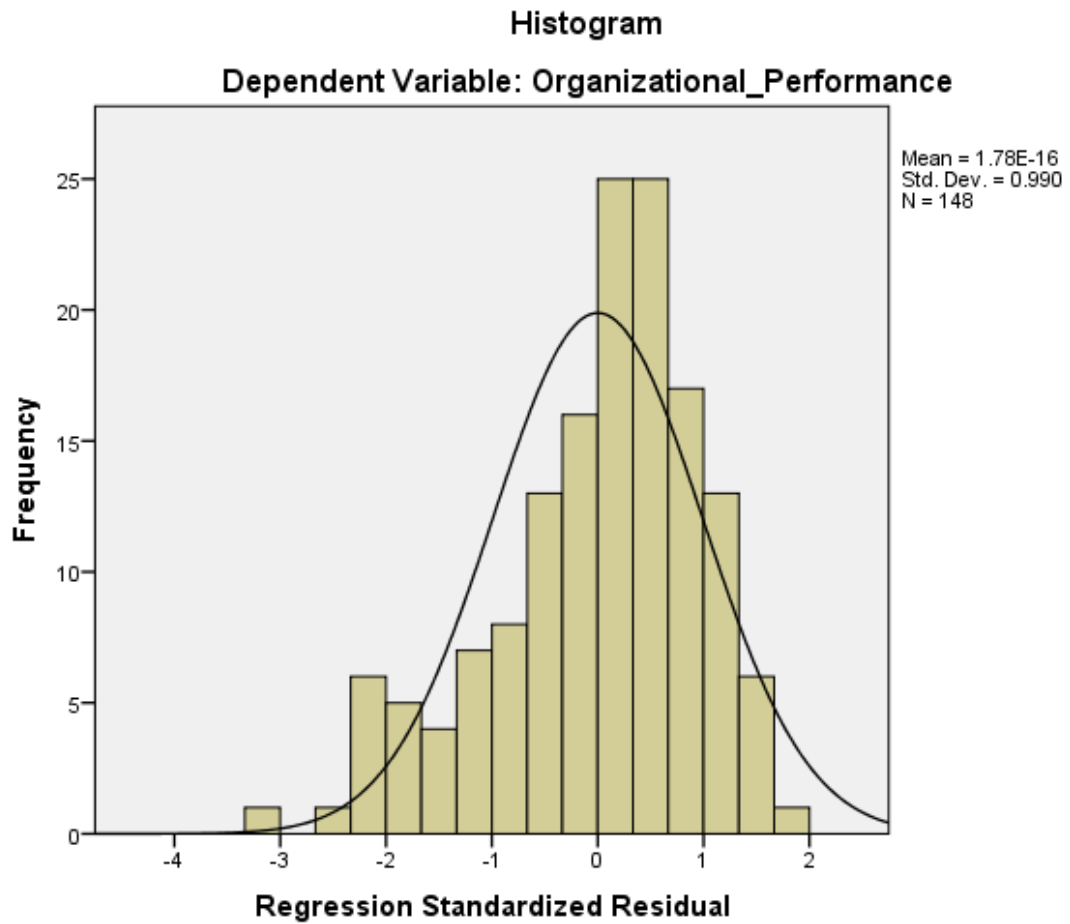
This section discusses the use of a regression model where the relationship between the variables in question whether positive, negative, and statistically significant are to be determined. Before testing the model, a few assumptions will be checked.

The normality assumption states that the regression model is based on the variables of the study that must be normally distributed. Also, the linearity assumption states that the regression model could effectively predict the link between the dependent and independent variables if their association is linear (Osborne & Waters, 2002). Moreover, when using regression analysis there should be no multicollinearity between the variables; that is the independent factors of the study must not be correlated with each other otherwise it means the multicollinearity test assumption has failed (Daoud, 2017).

4.6.1 Normal Distribution Test

Before getting into multiple regression analysis, data normality should be checked and presented. Figure 3 indicates that the data used in this research is normally distributed.

FIGURE 3 NORMALITY TEST (HISTOGRAM)

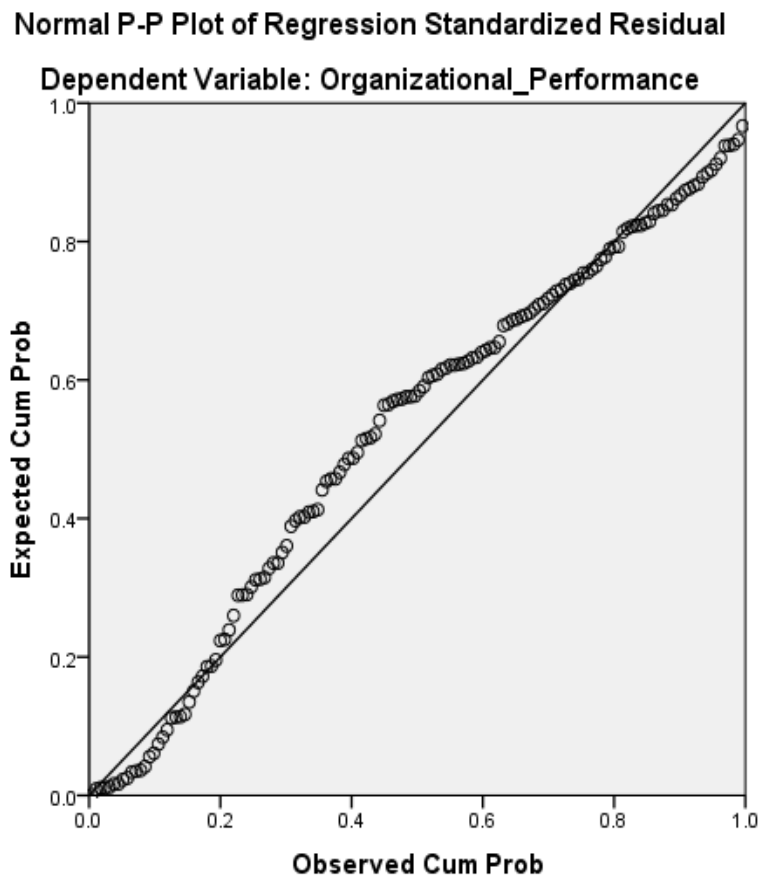


(Source: Research Survey, 2021)

4.6.2 Linear Relationship Test

The linear relationship of the variables of this research can be inferred from Figure 4. It can be implied that the data is normal since the circles on the figure are positioned around the graph line.

FIGURE 4 REGRESSION NORMAL P-PLOT GRAPH



(Source: Research Survey, 2021)

4.6.3 Multicollinearity Diagnostics Test

TABLE XII TEST OF MULTICOLLINEARITY

| Model | | Collinearity Statistics | |
|-------|-------------------------------|-------------------------|-------|
| | | Tolerance | VIF |
| 1 | (Constant) | | |
| | Autocratic_Leadership_Style | .981 | 1.020 |
| | Democratic_Leadership_Style | .952 | 1.050 |
| | LaissezFaire_Leadership_Style | .967 | 1.034 |

(Source: Research Survey, 2021)

The test examining whether there is multicollinearity done by the use of VIF (Variance Inflation Factor) and tolerance is known as the multicollinearity diagnostic test. It is a simple rule stating that the numbers in the tolerance column should be more than 0.2 and that of numbers in the VIF column should be smaller than 10. As Table XII points out there is no multicollinearity problem within the variables.

4.6.4 Regression Model Overview

TABLE XIII MODEL OVERVIEW

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|--|-------------------|----------|-------------------|----------------------------|
| 1 | .500 ^a | .250 | .234 | .81827 |
| a. Predictors: (Constant), LaissezFaire_Leadership_Style, Autocratic_Leadership_Style, Democratic_Leadership_Style | | | | |
| b. Dependent Variable: Organizational_Performance | | | | |

(Source: Research Survey, 2021)

The model summary shows an overall review of the regression model. It shows two important values: R^2 and Adjusted R^2 . According to Guar & Guar (2009) for any social field of research done he mentioned that an R Square in the range between 10% and 20% and above is in an acceptable range. Moreover, according to Heiman (1998), as cited in Anitha (2014), a value of R^2 equal to or greater than 25 percent is considered substantial

as also illustrated in Table XIII R^2 of the study is equal to 25%. This means that 25% of the dependent variable that is organizational performance can be justified by the predictors of the study which are the three leadership styles. However, the rest 75% can be explained by other factors which are not included in this study as it only focuses on the three leadership styles. The second important value shown in the table is the Adjusted R^2 which is 23.4%, which can be used as cross-validation for the fitness of the model. It should be noted that a close to R^2 shows a good model. In this case, the difference between the two important values is 1.6% implying that a 1.6 percent variation will occur if the sample was taken from the whole population.

4.6.5 Test of Significance Model (ANOVA)

TABLE XIV ANOVA

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|--|------------|----------------|-----|-------------|--------|-------------------|
| 1 | Regression | 32.079 | 3 | 10.693 | 15.970 | .000 ^b |
| | Residual | 96.417 | 144 | .670 | | |
| | Total | 128.497 | 147 | | | |
| a. Dependent Variable: Organizational_Performance | | | | | | |
| b. Predictors: (Constant), LaissezFaire_Leadership_Style, Autocratic_Leadership_Style, Democratic_Leadership_Style | | | | | | |

(Source: Research Survey, 2021)

The test of significance also known as the ANOVA table, as indicated by Table XIV shows a significance level of 99% which is in an acceptable range. Hence, the model can be said to be statistically significant.

4.6.6 Study Variables and their Coefficients

TABLE XV MULTIPLE REGRESSION

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|--|-------------------------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 4.990 | .752 | | 6.633 | .000 |
| | Autocratic_Leadership_Style | -.513 | .183 | -.205 | -2.805 | .006 |
| | Democratic_Leadership_Style | .414 | .087 | .351 | 4.748 | .000 |
| | LaissezFaire_Leadership_Style | -.219 | .062 | -.260 | -3.540 | .001 |
| a. Dependent Variable: Organizational_Performance (Source: Research Survey, 2021) | | | | | | |

The coefficient of variables or the multiple regression analysis shows the independent variables and their nature of the relationship as well as whether they are statistically significant or not. In Table XV, it can be inferred that autocratic, democratic and laissez-faire leadership styles are all statistically significant with alpha values of (.006), (.000), and (.001) respectively. Moreover, autocratic and laissez-faire leadership styles were found to have a negative coefficient as can be seen in the standardized coefficient column: (-.205) and (-.260) respectively. However, democratic leadership was found to have a positive coefficient of (.351).

4.7 Summarizing and the Testing of Hypotheses

H1- The relationship between autocratic leadership style and organizational performance is statistically significant and negative.

The multiple regression results of Table XV show the autocratic leadership style to be significant with an alpha value of (.006) and has a negative coefficient of (-.205). Thus, the first hypothesis **(H1) is accepted**. (Igbaekemen& Odivuwri, 2015; Al-Khaled, 2020; Agahowa, 2021) are scholars who have found the same results when conducting a study with these same variables.

H2- The relationship between democratic leadership style and organizational performance is statistically significant and positive.

The multiple regression results of Table XV show the democratic leadership style to be significant with an alpha value of (.000) and has a positive coefficient of (.351). Thus, the second hypothesis **(H2) is accepted**. (Bhargavi & Yaseen, 2016; Ibrahim & Daniel, 2019; Al-Khajeh,2018) are researchers who have found the same results when conducting a study with these same variables.

H3- The relationship between laissez-faire leadership style and organizational performance is statistically significant and negative.

The multiple regression results of Table XV show the laissez-faire leadership style to be significant with an alpha value of (.001) and has a negative coefficient of (-.260). Thus, the third hypothesis **(H3) is accepted**. (Ukaidi, 2016; Jony, Alam & Amin,2019; Akparep, Jengre & Mogre, 2019) are authors who have found the same results when conducting a study with these same variables.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATION

Introduction

This chapter of the study finalizes the overall study whose main goal was to assess the effect of leadership styles on organizational performance. This part contains the overview of the findings, conclusion, recommendations for the organization to act upon, and suggestions for further research.

5.1 Summary of Findings

Below are the major findings of the study inferred from the previous chapter.

As per the Pearson correlation matrix, the findings show that autocratic, democratic and laissez-faire leadership styles are significant with alpha values of (.041), (.000), (.000) respectively as indicated in Table XI. Also, their coefficient was found to be (-.168), (.370), and (-.328) respectively.

Through the ANOVA test of significance model, the study is statistically significant at 99%, implying the regression model deemed to be fit. Furthermore, the multiple regression analysis with the study variables standardized coefficient and significance value results found that autocratic, democratic and laissez-faire leadership styles have alpha values of (.006), (.000), and (.001) respectively, all ≤ 0.05 . Moreover, their standardized coefficient was (-.205), (.351), and (-.260) respectively. In addition, the model summary of the regression analysis indicated an R^2 of 25%.

5.2 Conclusion

According to the above summary of findings, the following conclusions can be made:

- The implication made from the Pearson table (Table XI) is that the three independent variables are all statistically significant. In particular, the autocratic leadership style had a weak and negative bond; the democratic leadership style had a moderate and positive relationship; and finally, the laissez-faire leadership style resulted in a moderate and negative interrelation with the dependent variable which is organizational performance.
- Furthermore, from the regression model in relation to organizational performance, it can be concluded that all independent variables were statistically significant with autocratic and laissez-faire leadership styles both having a negative relationship while democratic leadership had a positive one. Hence all stated hypotheses of the study are accepted. Additionally, it was found that the independent variables predict a 25% quota of organizational performance, which is within an acceptable range. Nonetheless, the remaining 75% is related to factors that are not included in the study and can be considered for further research.

5.3 Recommendations

- In line with the findings above where autocratic leadership style had a negative relationship with organizational performance, it is recommended for Tracon Trading PLC to employ it in the clerical department or in work departments where employees are not well equipped with the skills and know-how tools.
- On the other hand, the democratic leadership style displayed a positive link with organizational performance. As such, it is recommended for Tracon Trading PLC to organizes brainstorming sessions with capacity building to allow ideas from employees to be shared and discussed; ensuring that they feel like they are contributing to organizations' goals and missions.

- Lastly, with regards to the laissez-faire leadership style, the findings indicated a negative relationship. While this leadership style may not be effective in clerical nor administration work it may be useful in Tracon Trading PLC's Real Estate sector where the project managers oversee everything and don't necessarily need managers looking over them since they are responsible for the decisions they make.

5.4 Suggestion for Further Study

The study was drawn from a sample of employees from the Head Office of Tracon Trading PLC. As the scope is small its generalizability cannot be inferred for other private organizations unless more samples are drawn from other organizations with larger sample sizes. Furthermore, the study only focused on three leadership styles (autocratic, democratic, and laissez-faire); hence other leadership styles and factors affecting organizational performance were not included. As such other leadership styles and factors affecting organizational performance should be further investigated.

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APPENDIX

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE MASTER'S PROGRAM IN BUSINESS LEADERSHIP

Dear Participants,

My name is Meletetsega Mesfin and I am currently seeking my Master's in the program of Business Leadership at Addis Ababa University School of Commerce (AAUSC). With this being said this survey aims to gather data on **“The Effect of Leadership Styles on Organizational Performance: A Case Study on Tracon Trading PLC”**. Hence, please kindly fill out your answers correctly, and to add to that all information submitted will be kept confidential.

If by any means you have any inquiries you can reach me via email or by mobile phone: meletetsegamesfin01@gmail.com or +251-900472407.

PART 1: GENERAL INFORMATION (DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDENTS)

On the answers that correspond to you make a “✓” sign.

1. Sex

Male

Female

2. Age

Below 25 years old 26-36 years old 37-47 years old 48-58 years old Above 59

3. Education Status

Certificate/ Advanced Diploma Bachelor's Degree Master's Degree

4. Years of Working Experience

0-5 years 6-10 years 11-15 years Above 15 years

PART 2: LEADERSHIP STYLES

This section of the questionnaire will examine the leadership styles in Tracon Trading PLC.

Below you will find a table in which you fill the rating that corresponds to your answers by making a sign of “✓”.

1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree

| Statements | | Level of Agreement (Ratings) | | | | |
|--|--|------------------------------|----------|---------|-------|----------------|
| Autocratic (Authoritative) Leadership Style | | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
| 1 | My manager believes employees need to be supervised closely, or they are not likely to do their work. | | | | | |
| 2 | My manager believes he/she is the chief judge of the achievement of the member of the group. | | | | | |
| 3 | My manager believes that most employees in the general population are lazy. | | | | | |
| 4 | My manager believes effective leaders must give orders and clarify procedures. | | | | | |
| 5 | My manager believes most employees feel insecure about their work and need direction. | | | | | |
| 6 | My manager believes that employees must be given rewards or punishments to motivate them to achieve organizational objectives. | | | | | |
| Democratic (Participative) Leadership Style | | | | | | |
| 7 | My manager believes most workers prefer supportive communication from their leaders. | | | | | |
| 8 | My manager believes it is the leader’s job to help subordinates find their “passion”. | | | | | |
| 9 | My manager believes leaders need to help subordinates accept responsibility for completing their work. | | | | | |
| 10 | My manager lets employees participate in decision-making. | | | | | |

| | | | | | | |
|--|--|--|--|--|--|--|
| 11 | My manager believes people are competent and if given a task will do a good job. | | | | | |
| 12 | My manager believes guiding without pressure is the key to be a good leader. | | | | | |
| Laissez- Faire Leadership Style | | | | | | |
| 13 | In general, my manager believes it is best to leave subordinates alone. | | | | | |
| 14 | As a rule, my manager allows subordinates to appraise their work. | | | | | |
| 15 | My manager gives subordinates complete freedom to solve problems on their own. | | | | | |
| 16 | My manager believes in most situations, workers prefer little input from the leader. | | | | | |
| 17 | My manager requires staying out of the way of subordinates as they do their work. | | | | | |
| 18 | In complex situations, my manager lets subordinates work problems out on their own. | | | | | |

Source: (Bass & Avolio, 1995)

PART 3: ORGANIZATIONAL PERFORMANCE

This part of the questionnaire will assess the organizational performance in Tracon Trading.

Below you will find a table in which you fill the rating that corresponds to your answers by making a sign of “✓”.

1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree

| Statements | | Level of Agreement (Ratings) | | | | |
|------------|---|------------------------------|----------|---------|-------|----------------|
| | | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
| 1 | My organization provides high-quality products and services. | | | | | |
| 2 | My organization introduces new products/ services from time to time. | | | | | |
| 3 | My organization keeps customers satisfied with our products and services. | | | | | |
| 4 | My organization is keen on customer loyalty. | | | | | |
| 5 | My organization always puts customers' needs first. | | | | | |
| 6 | My organization has a strong image brand and reputation. | | | | | |

Source: (Kaplan & Norton, 1992)