



**Addis Ababa University**  
**School of Commerce**  
**Business Leadership Graduate Program**

**The Effect of Leadership style on Employee Motivation: The  
Case of Finfine Furniture Factory Plc**

**A Thesis Submitted to the School of Graduate Studies of the  
Partial Fulfilment of the Requirement of Master's Degree in  
Business leadership**

**By-Alayou Tefera**

**Advisor: Abdurazak Mohammed (PhD)**

**September, 2021**  
**Addis Ababa, Ethiopia**

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## **Statement of Declaration**

I the undersigned declare that the thesis titled " The Effect of Leadership Style on Employee Motivation: The Case of Finfine Furniture Factory Plc" is my original work, that it has not been presented at Addis Ababa University or any other university, and that all sources of materials used for the project have been properly acknowledged.

Name: Alayou Tefera

Signature\_\_\_\_\_

Date \_\_\_\_\_

## **Statement of Certification**

This is to certify that Alayou Tefera worked out his study on the topic entitled “The Effect of Leadership Style on Employee Motivation: The case of Finfine Furniture Factory Plc”. This work is original in nature and suitable for submission of the award of Master’s Degree in Business Leadership.

Dr.Abdurazak Mohammed  
(The researcher advisor)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## Approval Sheet

This is to certify that the thesis prepared Alayou Tefera entitled The Effect of Leadership Style on Employee Motivation: The case of Finfine Furniture Factory Plc in partial fulfilment of the requirements for Master's Degree in Business Leadership. The paper complies with the regulations of the university and meets the accepted standard with respect to originality and quality.

Approved by Examining Board

_____	_____	_____
Advisor	Signature	Date
_____	_____	_____
Internal Examiner	Signature	Date
_____	_____	_____
External Examiner	Signature	Date

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## **List of Abbreviations and Acronyms**

**SPSS:** Statistical Package for Social Science.

**ANOVA-** Analysis of variance

**VIF-**Variance Inflation Factor

**3F-**Finfine Furniture Factory

**PLC-** Private limited company

**LS-** Leadership strategy

**RF-**Reward factor

**EM-** Employee motivation

**ELS-**Effective leadership style

**DV-**Dependent variables

**IV-**Independent variables

## **Executive Summary**

*Developing effective employee motivation scheme becomes one of the major challenging tasks in manufacturing firms. The general objective of this study is to investigate the effect of different factors that influence the effectiveness of employee motivation in the case Finfine Furniture Factory Plc. The study primary goal is to examine the effect of leadership style on the effectiveness of 3F employee motivation. Descriptive and Explanatory research design was adopted in this study. To obtain more relevant information, the researcher used both primary and secondary of data collection methods. A total of 190 people took part in the survey. The researcher employed a mixed study approach such as quantitative data was used by Likert scale questionnaires. Probability sampling and stratified sampling techniques were used to calculate the sample size. The findings revealed that the leadership style had a significant relationship with the company's employee motivation effectiveness. Based on the regression analysis, 55.3% of the variations of output explained by democratic leadership style, 21.8% of the variation in the output explained by lassiez fair leadership style and 18.5 of the variation explained by autocratic leadership style. As a result, the effect of leadership style was found to be responsible for 70.3% of the variation in employee motivating effectiveness. Thus, the study recommended that the organization pay more attention to leadership style in order to boost employee motivation.*

# **Chapter One**

## **Introduction**

### **1.1 Background of the study**

A leader is someone who organizes operations in order to achieve an organization's common aim or objectives. Leadership is the art of influencing others to work toward a common objective (Igbaekemen, 2014).

Gibson (1994), leadership is an endeavour to employ non-coercive forms of influence to persuade people to achieve a goal. This indicates that leaders are those capable of encouraging others to carry out goal-oriented actions in a range of settings. According to Jago (1982), leadership is regarded as a quantitative and quantifiable attribute that people possess in varying degrees.

Leaders have a critical role in motivating their followers to achieve organizational goals. They must maintain open lines of communication with their personnel and prudently handle human capital, finance, and marketing. Simply said, leadership is the process of motivating or influencing others to achieve organizational goals (Kesting, 2016).

Motivation is a vital component of leadership, according to House, Hanges, Javidan, Dorfman, and Gupta (2004). They define leadership as "the ability to motivate people to contribute to the effectiveness and success of the groups in which they are members," among other things (House, 2004). Leaders of organizations are unlikely to be effective unless they can encourage their followers (Schaffer, 2008).

Unmotivated employees are likely to spend little effort in their jobs, exit the organization as given the opportunity, avoid the workplace as much as possible and produce low quality work (Amabile, 1993). Employee motivation is the extent to which employees are bound emotionally or psychologically towards the organization (Anitha, 2014).

Employees have a tendency to make effective use of organizational capital, resulting in increased production and profitability. To fulfil the organization's strategic goals, well-qualified, skilled, and talented staffs is required. Leadership style is regarded to be the most essential predictor in increasing employee motivation in order to effectively use that asset.

There are various aspects that impact employees in achieving desired employee motivation; leadership style is the most important factor that affects employee motivation.

Motivation is a deliberate attempt to change a person's behaviour in order to reach a predefined organizational goal. When it comes to achieving employee performance, motivation is crucial. Motivation influences a person's or individual's willingness to participate in activities and work that contributes to goal achievement.

Employees have strong aspirations to engage and participate in the company by accomplishing all of the duties and occupations that are assigned to them, and they will continue to devote themselves to all tasks and volunteer work because of the comfort and pleasure that comes from great motivation (Ramadhani, 2016).

If employees are not motivated and handled through effective leadership approach which suite the working environment, working culture and organizational structure, the result will be a negative impact on the image of the company and also lead to dissatisfaction and loss of valuable employees and customers in light of a competitive and dynamic world.

Leadership and motivation are the driving forces behind most human endeavours. Since leadership and motivation are complementary to one another, in the sense that good leadership invariably results in the motivation of workers and vice versa, the researchers decided to look at the combined effect of the two on the achievement of organisational goals.

However, based on observational study, factories in Ethiopia gave too little attention to its leadership style. Most likely, this may lead to adverse consequences for entire the business efficiency.

Finfine Furniture Factory PLC (3F) is the pioneer in manufacturer for different types of furniture products. The company was established in 1967 by the name of RIBA Ethiopia Joinery Furnishing S.C. But after the highest share of Mr. RIBA was sold to ECAFCO, the company's name was changed to Futura Furniture but then it was detached from ECAFCO and became Finfine Furniture Factory (3F).

The company had been a privately owned company was nationalized by the derg military regime in 1978 and remained under the full ownership of the government of Ethiopia until it had changed hands in 1995 to the current owner called Ato Endale Yirga Haile.

3F has a vision of to be leading furniture manufacturing company in East Africa and a mission of to develop and utilize internal resources and competencies in order to offer furniture products based on customers' needs and requirements. Its core values are product excellence, quality customer service, professionalism, staff development and safe work place. The major produces dining room furniture, Living room furniture, Bed room furniture, spring mattresses, Office furniture, Construction items like doors, built in cupboard, kitchen cabinets, parquet, staircase, etc.

The human resource division manager has its own section of training and development function that is liable for training and development of the employee. This function also takes care of the performance review and develop different scheme and best practices to be employed by the training and development to possess effective leadership style and motivation.

## **1.2 Statement of the problem**

Leadership is the process by which a person exerts influence over other people and inspires, motivates, and directs their activities to help achieve group or organizational goals. According to Rivai and Sagala (2009) explain that leadership is an influencing process in determining the goals of an organization or agency, motivating followers' behaviour to achieve goals, influencing to improve follower culture, and directing processes into positive activities.

Even though there are a number of theories leadership are available the focus of this particular study are concentrates on situational theories of leadership namely autocratic, laissez faire, or democratic and their effect on employee motivation.

Effective leadership increases an organization's ability to meet all challenges, including the need to obtain a competitive advantage, the need to foster ethical behaviour, and the need to manage a diverse workforce fairly and equitably (Moorhead and Griffin, 2004).

In any organization the management primarily concerned with the people who work in the organization to achieve the objective of the organization. It concerns with the acquisition of appropriate human resources, developing their skills and competencies, motivating them for best performance and ensuring their continued commitment to achieve organizational objectives.

According to Dolezalek (2005), almost every organization spends huge amount of money annually on training activities for technical, managerial or personnel development, hence, motivation is taken as one of the best ways of training tools.

In achieving organizational goals, employees are considered to be the most effective source. Employees have the tendency to utilize the organizational capital efficiently & increase productivity and profitability of the organization.

The well qualified, capable and talented workforce is needed to achieve organization strategic goals. In order to advantageously utilize that asset, leadership style is considered being the most important determinant to increase employee motivation. The motivated workforce is an important success factor for organizations to achieve their desired goals.

Effective leadership styles have always been beneficial in terms of motivating employees, raising morale, and improving individual and organizational performance. This influence has been shown by numerous investigations (Ogbonna and Harris, 2000; Jing and Avery, 2008). Ineffective leadership styles, on the other hand, are thought to have a detrimental impact on individual and organizational performance.

However, the researcher discovered substantial staff turnover, disciplinary action, and a lack of confidence in subordinates and management based on preliminary observations of 3F leadership style and employee motivation. This issue have seen more than 59% of employees are served the company for a period of less than 6 years and a number of disciplinary action letters attached on personal files of employees. Despite this, the company's management has failed to notice the issue and is putting minimal effort into resolving the situation. This gap prompted the researcher to investigate the effect of leadership style and employee motivation of 3F.

Therefore, to examine the above scenario, the researcher will focuses to identify the three crucial factors and investigate to what extent the effect of leadership style and employee motivation of 3F influenced by these factors.

This research will investigate & understand the effect of different leadership styles (autocratic, democratic and laissez-faire) and their influences on employee motivation of 3F.

### **1.3 Research Question**

1. What type of leadership style practiced at 3F?
2. How does a leadership style affect employee motivation of 3F?
3. What is the effect of leadership style on employee motivation of 3F?

### **1.4 Research objective**

#### **1.4.1 General objective**

The general objective of the study will examine the effect of some most important leadership style that influences employee motivation of 3F.

#### **1.4.2 Specific objective**

1. To examine the effect of leadership style on employee motivation of 3F
2. To assess the employee motivation of 3F
3. To analyse the influence of leadership capability on the effectiveness of employee motivation

### **1.5 Significance of the study**

This study is useful to the following bodies:-

1. Finfo furniture factory/3F:- The finding of this research will have a substantial role to the management, shareholders, and owners of the 3F plant. The research compares & contrasts current leadership styles with employee motivation, identifying fundamental gaps in leadership style.
2. To Business Partners: - For any group of people interested in business, such as investors, insurance companies, banks, and other stakeholders, to have a better understanding of the elements that drive employee motivation.
3. Academic Purpose: - For university students, academics, scholars, and business planners to use as a reference and to conduct future research on the effect of leadership style on employee motivation.

## **1.6. Scope of the Study**

Despite the fact that Addis Ababa has a plenty of furniture manufacturing, this study focused on the effect of leadership style on employee motivation of Finfine Furniture Factory/3F. The study primarily focuses on situational leadership theories namely democratic, autocratic and lassiez fair leadership style and its effects on employee motivation of 3F.

## **1.7. Limitation of the study**

The focus of this research is on the effect of leadership styles and staff motivation. Future research will concentrate on establishing new frameworks for examining other variables such as employee happiness, commitment, and performance as they relate to motivation and leadership styles. In addition the present spread of the corona virus in the city has an impact on acquiring information from potential stakeholders and employees.

## **1.8 Organization of the research**

The research study consists of five sections: The introduction section of chapter one provides research problems, questions, aims, and significance, as well as scope, limitation, and term definitions. The second chapter deals a study of related literature on the topic. The methodology of the study is discussed in the third chapter. The fourth chapter will focus on analysing the topic matter in order to analyse and evaluate the issues. Finally chapter five deals with a summary of the findings, conclusions, and some recommendations.

## **Chapter Two**

### **Review of related literature**

#### **2.1 Theoretical review**

The purpose of theoretical review associated with the research question is to understand the theoretical domain. The reason for discussing the theories is not to produce a comprehensive survey of their richness but rather to provide a framework within which to facilitate the collection of empirical evidence, conduct the analysis and, finally, achieve solutions to the research questions (Guan, 2010). Different scholars published a variety of literatures about the theoretical aspect of effect of leadership style on employee motivation.

The essence of leadership is to assist a group or an organization in achieving sustainable development & growth through a dynamic process whereby one man influences others to contribute voluntarily to the realization & attainment of goals objectives; aspiration of values of the group that is representing the essence of leadership is to assist an organization (Cole, 2005).

In order to survive in the twenty-first century's volatile and competitive economy, real leadership qualities are essential (Bennis, 1989). Bass (1990) states that challenges, changes and uncertainties call for determined leaders who can inspire employees to participate willingly in team efforts and share in the responsibility to achieve organizational goals. Leadership style is the behaviour pattern used by a leader to resolve the organizational issues (Lewin, Lippit, & White, 1939).

Leadership style will affect the job satisfaction, commitment and productivity in the manufacturing sector. It is one of the most important human resource-related outcomes, & perhaps one of the most studied topic in management. This is probably because leadership happens to be the core but sometimes contentious issue in organizational research.

Thus, leadership styles cover all aspects of dealing within and outside of an organization, handling or dealing with conflicts, helping and guiding the workforce to achieve and accomplish their tasks and appearing as a role model for all.

Three primary leadership styles, democratic, autocratic, and laissez-faire, were defined by psychologists Lewin, Lippitt, and White (1939). Organizations can become more productive and lucrative as a consequence of good leadership, but the amount of success is determined by the leader's style and the atmosphere provided for people to perform properly. Democratic leaders rely on communal decision-making and active member participation, whereas autocratic leaders are dominating, and laissez-faire leaders, sometimes known as hands-off leaders, limit the leader's engagement.

The leadership style movement began at Ohio State University in 1945. The Consideration and Initiating Structure research, in particular, stood out among these early contributions, which revealed the fundamental characteristics of leadership behaviour in formal organizations. As a result, authors like Likert (1961), Kahn & Katz (1952) expanded on their predecessors' work in 1947 at the University of Michigan by analysing the relationship between supervisory behaviour and employee productivity and satisfaction.

## **2.2 Background and Theories of Leadership**

The broad recognition of leadership as a critical competitive advantage for businesses (McCall, 1998; Petrick, Scherer, Brodzinski, Quinn, & Ainina, 1999) has resulted in massive investments in leadership development and training (Avolio & Hannah, 2008). It is critical to the study's objectives that the origins of leadership theory be emerged.

### **2.2.1 The Great-Man Theory and Trait Theories of Leadership**

According to the Great Man Theory, leaders possess special traits that are not present in the majority. It also implies that leaders are created rather than born (Kolb, 1971).

One of the first theories of leadership, the trait perspective, posits that exceptional leaders are born with certain personality qualities that make them more suited for leadership and separate them from other individuals or their followers. Both theoretical views are thought to be the most basic, oldest, and least applicable to effective leadership today.

### **2.2.2 Behavioural Theories**

Researchers realized that the characteristic hypothesis was insufficient to explain leadership effectiveness; therefore they began to focus on leadership behavioural traits. This method implies that successful leaders with a certain type of behaviour were anticipated to be effective in guiding individuals and groups toward specified goals, resulting in high productivity and morale (Ansari, 1990).

Behavioural theories of leadership state that it is the behaviour of leaders that distinguishes them from their followers. It focuses on the actions of leaders rather than on mental qualities or internal states with the belief that great leaders are made, not born.

According to this theory, people can learn to become leaders through teaching and observation. Behaviour theories examine whether the leader is task oriented, people oriented, or both. Studies conducted at the University of Michigan and Ohio State University in 1945, established two major forms of leader behaviour namely: employee-centered and production centred (Hersey and Blanchard, 2008).

### **2.2.3 Situational Theories of Leadership**

Situational elements such as the qualities of leaders and subordinates, the nature of the job, and group characteristics must be addressed in the study of leadership effectiveness, according to researchers (Ansari, 1990).

The inference was that successful leadership behaviour was determined by the situation (Schermerhorn, 1982). According to situational or contingency theories, there is no universal leadership behaviour that can be applied to all circumstances.

Contingency theories are based on the assumption that the relationship between leadership style and organizational outcomes is moderated by situational factors related to the environment, and therefore the outcomes cannot be predicted by leadership style, unless the situational variables are known (Cheng and Chan, 2002)

The three models exist in this leadership approach: Fiedler's (2007) co-worker theory, House's (2001) path-goal theory, and Heresy and Blanchard (2009) situational leadership theory. From this approach and the three models no leadership style is best in all situations. Success depends upon a number of variables, including the leader's preferred style, the capabilities & behaviours of the followers, & aspects of the situation.

Effective leadership requires adapting one's style of leadership to situational factors, & control is contingent on three factors namely the relationship between the leader and followers, the degree of the task structure and the leader's authority, position or power. Examples of leadership styles that fall within this theory of leadership are democratic, autocratic, and laissez-faire.

### **Autocratic**

Autocratic leadership style places more emphasis on performance and low emphasis on people. The focus of power is with the leader and all interactions within the group move towards the leader. The leader unilaterally exercises all decision-making authority by determining policies, procedures for achieving goals, work task, relationships, control of reward, and punishment (Van Vugt et al., 2004).

Formal centralized structures, procedures, processes, & mechanisms are explicitly defined and enforced under the autocratic leadership style to ensure that subordinates execute their duties effectively and within the rules. When mistakes are committed, penalties are frequently used, such as withholding attention or a good assignment, or making individuals feel terrible.

### **Democratic**

According to (Bhatti, 2012), democratic leadership focuses more on individuals and allows for more engagement inside the group. Members of the group share leadership responsibilities, and the leader is more of a team player. Similarly, (Jones, 2016) and (Raelin, 2012) proposed that democratic leadership principles include friendliness, helpfulness, and encouraging involvement.

All individuals are inherently trustworthy, self-motivated, like responsibility and hard work, and are encouraged by organizational settings to create cooperation, excellent performance, and pleasure in the democratic leadership style (Jones, 2016).

### **Laissez Faire**

The main emphasis of laissez faire leadership style is neither on performance nor people; the assumption is that naturally human beings are unpredictable & uncontrollable and trying to understand people is a waste of time and energy (Chaudhry and Javed, 2012).

## **2.3 Recent Theories of Leadership Styles**

### **2.3.1 Transactional Theory**

Transactional theories emphasize the importance of supervision, organization, and group performance, and they believe that leadership should be based on a system of incentives and penalties for achieving certain goals.

Transactional leaders are concerned with supervision, group or organization performance, and leader-follower interactions. This philosophy is largely based on a system of incentives and penalties.

Effective leadership is said to emerge when followers understand what is expected of them and the repercussions of fulfilling or failing to achieve those expectations (Lamb, 2013). Expectations that are satisfied are rewarded, while those that are not met are punished.

### **2.3.2 Transformational Theory**

Transformational theories focus upon the connections formed between leaders and followers. Transformational leadership is the leader's ability to motivate followers to rise above their own personal goals for the greater good of the organization (Bass, 2005, & Drodge, 2004).

Bass (2005) theorized the transformational style of leadership comes from deeply held personal values which cannot be negotiated and appeals to the subordinates' sense of moral obligation and values. Bass declared there were four types of transformational leadership behaviour, namely idealized influence (charisma), inspirational motivation, individualized consideration, and intellectual stimulation. Judge and Piccolo (2004) showed that transformational leadership is strongly positively correlated with follower job satisfaction and motivation. Although both transformational and transactional theories can be effective leadership models, it is thought that the combination of the two theories leads to the most effective leaders (Bass, 1999).

## **2.4 Concepts Employee motivations**

According to Robbins (1994) motivation is the willingness to do something and conditioned by the action's ability to satisfy some need of the individual. Reiss (2004) argues that motivation is no more than reasons people hold for initiating and performing voluntary behaviour. Motivation should not be considered as static; the art of motivation is a process of changing one's willingness to exert effort (Kamery, 2004).

Motivation refers to the forces within a person that affect the direction, intensity, and persistence of voluntary behaviour. Motivated employees are willing to exert a particular level of effort (intensity), for a certain amount of time (persistence), toward a particular goal (direction).

Irrespective of the industry, motivation of employees is affected by variables like rewards, career development opportunities, supervisory support, and promotion. In the current context, turnover intentions depends the nature of organization practices and these practices enhance the personal goals and motivate the work force and reduce turnover.

## **2.5. Empirical Literature Reviews**

### **2.5.1 Dubai Based Semi-Government Commercial Bank**

A research conducted by Wijesunderaa Dubai based semi-government Commercial bank reviewed on the impact of motivation and employee performance. Employees who are happy and satisfied in their job are highly motivated to work towards attaining goals and objectives thereby improving their performance.

Employee performance will directly impact on organizational productivity and success. Therefore, it can be said that motivation and employee performance are positively correlated. However, it has to be noted that both financial and non-financial factors lead to employee motivation and thereby improving their performance level.

There is a lack of evidences in relations to which financial and non-financial factors dominantly leads to motivation since there research outcomes were mixed responses.

Employee performance is negatively affected when there is a lack of motivation leading to demoralized. When an employee is having a clear purpose and is motivated, he would work efficiently to achieve the organizations goals and objectives effectively. Therefore, both employee and organization development is achieved.

According to Lathan and Pinder 2005 motivation and performance is positively correlated. As per the researchers it is the management's responsibility to identify the required motivational variables and use them to motivate their employees which would directly impact their performance.

### **2.5.2 Hospitality Industry in the Bolgatanga Municipality**

A research conducted by Akanpaadgi, Valogo and Akaligang to assess how leadership style affects the motivation of employees and the achievement of organisational goals in the hospitality industry in the Bolgatanga Municipality.

The study discovered that the democratic leadership style is the most prevalent in the Bolgatanga Municipality's hospitality business. However, the findings appear to be at odds with those of similar research conducted elsewhere in the hotel industry. Furthermore, the majority of employees preferred democratic leadership over authoritarian and laissez-faire leadership, according to the research.

The research shows motivated employee performs better with the democratic style of leadership than the autocratic and laissez faire leadership styles.

Since the democratic style of leadership was found acceptable by the employees in the hospitality industry in the Bolgatanga Municipality, the researchers concluded that in order for the Ghana Tourists' Board to improve the performance of the industry it should encourage operators in the Municipality to adopt the democratic leadership style.

### **2.5.3 An Empirical Investigation of Haramaya University**

A research conducted by Admekewon impact of leadership approaches on employee motivation. The study emphasizes the importance of relationships between leadership approach/supervisor and employees and the way the organization communicates; a finding supported by similar studies which have shown supervision and communication to be important factors in terms of employee motivation.

The results under study are consistent with previous studies showing the significant positive influence of transformational leadership approach on motivation and the significant negative influence of laissez-faire leadership on subordinate's/employee motivation (Bass and Avolio, 1994; Loke, 2001; Bass, 1998; Avolio, 1999; Shim, 2002; Waldman, 2001; Loke and Crawford, 1999; Howell and Avolio, 1993).

## **2.6. Conceptual Framework**

A conceptual framework is a structure which the researcher believes can best explain the natural progression of the phenomenon to be studied (Camp, 2001). It offers a logical structure of connected concepts that help provide a picture or visual display of how ideas in a study relate to one another (Grant & Osanloo, 2014). The study of the conceptual framework shows that the conceptual integration of different independent variables with the employee motivation of 3F.

### 2.6.1 Conceptual Model

The conceptual frame or model work have designed by input variables are leadership style and reward factor, while the output variable is the employee motivation of 3F.

The instruments which measure the dependent variable are leadership effectiveness, successful reward system, and conveniences of the surrounding conditions in which employees operate.

Therefore, the conceptual frame work of this study is investigating the relationship between the input variables with output variable and analyze to what extent the predictors affect the employee motivation of 3F. Relationship between independent and dependent variables is depicted in theoretical framework as shown below in figure 1.

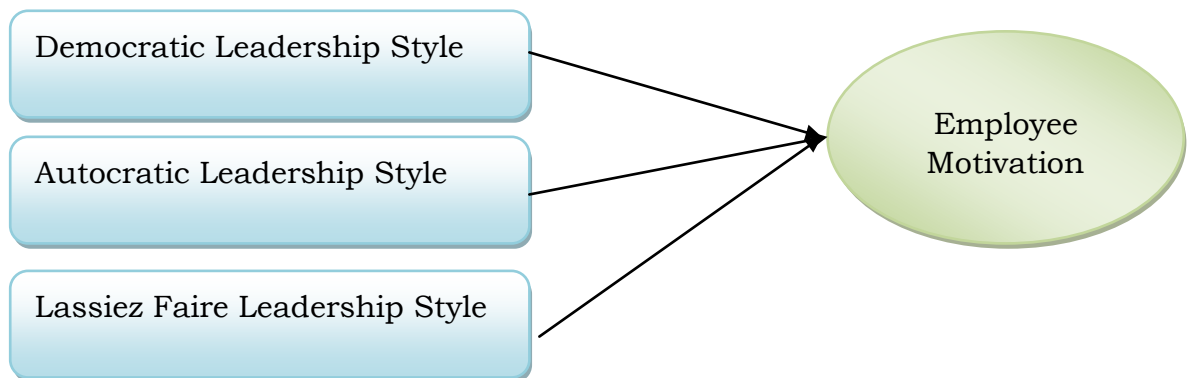


Figure 1 Conceptual Frame Work of the Research

Source: Own Survey, 2021

### 2.6.2 Hypothesis

The conceptual framework model shows the level of influence of three different factors on the effectiveness of leadership style in the case of 3F. Those factors are leadership style, the reward factor, and leadership effectiveness. The level of influences between the factors and the employee motivation will be tested by hypothesis.

There are three hypotheses in order to test to what extent the independent variables that affect the employee motivation such as:

Hypothesis 1: Democratic leadership style has a positive and significant effect on the employee motivation of 3F.

Hypothesis 2: Autocratic leadership style has a positive and significant effect on the employee motivation of 3F.

Hypothesis 3: Lassiez Faire leadership style has a positive and significant effect on the employee motivation of 3F.

### **2.6.3. Determinant Factors and Employee Motivation**

According to Mwanza (2015) a conceptual framework refers to the result of when a researcher conceptualizes the relation between variables in the study and shows the relationship diagrammatically. It is therefore a linked set of variables that are backing up in the critical analysis. It is made of the dependent and independent variables.

An independent variable is that variable which is presumed to affect or determine a dependent variable. It can be changed as required, and its values do not represent a problem requiring explanation in an analysis, but are taken simply as given. A dependent variable is a variable dependent on another variable. The independent variable is what can you measured in the experiment and what is affected during the experiment. The dependent variable responds to the independent variable.

## **Chapter Three**

### **Research Methodology**

#### **3.1. Description of the Study Area**

This study will examine the relationship between situational leadership styles (Democratic, Autocratic and Laissez Faire) and employee motivation of 3F.

#### **3.2 Research Approach**

According to Crewswell (2009), qualitative research is a sort of testing based on qualitative data such as text data from interview transcripts, whereas quantitative research is based on quantitative data that can be quantified in numbers through statistical analysis. Mixed methods research can be used to strengthen a study over either qualitative or quantitative research by combining the two forms of data.

The researcher primarily uses quantitative research for this goal. Quantitative research examines the relationship between variables in order to test objective ideas. These variables can then be measured using instruments, resulting in numbered data that can be examined using statistical processes. Because this study used both interviews and closed ended questionnaires to acquire data from respondents, the researcher used a mixed research approach.

#### **3.3 Research Design**

To determine the effect of factors that influence employee motivation, the researcher constructed a conceptual framework based on independent and dependent variables. Leadership style is independent variables while employee motivation is considered a dependent variable.

Explanatory studies are useful for determining the reasons for a wide range of processes, as well as examining the effects of changes on existing norms and processes. It is research type in which by its nature is a continuation of descriptive research.

Explanatory research design was utilized to examine leadership style has an effect on 3F employee motivation based on the research purpose and basic questions. Both descriptive and inferential methods of data analysis were used in this research.

### **3.4. Population and Sample Size**

The target population of this study is 362, with permanent employees at various levels of status. It is quite difficult to get data from the entire population. It is both time consuming and costly. As a result, a limited group of responders is chosen to represent the entire target population

According to Pagoso (1978), the sample size formula is useful for calculating the number of sample units from the entire population. The sample size is determined by the 95% confidence interval as shown below.

Determining the sample size with a formula:  $n = \frac{N}{1 + (e)^2}$

$$\frac{362}{1 + 362(0.05)^2}$$

$n = 190$

### **3.5 Sampling Technique**

It's critical to choose a sample that's properly representative of the population so that the inferences drawn from the sample may be applied to the entire population of interest.

Probability and non-probability sampling are the two types of sampling designs. Basically, probability sampling was used as a sample approach for this investigation, namely stratified random sampling.

According to Malhotra (2010), argued that technically sample can be divided from the heterogeneous strata and grouped into in to homogeneous strata. After grouped the sample having similar character, then sample can be selected from each stratum. This process of sampling technique is stratified random sampling techniques.

Employees come from a variety of educational backgrounds, job experience, departments, years of service, and management levels, with four distinct groups of workers: manager, division head, supervisor, and non-supervisor. Employees with at least two years of work experience were considers a better and relevant information on their leadership style and motivation.

As a result of the characteristics of the target population, the researcher selected that a stratified sampling technique would be appropriate to apply in the sampling process for this study. The researcher then divides this heterogeneous population into four strata as shown below.

Table 3.1 Stratified sampling technique

Position of Employees	No. of Employee	Employee %	Sample Size
Managers	10	3%	6
Division Heads	18	5%	10
Supervisors	60	16%	30
Non Supervisors	274	76%	144
Total	362	100%	190

Source: Own Survey, 2021

### **3.6 Instrument Design for Data Collection**

Cronbach's alpha coefficients of the internal consistency of individual respondents' opinions were examined using statistical software SPSS. Furthermore, the questionnaire items were developed after evaluating a variety of related literature on leadership style and employee motivation.

### **3.7 Data sources and Collection Procedure**

This study uses primary and secondary data sources of data collection. Secondary data on one hand comprises company websites, brochures, and related printed documents. On the other hand data collection through Likert scale questionnaire applied to get information from the respondents or employees of the company.

The researcher makes a short introduction and explanation of the questionnaire to the respondents. In addition assure that the information obtained will be kept confidential only used to academic research purpose.

### **3.8 Techniques of Data Analysis**

The data was analysed using version 23 of the Statistical Package for Social Science. Descriptive and inferential statistics are used to summarize the basic features of data. Inferential statistics are also used to assess the relationship between dependent and independent variables using correlation between predictor and predicted variables.

### **3.9 Tests of Reliability and Validity**

The consistency of variation measurements is referred to as reliability. Cronbrash's alpha is a very essential instrument for analysing internal consistency and assessing the dependability of variables. According to Gorge and Mallery (2003) the appropriate range of Cronbrash's alpha coefficients is 0.5 to 0.90, as illustrated on below table.

Table 3.2 Cronbach's Alpha Values Range

Cronbach's Alpha Value	Result
Above 0.9	Excellent Reliability
0.70 - 0.90	High Reliability
0.50 - 0.70	Moderate Reliability
Below 0.50	Low Reliability

Source: Adopted from George & Mallery, 2003

As illustrated in the analysis section of the study, the researcher employed Cronbach's alpha to evaluate the internal consistency of variables meant to collect respondents' opinions on research issues.

Validity is an important tool in the research process. It's the extent to which a measuring device actually measures what it's supposed to measure (Thatcher, 2010). In addition to a reliable, valid questionnaire test, the measurement instrument item must be created (Wilson, 2010). The instrument measurement was created using standardized questionnaires with only minor adjustments and additions, making it already valid and tested.

### **3.10 Ethical Consideration**

This research will only be used for academic purposes. The information gathered from respondents will be kept confidential.

The researcher employed adequate measuring variables to indicate the degree of validity of the study. There are an instrument measures what it is supposed to measure, and the level of reliability, which is when SPSS software checks the consistency and accuracy of a result or the tendency to obtain the same result against a given standard. If a measuring instrument produces consistent results, it is considered to be reliable.

## **Chapter Four**

### **Data Presentation, Analysis and Result Discussion**

#### **Introduction**

This chapter discusses data presentation, analysis and interpretation results of the analysis. For about 190 of 3F's employees, questionnaires were distributed. The questionnaires were filled out completely by all of the respondents. Then, by using the Statistical Package for Social Science (SPSS) version 23, the data was examined using correlation and multiple linear regression statistical methods.

#### **4.1. Descriptive Analysis: Respondent's Demographic Profile**

Table 4.1 Gender profile of the respondent

Valid	Frequency	%	Valid Percent	Cumulative Percent
Male	152	80%	80%	80%
Female	38	20%	20%	100%
Total	190	100%	100%	

Source: Own Survey, 2021

According to table the above table 152 or 80% of the respondents are male, while 38 or 20% are female. This indicates that the majority of respondents are men. In comparison male respondents covers fourth fifth portion while the females one fifth. Thus, the involvement of male in leadership position or supervisory is more dominant than that of female.

Table 4.2 Age of the respondent

Valid	Frequency	%	Valid Percent	Cumulative Percent
<30	45	24%	24%	24%
30-40	102	54%	54%	78%
40-50	38	20%	20%	98%
>50	5	3%	3%	100%
Total	190	100%	100%	

Source: Own Survey, 2021

The above table depicts that, 45 or 24 % of the respondents were below the age of 30 years. While 102 or 54% of the respondents were 30-40 years old and 38 or 20% of the respondents were the age of 41-50 years. The rest 5 or 3% of the respondent were above 50 years old. This clearly shows that majority of the respondents or 54% falls in the age interval of 30-40 years.

Table 4.3 Educational qualification of the respondent

Valid	Frequency	%	Valid Percent	Cumulative Percent
Diploma	26	14%	14%	14%
Degree	146	77%	77%	91%
Masters	18	9%	9%	100%
Total	190	100%	100%	

Source: Own Survey, 2021

The above table shows that number of work experience of respondents. Thereby as of the table, 26 or 14 % of the respondents have diploma and 146 or 77 % of the respondents have first degree. 18 or 9% of have masters' degree. This indicates that out of 19 respondents, the majority of respondents have first degree.

Table 4.4 Work experience of the respondent

Valid	Frequency	%	Valid Percent	Cumulative Percent
2-3 Year	20	11%	11%	11%
4-6 Year	92	48%	48%	59%
7-10 Year	48	25%	25%	84%
>10 Year	30	16%	16%	100%
Total	190	100%	100%	

Source: Own Survey, 2021

The above table shows that number of work experience of respondents. Thereby as of the table, 20 or 11% of the respondents have 2-3 year work experience and 92 or 48 % of the respondents have 4-6 years. 48 or 25% of have an experience of 7-10 years and the rest 30 or 16 % are respondents having more than 10 year work experience. This implies that among 190 respondents, 48% or the majority of respondents have 4-6 years working experiences at a company.

Table 4.5 Job position of the respondent

Valid	Frequency	%	Valid Percent	Cumulative Percent
Manager	6	3%	3%	3%
Div. Head	12	6%	6%	9%
Supervisor	70	37%	37%	46%
Non Supervisor	102	54%	54%	100%
Total	190	100%	100%	

Source: Own Survey, 2021

The above table shows that job position of respondents. Thereby as of the table, 6 or 3 % of the respondents have a managerial position and 12 or 6 % of the respondents have division head. 70 or 37% of have a supervisory role the rest 102 or 54 % are non-supervisory post. This implies that among 190 respondents, 46% of respondents fall under the category of supervisory post while 54% non-supervisor or 2-3 years' experience.

Table 4.6 Summary descriptive analysis of independent variables

Variables	Pooled Mean	Pooled SD
Democratic leadership style	3.23	0.63
Autocratic leadership style	3.67	0.52
Laissez-faire Leadership style	3.28	0.59
Reward Factor	3.20	0.57

Source: Own Survey, 2021

In above table, the variable is rated to the values of standard deviation and mean. The highest value of standard deviation from mean indicates that the independent variables practice mostly in 3F.

The highest mean and standard deviation values are 3.67 and 0.52, respectively, for autocratic leadership. This obviously demonstrates that 3F employs an autocratic leadership style.

The laissez-faire leadership style has the second highest mean value of 3.28, with a standard deviation of 0.59, showing that it is fairly used in 3F.

The mean value of democratic leadership style is 3.23, with a standard deviation of 0.63. This indicates that democratic leadership style is poorly practiced in 3F.

The last result shows that standard deviation of 0.57, in which the reward factor has the lowest mean value of 3.20.

## 4.2 Assumption Test

### 4.2.1 Reliability test

The Cronbach Alpha method of internal consistency was used to determine the reliability of the study's variable measures utilizing the numerous questionnaires distributed to respondents. Cronbach's alpha result expected to be in the range of 0.5 to 0.9.

If the value is between 0.7 and 0.9 the internal consistency of the measuring variables is quite strong, and the result of the study as indicated in the table below.

Table 4.6 Reliability test by Cronbach's Alpha

#### Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No. of Items
.881	.882	19

Source: - Own Survey, 2021

### 4.2.2 Normality test

The purpose of this test is to examine if the data is regularly distributed. The use of Skewness and Kurtosis to assess normality is a reliable approach of measuring normality. Skewness is a measure of asymmetry, whereas kurtosis is a measure of a distribution's peakedness. The normalcy distribution of small data is between -1.96 and +1.96. (Field, 2013)

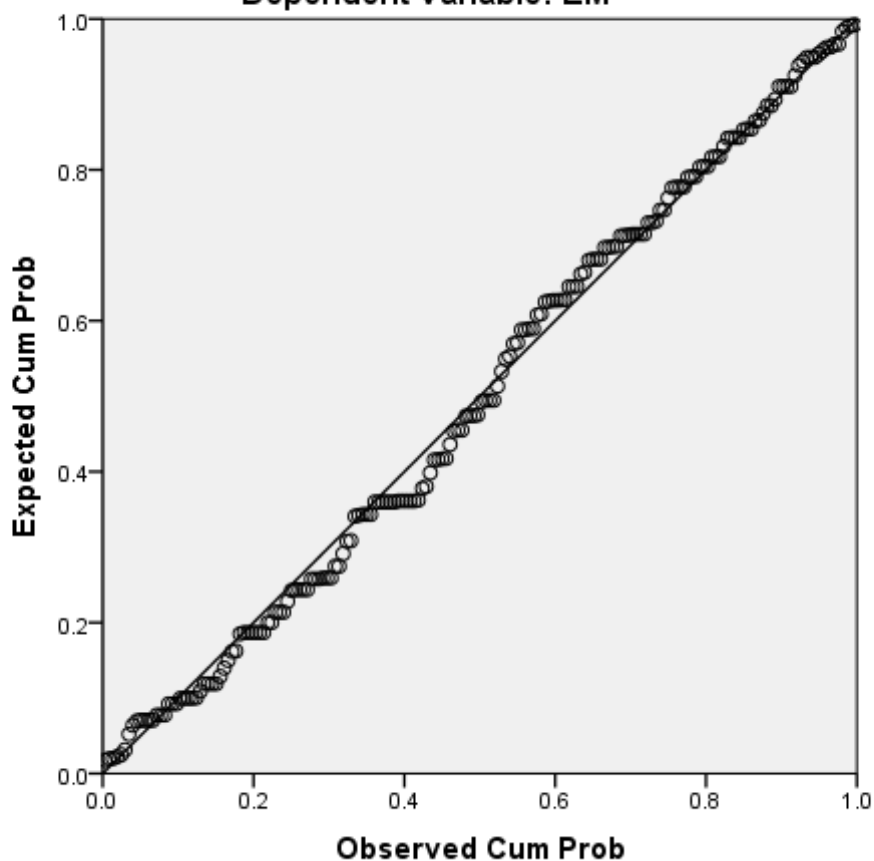
According to George and Mallery (2010), the Skewness and Kurtosis range of distribution should be between -2 and +2 and -3 and +3 correspondingly for a medium size sample of 50 N 300 with a 95% confidence interval.

Table 4.7 Skewness and Kurtosis result and normality plot test

Statistics				
	DL	AL	LFL	EM
Valid	190	190	190	190
Missing	0	0	0	0
Skewness	-.335	-.676	-.738	-.694
Std. Error of Skewness	.176	.176	.176	.176
Kurtosis	.405	-.452	.556	.213
Std. Error of Kurtosis	.351	.351	.351	.351

Source: - Own Survey, 2021

Normal P-P Plot of Regression Standardized Residual  
Dependent Variable: EM



### 4.2.3. Multicollinearity test

The Multicollinearity test used to determine the correlation between a set of predictors and another set of predictors. This test aids in avoiding decisions about the partial effect of the independent variable on the dependent variable.

The coefficient of tolerance is usually  $> 0.1$  (Menard, 1995), and the variance inflation factor is less than 10. (Myers, 1990).

Table 4.8 Collinearity test table

Coefficients<sup>a</sup>

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
DL	.547	1.827
AL	.536	1.865
LFL	.403	2.483

a. Dependent Variable: EM  
Source:- Own Survey ,2021

As shown on the above table the value Variance Inflation Factor (VIF) Collinearity statistics, the independent variables of each value have less than 10 and tolerance is greater than 0.2. Therefore, each independent variable is correlated and significance with each other and there is no Multicollinearity problem between the independent variable.

### 4.3 Inferential Statistics

#### 4.3.1 Correlation test

Pearson correlation determines whether two variables have a linear relationship or not. It also reveals the strength and direction of the link, whether it is positive or negative, using a correlation coefficient value of -1 to +1.2015 (Ziad)

Table 4.9 Correlation test table

Independent Variables	Pearson Correlation	Sig. (2-tailed)	N
DL	.512**	.000	190
AL	.676**	.000	190
LFL	.668**	.000	190

Source: - Own Survey, 2021

As shown on the above table all the three variables of person correlation values lies at a range of 0 to 1 and satisfies the condition from -1 to 1. This implies that there is a positive relationship among variables. On the other hand the P- value is .000 which is less than 0.05 and it shows that leadership style have a positive and significant effect on the employee motivation.

#### 4.3.2 Multiple regression analysis

The level of predictor cause and effect on the predicted variable was estimated using multiple regression analysis. It's a type of statistical analysis that's used to see if there are relationship between an output variable and a set of input variables. As shown in the tables below, the regression analysis reveals the relationship and effect between the dependent and independent variables.

Table 4.10 Variable entered model

Variables Entered/Removed <sup>a</sup>			
Model	Variables Entered	Variables Removed	Method
1	LFL, DL, AL <sup>b</sup>	.	Enter

a. Dependent Variable: EM

b. All requested variables entered.

Source:- Own Survey,2021

As shown on the above table the dependent variable employee motivation and the independent variable leadership style and reward factor are entered and analysed properly.

Table 4.11 Model of summary  
Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.842 <sup>a</sup>	.708	.703	.22194

a. Predictors: (Constant), LFL,DL,AL

Source: - Own Survey, 2021

As shown on model summary leadership style has a correlation coefficient of R .842 (84.2%), R square .708 (70.8%) and the adjusted R square .703 (70.3%). The above model shows the relationship between dependent and independent variable. The adjusted R square 70.3% is the variation of dependent variable explained by the independent variables and 29.7% of the variation of the effect of leadership style of 3F may be accounted by unexplored variables or not covered by this research.

Table 4.12 ANOVA test  
ANOVA<sup>a</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	22.236	3	7.142	150.477	.000 <sup>b</sup>
	Residual	9.162	186	.049		
	Total	31.397	189			

a. Dependent Variable: EM

b. Predictors: (Constant), RF, LS

Source: - Own Survey, 2021

Analysis of variation (ANOVA) helps in decision making the significance of regression model if P value is below 0.05 or 5%.

The significance level 1.00% the ANOVA test is estimated as statistically significant and valid; sum of square of variation in performance of independent variable 22.236 is more than twice large as variation imposed by random effect of residual 9.162.

The model is valid that F-ratio is greater than one (150.477) at 3 and 186 degree of freedom and it statistically significant to the data at 95% confidence interval because the P-value is less than 0.005.

Table 4.13 Coefficient model  
Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.042	.176		.237	.813
DL	.642	.062	.553	10.328	.000
AL	.197	.058	.185	3.423	.001
LFL	.211	.060	.218	3.498	.001

a. Dependent Variable: EM

As shown on above table shows the prediction level of independent variables democratic leadership style t test 10.328 had a strong and positive significance to employee motivation of a company.

The effect of relationship between dependent and independent variables are explained by the beta value of DL =.553 AL=.185 and LFL = .218

The model can be explained by statistical regression analysis of:-

$$Y= a+b_1x_1+ b_2x_2+.....+e$$

$$EM= 0.42+.553DL+.185AL+.218LFL+e$$

The above equation can be further explained as follows:-

- ✓ Every 1% change of DL, EM changes by 55.3%
- ✓ Every 1% change of AL, EM changes by 18.5%
- ✓ Every 1% change of LFL, EM changes by 21.8%

#### **4.4 Tests of hypothesis**

The multiple regression analysis result is a vital statistical model that helps to make a decision whether to accept or reject the hypothesis.

Hypothesis a: Democratic Leadership style has a positive and significant effect on employee motivation.

- ✓ Ha-0: DL will not have a positive and significant effect on EM
- ✓ Ha-1: DL will have a positive and significant effect on EM

As shown on table 4.13 the beta coefficient value of democratic leadership capability is .553 with p value of .000; which is less than 0.05. At 95% confidence interval democratic leadership style have positive and very strong relationship with that of employee motivation. This indicates that the null hypothesis (Ha-0) is rejected because it is not supported by data set. On the other hand, the alternative hypothesis (Ha-1) falling to reject since it is supported by the data set.

Hypothesis b: Autocratic Leadership factor has a positive and significant effect on employee motivation.

- ✓ Ha-0: AL will not have a positive and significant effect on EM
- ✓ Ha-1: AL will have a positive and significant effect on EM

As shown on table 4.13 the beta coefficient value of autocratic leadership capability is .185 with p value of .001; which is less than 0.05. At 95% confidence interval autocratic leadership style have positive and least strong relationship with that of employee motivation. This indicates that the null hypothesis (Ha-0) is rejected because it is not supported by data set. On the other hand, the alternative hypothesis (Ha-1) falling to reject since it is supported by the data set.

Hypothesis c: Laissez Faire Leadership factor has a positive and significant effect on employee motivation.

- ✓ Ha-0: LFL will not have a positive and significant effect on EM
- ✓ Ha-1: LFL will have a positive and significant effect on EM

As shown on table 4.13 the beta coefficient value of Laissez Faire leadership capability is .218 with p value of .001; which is less than 0.05. At 95% confidence interval democratic leadership style have positive and moderately strong relationship with that of employee motivation. This indicates that the null hypothesis (Ha-0) is rejected because it is not supported by data set. On the other hand, the alternative hypothesis (Ha-1) falling to reject since it is supported by the data set.

Hypothesis	Result	Reason
H1a: DL have positive and strong effect on EM	H0a: Rejected	Beta =0.553 & P= .000
H2a: AL have positive and strong effect on EM	H0b: Rejected	Beta =0.185 & P= .001
H3a: LFL have positive and strong effect on EM	H0c: Rejected	Beta =0.218 & P= .001

Therefore, the result of study in the regression shows that, to increase employee motivation it requires to work on each leadership style in more structured and planned way by identifying the gaps.

#### **4.5. Result and Discussion**

The objective of this study was to investigate the major factors that affect the employee motivation of 3F plc. According to the research findings, the independent variables leadership style (Democratic, Autocratic and Laissez Faire) have a positive relationship with the dependent variables.

Even though there are other variables having a significant effect on the employee motivation, different scholars are also agreed that leadership style particularly autocratic leadership, laissez faire and reward factors are an important variables that influence the effectiveness of the company employee motivation.

According to Gastil (1994), Democratic leadership is distributed and changing. Within a democratic leadership climate or environment, there will be multiple leaders and every member will be a leader at some point during their membership in the group.

According to Jayasingam & Cheng (2009) they found out that autocratic authority yields negative influence on employee motivation. This has been supported by Puni, et al. (2014) and Akor (2014) research.

As laissez fair leader avoids or does not interfere with the work assignments or may entirely avoid responsibilities and does not guide or support the followers. This leader's style is associated with displeasure, fruitfulness less, and (Limsila & Ogunlana, 2008).

## **Chapter Five**

### **Data Presentation, Analysis and Result Discussion**

#### **Introduction**

This chapter consists of the conclusion and recommendation part of the study. The aim was to identify the variables that affect the company employee motivation and investigate the relationship between those variables and then it reviews to what extent the variables could influence the output variables.

#### **5.1 Summary of findings**

The result of the findings showed that the majority of the employees who have worked in supervisory, managerial and senior level are male with ratio of 80%. The majority of age respondents were from 30 - 40 covers 54% of the total population.

The major findings revealed that there is a significant positive relationship between the independent variables (leadership style) and the dependent variable (employee motivation) as follows:-

Democratic leadership style has a most significant relation with employee motivation of 3F with value of 55.3% and value of .000 for beta and P value respectively. There is a strong or statistically significant relationship exists between democratic leadership style and employee motivation.

Laissez faire leadership style has a second most significant relation with employee motivation of 3F with 21.8% and .001 for beta and P value respectively. There is moderate statistically significant relationship that shows medium effect exists between laissez leadership style and employee motivation.

Autocratic leadership style has the least positive relation with employee motivation of 3F with 18.5% and .001 beta and P value respectively.

The regression analysis beta value indicates the employee motivation of 3F is not as such satisfactory yet due to some barriers in each type of leadership style.

- ✓ There is lack of freedom on employees to solve problems or make decisions by their own due to pressure from supervisor.
- ✓ There is a communication gap between leaders and subordinates ; leaders are simply giving orders and explain procedures
- ✓ The working environment is not participative; most of the time leaders are making decision by their own; without consent/comment of employees.
- ✓ Issues are not solved timely; there is a delay in decision making and sometimes problems may become series due to lack of decisions.

## **5.2 Conclusion**

Based on the research findings, this study concluded that all independent variables leadership style have positive and significant contribution and relationship with the effectiveness of the employee motivation of 3F. Especially democratic leadership is relatively more contribution to effectiveness of the employee motivation than autocratic and laissez faire leadership style.

Enhancing employee motivation has gradual process in which contributes a lot to the company achievement or success. As per the study findings, a unit change of the independent variables will be accounted to positive and significant variation of the effective employee motivation of the company as per the estimated regression model.

### **5.3 Recommendation**

The following recommendations forwarded based on research objective and questions;

Democratic leadership enhances employee motivation & creates participative interaction between the employees and supervisor. The leaders should identify what is important for the subordinates and the company. Encourage the employees to see the opportunities and gaps around them creatively.

Laissez fair leadership style is practiced moderately in 3F; it should be reduced such practices and must response immediate and prompt decision making whenever a certain problem occurs. Creating positive relationship between employee and supervisor leads to achieving company objective efficiently and effectively.

Autocratic leadership style decreases employee's loyalty both to the supervisor and company side. Thus, it should be expected from supervisors to avoid this practice. It is better to work with what expectations should also be clarified and goals and standards to be achieved provided in clear and precise manner. The employee should involve in decision making and leadership improvement and provide training and teamwork.

Based on the results of the study, leadership development programs and short term training should give in a planned way that helps leaders understand the relationships between effective leadership styles and developing employee motivation.

Since leadership is the most critical and challenging task; it is better to work on policies and practices related to rewards or feedback system in the company should be adjusted to meet employees' needs in order to improve employee motivation. In addition working with employee development program on a systematic manner also helps to create conducive environment between the leader and the subordinate.

#### **5.4 Regarding to future research:**

Based on study findings through regression of Model summary table 70.3% variance of the effectiveness of the employee motivation was explained by predictors' leadership style and reward factor. Hence the model can be considered as a good predictor. But the remaining 29.7% of the variations of effectiveness of employee motivation of 3F were not explained by this study. Therefore, this implies that it is possible to expect other variables that influence the effectiveness of the employee motivation of the company for next further study. This study will be served as a bench mark for future research activities.

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**Addis Ababa University School of Commerce**

**Business Leadership Graduate Program**

Appendix I: Questionnaire

Dear respondents,

This Questionnaire is designed for the student of post graduated program at Addis Ababa University School of Commerce. The purpose of this survey is to collect relevant information for the research to be carried on the “The Effect of Leadership Style on Employee Motivation: A Case of Finfine Furniture Factory Plc”. The information gathered from you will be needed for only academic research purpose for a partial fulfilment of requirements of the MA in Business Leadership.

Please make sure that the information you provided can is not be used for any other purposes. Any information obtained from you will be kept strictly confidential. The soundness and validity of the finding is highly depends on your kind and genuine responses. Therefore, I kindly request you to fill the questionnaire carefully and accurately as well. For any of your inquiries or in need of additional information I can be reached via email or mobile: [alayout@gmail.com](mailto:alayout@gmail.com) and/or + 251- 911 455 174.

Thank you in advance for your agreement to take part on the study.

Aug. 2021

Addis Ababa, Ethiopia

## **PARTONE: Demographic Environment**

### **Instructions:**

- Please carefully tick (√) in the given box.
- No need of writing your name.
- There is no right or wrong answer; it is just to get your honest opinion and perception.

1. Gender

Male                       Female

2. Age group

<30                      30-40                       41-50                       >50

3. Educational background

Diploma                       Degree                       Masters                       PhD

4. Work Experience

2-3Year                       4-6Year                       7-10Year                       >10Year

## PART TWO: Leadership Style and Employee Motivation Questionnaire

**Instruction:** The objective of the below rating scale is to review the employee opinion regarding to the level of factors to what extent the leadership style affects the employee motivation. The weight of rating scale represents as 1= Strongly Disagree (SD); 2= Disagree (D); 3= Neutral (N); 4= agree (A) and 5= strongly agreed (SA) respectively. Kindly request you to rate your opinion by circling the number.

S.N	I. Examining Style of Leadership	1	2	3	4	5
		SD	D	N	A	SA
<b>Democratic Leadership Style (DSL)</b>						
DLS 1	Leaders need to help subordinates accept responsibility for completing their work	1	2	3	4	5
DLS 2	Leaders should give subordinates total freedom to solve problems on their own	1	2	3	4	5
DLS 3	Providing guidance with no pressure is the key to be a good leader	1	2	3	4	5
DLS4	Leaders give orders and explain procedures	1	2	3	4	5
DLS 5	I am involved in performance appraisals to my department & decision making	1	2	3	4	5
<b>Autocratic Leadership Style (ALS)</b>						
ALS 1	Employees must be given rewards or punishments in order to motivate them to achieved organizational objectives	1	2	3	4	5
ALS 2	Employees need to be supervised closely	1	2	3	4	5
ALS 3	It is fair to say that most employees in the general population are lazy	1	2	3	4	5
ALS 4	Leaders make decisions independently	1	2	3	4	5
<b>Laissez-Faire Leadership Style (LFLS)</b>						
LFLS 1	Leadership requires staying out of the way of subordinates as they do their work	1	2	3	4	5
LFLS 2	My supervisor does not impose policies	1	2	3	4	5
LFLS 3	Fail to interfere until problems become serious	1	2	3	4	5
LFLS 4	Avoid getting involved when important issues arise	1	2	3	4	5

S.N	I. Examining Style of Leadership	1	2	3	4	5
		SD	D	N	A	SA
<b>Employee Motivation</b>						
EM 1	I am capable of handling my assignments without supervision					
EM 2	I am very passionate on my work					
EM 3	I actively participate in group discussion and work meetings					
EM 4	I manage change in my job very well whenever the situation demands					
EM5	Appreciation for the work done					
EM6	Relationship with superior					