



***THE EFFECT OF LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE:***

***THE CASE OF JAMBO REAL ESTATE***

***A Research Project Submitted to the School of Commerce College of  
Business and Economics in the Department of Business Leadership in  
Partial Fulfillment of the Requirement for the Degree of Masters of Arts in  
Business Leadership***

**BY:**

**Mulugeta Geberwold**

**ADVISOR: WUBESHET BEKALU (PhD)**

JUNE, 2023  
ADDIS ABABA, ETHIOPIA

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### **Declaration**

I, the undersigned declare that this research project (THE EFFECT OF LEADERSHIP STYLE ON EMPLOYEES PERFORMANCE: THE CASE OF JAMBO REAL ESTATE) is my original work. It has not been submitted for a degree in any other universities and all the materials used in this study have been duly acknowledged.

**MULUGETA G/WOLD**

**Author**

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Date

\_\_\_\_\_

Signature

JUNE, 2023

Addis Ababa University



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### **Acronym**

**JRE ----- Jambo Real Estate**

**MBE -----Management by exception**

**SD ----- Standard deviation**

**SPSS -----Statistical Package for the Social Sciences**

**Sig./P ----- Significant**

**B -----Beta**

**N ----- Total Number**

**ANOVA --Analysis OF Variances**

**MLQ ----- Multifactor Leadership Questioner**

## **Abstract**

The main purpose of this study was to assess the effect of leadership style (transformational, transactional, authoritative, and democratic) on employee performance in Jambo real estate. In preparing this research, both primary and secondary data were used. The primary data were collected through questionnaires and crosschecked the reliability using the Cronbach alpha method. Whereas, secondary data had been obtained from the articles, websites, literatures, and journals. Using the sample size formula, the researcher decided 129 employees for the study from a population of 224 employees. Systematic Simple random sampling technique employed to identify these representative employees. The study proved that, there is an effect on employee performance when different leadership styles are practiced, there was a strong significant correlation between transformational leadership style and employee performance; P is computed using SPSS and found to be equal to 0.000. Democratic leadership style also found significantly correlated with employee performance; here also P computed and found to be equal to 0.000. Transactional leadership and authoritative leadership style less significantly related to employee performance. The finding will contribute primarily to the study area Jambo real estate to apply the recommended style dominantly to enhance their employee performance and secondly similar companies in the area could use the finding as input to make their business productive.

**Keywords: Leadership, Employee Performance, Transformational, Transactional, Authoritative and Democratic**

# Chapter 1

## Introduction

### 1.1 Background of the study

Leadership has been a topic of interest starting from ancient times but it only began the scientific studies in the twentieth century. Leadership is almost applied in every part of our daily routine life. Individuals unconsciously practice leading themselves and their families. Researchers had written on leadership style and leadership effectiveness, for instance according to Ken and Heresy, “an effective leader must be a good diagnostician who is constantly adapting his style in response to the needs of the situation where he operates”. The fact that the leader should be a good diagnostician is to detect the situation and apply convenient style accordingly that ultimately results in effective employee and organizational performance.

Leadership is the most important area in any kind of organization, it has the potential to drive a company literally to any direction to the good or to the bad side. According to Northouse(2007) leadership is a process whereby an individual(leader) influences a group of individuals(followers) to achieve a shared objective. Ethe et al., 2012, likewise described leadership is the capability of an individual to impact one another's performances and activities in order to achieve objectives and maximize success within an organization. A good leader determines an organizations fate to be effective and efficient. Today, firms engage a variety of management methods that reflect their phenomena and way of doing business.

In achieving organizational objectives and targets in a variety of contexts at work, various types of leadership styles will be effective. The leadership styles employed are linked to employees' job satisfaction and individual effectiveness so that their performance can be improved through efficient leadership. As a result, the survival and progress of an organization depends on its leaders. In addition, Nwokocha and al. of 2015, noted that leadership plays a role in achieving organizational goals and objectives.. As stated by Khin Marlar Win (2016), The quality and efficiency of the employee's job performance is a key factor in organizational success. Meaning employee get direction through their leaders and achieve the intended result the style the leader enforce has a direct effect on the general performance of the employee.

Urbanization is a crucial link in economic development from the perspective of the global urbanization process. The effects of urbanization are an ever-increasing urban population, a lack of urban housing, and a rise in urban housing prices. This underlying link between supply and demand has led to a steady increase in property prices in Ethiopia. The majority of individuals cannot afford housing costs in major cities. Considering Ethiopia's underlying national conditions, the working class constitutes a higher share of the population. The majority of today's graduates and professionals are particularly concerned with unstable rental and housing concerns. The real estate industry, which supports the livelihoods of a great number of people, must be reinforced immediately. With the trend ahead the nation could be shaken if the real estate issue is not handled correctly.

The housing demand remain a challenge in most developing and emerging economies, some countries try to provide their citizens housing demand by building a condominium and providing low rated apartment for their civil servants and government employees. Yet the demand for housing will never last and soon they reach a point to go nowhere unless liberalize the market to private investors. The history of real estate in Ethiopia is young and has got a lot of ups and downs. So far as of today the latest number of real estate companies in Ethiopia exceeds 630 when the government liberalize the market it almost left it open to anyone interested and hence consumers are left with no good shield and prone to danger and losing their money. So it is critical to revolutionize the sector and provide a well-organized service to those who are desperate to get shelter. If real estates are not employing a well-articulated leadership philosophy they probably may fall and lose their market image and file bankruptcy. This project tries to study the effect of leadership style on employee performance in the case of Jambo real estate.

## 1.2 Statement of the Problem

The philosophy of leadership styles and the helpfulness of workers is a key factor in organizational success. Leaders have an impact on others, mostly employees, with a view to achieving organizational objectives. As a consequence, the leader's behavior has an impact on his or her performance at work and how tasks are completed. In order to increase the quality of their performance at work, employees' leadership style need to be improved. As stated by Khin Marlar Win (2016) firm's achievement is dependent on its leaders because they can have an impact on the performance of their followers. When leaders are able to use correct leadership styles,

employees will be happy with their work and more motivated to do so because of improved performance. The leadership style adopted by top level managers has a substantial impact on the performance of its staff, as Babatunde and Emem (2015) have shown.

The real estate demand in Ethiopia is enormous and the development potential is huge. The real estate sector if managed and developed properly can take its lion's share to alleviate the everlasting society's housing demand for those who are in the middle class and high class too. For a real estate company to contribute to society it has to be effective, ethical, and managed well. As of Ethiopian investment commission there are 630 real estate companies in Ethiopia. The sector is a highly competitive and volatile market, due to some scare created by previous companies like Access real estate, the customer always see the sector with distrust. So the real estate sector need to create and maintain good reputation so as to guarantee the customers and reap from the market share accordingly. Jambo Real Estate Company is a young and robust company founded in 1999 G.C so far successfully completed around 10 projects and there are around 6 projects under construction. It is known that among this projects some are taking quite so long to finish and handover the property to the customers, there is also inability to meet performance targets, poor productivity and lack of innovations. This and other leadership issues caught the interest of the researcher to study the target company. So what leadership styles are exercised so far in the target company Jambo real estate? In what way employees 'performance has relationship to the philosophy leadership practiced by managers and leaders? This study will describe the effect of leadership style on employee performance in the case of Jambo real estate.

### 1.3 Hypothesis of the study

**H1:** Transactional Leadership style has a positive and significant effect on employee performance.

**H2:** Transformational Leadership style has a positive and significant effect on employee performance.

**H3:** Authoritative Leadership style has a positive and significant effect on employee performances.

**H4:** Democratic Leadership style has a positive and significant effect on employee performances.

### 1.4 General Objectives

This paper is aimed at determining the main effects of leadership style on employees' performance in a case company known as Jambo Real Estate.

## 1.5 Specific Objective

The following specific goals for this research are to be accomplished in the process of reaching the overall goals:

- To diagnose the effect of autocratic leadership style on employee performance
- To diagnose the effect of the democratic leadership style on employee performance
- To diagnose the effect of transformational leadership style on employee performance
- To assess the impact of a transformational leadership style on employee performance

## 1.6 Significance

There is now a need for good leadership in every part of the world. Leading is everything. A leader is crucial for the success of an organization. If the leader can deliver good leadership, his followers will be able to perform their tasks well. There is a proverb that a “leader knows the way, goes the way, and shows the way”. That's why the role of a leader is very important to all families, nations, and organizations because leaders are decision-makers.

A responsible leader should care not only about maximizing profits but also for the wellbeing of employees in particular and societies in general. The leading part therefore is very interesting and needs to be analyzed prudently. In pursuit of achieving organizational goals and objectives the role of a leader is crucial. Adair 2004 pointed out that a leader is someone who has the knowledge, skill and capacity to guide his organization willingly in achieving its objectives. The importance of employees or more technically HR(human resources) which cannot be copied by competitors is recognized by a good leader. As has been pointed out earlier, organizational success is dependent upon the employee's performance and on his or her organization's leadership style.

The results of the study will enable us to better understand how Leader's actions affect staff performance in a target study area.

The study could help JRE make best use of its resources in a way that will enable employee productivity to be increased and eventually improve customer satisfaction.

In addition, the study may help researchers to better understand the causal link between leadership styles and employee performance, which will in turn make it easier for them to perform similar studies at other companies within a similar subject of study. It will therefore be apparent to them that the leadership style may affect their Employees' performance.

Furthermore, students and researchers will be able to find out what impact leadership styles have on employee performance. To carry out their studies they may use appropriate information.

### 1.7 Scope of the Study

Leaders provide the needed guides and anchors in any organization if followed an appropriate leadership style that fits with the given atmosphere and environment. Jambo Group has the following sister companies Jambo Construction plc, Jambo Impex plc, Jambo Construction and trading Ltd, Jambo real estate, and Jambo Food and Beverage. The company is based in Ethiopia Addis Ababa and Oromia, and South Sudan. From these five sister companies the study will focus mainly on Jambo real estate based in Addis Ababa Ethiopia is the geographical scope.

The real estate industry requires very diverse human resources starting from unskilled employees relying on a daily wage to highly educated experts in engineering and leadership field are required for a real estate to run a business properly. Due to the nature of their job, unskilled daily wagers has a high rate of turnover in the target company. So the research excluded the daily wagers from the study to potentially minimize biased results these is the conceptual scope. This study is a cross sectional research which is the time scope of this study.

### 1.8 Limitations of the Study

Despite all the other variables which affect the performance of employees the researcher believes that due to the complex socioeconomic environment pay variable has a major effect on the employee's overall performance. So this study will not cover this variable and believe that it is one of the limitations of the study. Moreover, as mentioned above in the scope of the study real estate company deals with different kind of employees and it is obvious wagers are the most common one employed in the construction project areas due to the reason mentioned above this study excluded wagers and part time staffs. This is what the researcher believed the limitation of the study.

As mentioned above Jambo group has a company in three different locations namely in Addis Ababa, Oromia and South Sudan, due to budget and time constraints these studies focused on the company's branch based in Addis Ababa.

## 1.9 Organization of the Paper

This study paper is prepared into 5 sections. The first section dealt with background , statement of the problem, objective of the study, research questions, and significance of the study, limitations of the study, operational definitions and organizations of the study. The second chapter literature review of the study which comprises the diverse perspective of different authors and various theoretical and empirical concepts that relates with different leadership style, its effect on employee performance issues associated will be discussed There will also be a drawing up of the concept framework. Research design, research methodologies, population and sample patterns, data source and type, methodology for collection of data, quantitative analysis methods, data reliability and validity, as well as ethics considerations shall be briefly set out in the Third Chapter. Data analysis, interpretation, debate and drawing conclusions shall be discussed in the fourth chapter. Lastly, the summary, conclusion and recommendation will be dealt with in Chapter 5.

## Chapter Two

### Literature Review

#### 2.1 Introduction

Chapter two presents a review of literature related to the study, since past studies are crucial to compare and contrast and to build conceptual framework by clearly stating independent and dependent variables.

#### 2.2 Definition of leadership and leadership style

In this 21<sup>st</sup> century, one thing certain about leadership is that leaders couldn't come up on a common definition for leadership. An observation about leadership by Bennis (1959, p. 259) is as true today as when he made it many years ago:

Always, it seems, the concept of leadership eludes us or turns up in another form to taunt us again with its slipperiness and complexity. So we have invented an endless proliferation of terms to deal with it . . . and still the concept is not sufficiently defined.

Leadership will continue to have a different meaning for various people, due to increasing global influence and generational differences. Scholars defined leadership in various ways; Armstrong (2004) defines it merely as an ability to convince others that they should do something different for the purpose of achieving their task, with a group's help. According to Northouse 2010, it is a process whereby an individual influences a group of individuals in order to achieve a common objective. According to Hill (2008). Leadership is the process of motivating, influencing and directing others in the organization to work productively in the pursuit of organizational goals.. Today, leaders do not rely on their legitimate power to persuade individuals to do what they are told, but rather show interest in interacting with, evoke and spread the interest of subordinates (Northouse, 2016). Yukl (2010) describes leadership as influencing others to understand and agree on what needs to be done or how it should be done, while facilitating individual and collective effort towards achieving common objectives The leadership style of a leader can have an impact on motivation, effectiveness and efficiency for his followers according to the Business Essential 2009 book. Leadership is influencing people so that they will strive willingly towards the achievement of group goals as

described by Koontz, and O'Donnell, 1976. So in any circumstance, we know a leader has two things a follower and a target goal to achieve. The tactics and technics enacted to perform and achieve a goal differ from leader to leader based on different variables among them the leadership style followed by the leader plays a vital role. Hence, leadership is the capability to influence an individual, group, or team to attain its specific goal.

Essentially every leader has different behaviors, characters, and traits in influencing teams or individual followers. The set of characters is known as leadership style. The leadership style is defined by Rivalin and Mulyaldi (2018: 27) as the way in which leaders are able to influence their employees so that they can achieve company goals, or it could be regarded as a pattern of behavior and strategies used more often than not by leaders. Veithzal Rivai (2014: 312) believes that leadership style is the entire pattern of a leader's action, both visible and unseen to his subordinates. In pursuit of attaining organizational goals, the leader engages different techniques some are non-verbal characters, and others are vivid styles employed to lead the followers through the intended direction.

From the above reviews, the researcher adopted this description of leadership. In terms of expectations, a well-guided employees are focused workers. Organizational goals, the individual tends to have a sense of product knowledge, Processes, and procedures, we'll give them every time we develop our staff. And therefore productivity grew because of power and the capacity to make and give their best for that organization. The use of leadership styles shall be decided by the leaders themselves. The use of a leadership style that is well designed and can lead to good results, which increases employees' trust and motivation in their work thereby also increasing employee morale, contributes positively towards the performance of staff. To improve organizational performance, leaders should be working with their staff.

## 2.3 Employee Performance

It is crystal clear that every organization is dependent on individual Employee performance which after all reflects the organizational effectiveness. As stated (ADEMOLA AMUSSAH, 2020) Employee performance can be defined as the capability

of an employee, assigned to specific tasks, to carry out all those tasks in line with the expectations of the organization. Employee performance can be described in simple terms as how well employees accomplish their duties and responsibilities within a given period of time using efficient resource utilization for the organization to survive in these highly competitive environments. Employee performance is a very crucial thing that determines an organization's success or failure. Biswajeet Pattanayak, 2005 the performance of a staff member is the result of their subsequent behaviour in performing an activity that can be observed and evaluated. For Pattanayak, employee performance is a contribution from an individual towards the achievement of organizational objectives.. Performance is an initiative of employees to attain a specific objective, ElSaghier (2002).

## 2.4 Theoretical Literature Review

The most studied aspects of organizational behavior worldwide have become leadership, and a series of concepts aiming on tactics, characters, styles as well as the situational method to leadership has emerged. As a result of the increasing importance in leadership, behavior researchers and sociologists have started to look at the likely effects of leaders' behavior as well as variables used to predict their behavior.

### 2.4.1 Autocratic leadership style and Employee Performance

The autocratic leadership style is known by the name authoritarian leadership and is also well recognized by the fact that the leader says I tell or I know the method and it is usually one-way command and has no room to hear any comment or suggestion from the follower side. Autocratic leaders retain for themselves decision-making rights. They can ruin an organization by forcing their followers, on a subjective view of success, to make very limited choices in the way they run strategy and services. Apart from coercion, there's a lack of common vision and motivation. Autocratic leadership typically eliminates commitment, creativity, and innovation.

### 2.4.2 Democratic Leadership Style and Employee Performance

The democratic leadership style is characterized by the leader brings any matter to the table and discusses it accordingly, and makes the final decision by consensus. In a

democratic leadership styles, Nwokocha and Iheriohanma (2015) argue that the leader shall listen to his staff on decisions or directives before making them. Here the role of the leader is to facilitate the atmosphere for the employees or teams to discuss any issue at the table and reach a common agreement and a final decision. Any important idea is brought to the table and digested and reach to final consensus for rejection or ratification by the employees. And so here the democratic leader makes the final decision dependently even though the final whistle is blown by the leader.

The democratic type of leadership enables employees' creativity and talent to be shown, giving them a role in decisions related to the project. This enables employees to perform better since it gives them the right to make decision-related about their task or project at hand. The Lewin study showed that participatory leadership, which has been commonly referred to as democratic leadership, is generally the best leadership style.

### 2.3.3 Transformational Leadership Style and Employee Performance

This seeks to transform of visionary. It's a shared vision where staff members are working towards the realization of that vision. Transformational leaders are enabling their subordinates to be productive, innovative and creative with the ability to adapt to a range of environmental conditions in an organisation, Furkan, Takahashi, Tascan et al 2010. transformational leadership is a situation where leaders encourage their staff to increase the level of trust, moralities, insights, motivation and coalitions with organizational objectives, as anticipated by Burns in 1978. Transformational leadership is a relationship between leaders and subordinates, which gives them the ability to seriously look into existing assumptions so they can get inspired about thinking in new directions (Krishnan, 2012) and causes subordinates to give their appreciation, trustworthiness, compliance and trust to their leaders and to assign jobs without any questioning (Yukl, 2006). In order to achieve organizational objectives, a leader with transformational leadership provides his subordinates with the opportunity and confidence to perform their duties in his mind. As described by Daft (2013) transformational leaders motivate followers, not only because of their personal love for the leader, but also because they feel capable of imagining and creating a better organisation's future. To that end, the transformational leadership creates profound change for followers and organizations.

Transformational leaders promote the attainment of vision, mission and organizational objectives, encourage and motivate their subordinates to achieve maximum performance, stimulate them to have a critical attitude towards problem-solving in new ways, and treat staff individually. A transformational leader who cares about the individual will be capable of leading an organization's goals and missions, providing inspiration to create new opportunities for working effectively.

#### 2.4.4 Transactional Leadership Styles and Employee Performance

Transactional leadership mainly focuses on extrinsic characteristics such as; supervision, organization, and group performance, and they relay leadership on a system of rewards and coercion for achieving specific goals. Through bargains and tradeoffs, transactional leaders are trying to meet the current needs of their subordinates. Achieving negotiated performance targets is a matter for leaders and followers alike. According to Bass (1985), transactional leadership expresses expectations of the quality of employee performance and provides conditional benefits to employees so that they meet expected performance standards. They will be able to do their part to fulfill and be rewarded accordingly.

### 2.5 Empirical Review

A number of empirical evidence shows that leadership behavior influences employee performance that strong leaders outperform weaker leaders, and that transformational leadership produces higher performance than transactional leadership. (Burns 1978); Bass 1990; Hater and Bass 1985; Howell and Avolio 1993). Research (Bass & Avolio, 1994; Kotter, 1988 and Meyer & Botha, 2000) In the area of organizational behavior, transformational leadership has been identified as best suited for modern organizations. This innovative style of leadership is needed in the current business environment; one that allows employees to be empowered and increases their productivity, with a view to improving organizational performance and continuing its operation (Kotter, 1988).

The author Khajeh (2018) pointed out in his research entitled Impact of leadership styles on Organization Performance that leaders have a key role to play in the success or failure of such organizations. The finding of this study showed that there is either a positive or negative link between leadership styles and organizational performance. On the other

hand, another researcher, Kalsoun et al. (2018), in an article titled “Impact of Transactional and Transformational Leadership Styles on Employee Performance in Pakistan's Fast-Modified Consumer Goods Sector,” reported & found a positive correlation between two leadership styles.

The art of leadership is to inspire a group of employees within an organization to act as one in order to achieve the common objective leadership is welded to performance, effective leaders are those who increase the profit of their company’s takeaways.

## 2.6 Conceptual Framework

The main purpose of this paper is to find a variety of characteristics relating to transactional leadership provided by Jambo Real Estate at the level of its employees and how they affect their performance. In addition, it is aimed at understanding how the characteristics of transformational leadership might impact employee performance in Jambo Real Estate. Furthermore, the study explored whether there was a Democratic style of leadership and whether it had a positive or negative impact on employee performance. Finally, this study will help understand how jambo real estate employees are affected by authoritative leadership and how employee performance is affected by this kind of leadership style.

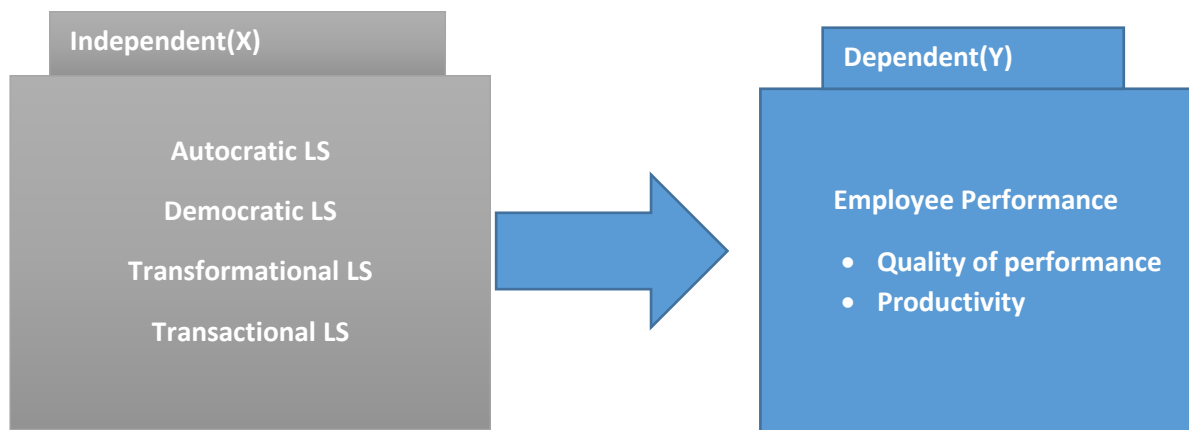


Figure 2.1 conceptual framework

## Chapter 3

### Research Methods

#### 3.1 Introduction

This chapter presents general methodologies used in research to achieve research objectives. This chapter describes the research plan, descriptions of the survey variables, study area, and target group. Additionally, sampling techniques and sample sizes are discussed. This section describes data types, collection methods, and analysis techniques.

Area of the study is in Addis Ababa a company known as Jambo Real Estate. In order to play an exemplary role in the real estate sector, Jambo Real Estate is a young and strong company established in the framework of the Jambo Group Consortium. Operating as a sister company of Jambo Construction Plc and the Consortium, Jambo Real Estate approached real estate development based on years of reliable experience, strong professional ethics and strong financial capabilities. In addition to building various houses and business premises on its property, the company has also established a Joint Development Programme with individuals and companies that are owners of land but do not know how it can be used or who have some degree of technical difficulty in fulfilling their dreams. So far the company handed over more than 10 sites and constructing more than 8 sites more. Jambo real estate is based in Addis Ababa, Oromia Ethiopia, and in South Sudan.

#### 3.2 Research Design

Research design replies to the question of how to gather data and do the study relevant to the research topic. A research design is an overall plan of deciding how to address the research questions in the process of looking for the research finding (Saunders, Lewis, and Thornhill, 2009). Explanatory research can be useful show relationship, a method of collecting data, which is helpful in showing the interconnection between various features of conditions. The researcher will prefer a explanatory study design for the purpose of explaining the existing effects of leadership style in terms of employee performance. Therefore, this study utilized both explanatory research designs to describe the effects of leadership style on employee performance in Jambo real estate.

### 3.3 Research Approach

A multiple research methodology was selected as the most suitable to identify factors that affect leadership efficiency in Jambo Real Estate, with a view to achieving the objectives set out above and enabling researchers to answer questions explicitly. A quantitative research approach was used to help establish cause and effect relationships among the variables. Quantitative research aims but not limited to, to collect, analyze and measure statistical data.

### 3.4 Population and Sampling Technique

For the purposes of this study, all Jambo real estate employees based in Addis Ababa Ethiopia are the target population. The company has three offices in Addis Ababa. And the study focused on the head office.

Population is the whole object or topic that contains certain characteristics and features determined by the researcher, which will then be used to determine conclusions (Sugiono, 2005: 72). Jambo Group is working with a total population of **560** employees from these 204 of them are working in the real estate, out of these 86 are engaged in management teams and 118 of them are professionals working in a different sector based in Addis Ababa.

The sampling technique discusses to the process of selecting a representative sample from the whole population for the intended research purposes. The research has been conducted using a systematic simple random sampling technique where each entity has an equal chance of being participated in the sample. The sample size for the study was determined by using the method established by Taro Yamane (1967) based on the below formula:

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

Where: n is the sample size,

N is the population size,

and e is the level of required precision.

Hence, the calculation of the sample size is as follows:

$$n = \frac{204}{1 + 204(.05)^2} = 135$$

- ❖ Therefore based on the above formula the ideal sample size was set as 135 for the intended study. From the above population all the target population were arranged in ascending order by the help of computer randomly selected the sample size. The researcher asked the HR department to get a number of 135 fulltime employees including management teams and professionals. The researcher obtained the address (office number) of 135 permanent

employees in the study organization. The designed questionnaires were distributed and administered accordingly. Respondents from the total population were selected using systematic simple random sampling technique.

$N=204$

$n=135$

$204/135$

$i=1.6$  rounded to 2

102 selected with this procedure 33 the same procedure followed with the remaining population

### **3.5 Data collection – source, types, instruments**

For the intention of this research both primary and secondary data were gathered. Primary data sources are sources of data that are collected first-hand by the researcher. Secondary data sources are sources of data that have already been collected such as books, journals, articles, reports, and minutes. To find a solution to the research question primary data was collected from selected employees of the case company, Jambo Real Estate. For this intention, two standard methods used for collecting the data, the leadership style questionnaire and the employee performance were used for which both of which are rated based on a Likert-type scale with values from one to five for both types. The rating scale for leadership style questionnaires is 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, and 5=Strongly Agree. The rating scale for employee performance questionnaires is 1=Very Low, 2=Low, 3=Average, 4=High, and 5=Very High, The first instrument used in the study will be the Multi-Factor Leadership Questionnaire (MLQ) which was developed by Bass & Avolio (1997) to measure the leadership styles of supervisors. The purpose of the employee performance survey was to gain insights into employee satisfaction, engagement, and productivity, as well as to identify areas for improvement.

The questionnaire was designed and distributed to all sample elements using systematic simple random sampling. The questionnaire developed used as a data-gathering instrument, consisted of three sections, namely biographical information, leadership styles, and employee performance. These questionnaires were distributed in collaboration with the HR department and safely

returned all except six. Meaning out of 135, the returned questioner was 129 which is 96% response rate.

### 3.6 Validity and Reliability

The most critical criterion in research is reliability and shows the degree to which an instrument measures what supposed to be measured in accordance with that requirement Kothari, (2004).

The scales were taken into account in the study with prior validation. This study adapted the multifactor leadership questionnaire, which was developed by Avolio & Bass (1995), prior literatures, and then edited to suit the context of the survey, in order to measure different types of leadership styles. This study applied the scale of Yousef 2000 to measure employee performance. Moreover the researcher tested a sample of 10 questionnaire before handing over to the target sample elements.

The reliability of a study or measurement shall be defined as the quality of consistency or reliability. If the measurement device produces uniform results, it's a reliable instrument, Kothari, 2004. The most commonly used method to evaluate the reliability of a scale measurement is Cronbach's alpha coefficient, Hayes & Bob 1998. The coefficient, which measures the homogeneity of a given set of items, varies between 0 and 1. A reliability coefficient of 0.80 is satisfactory for a test or scale that will be used for making decisions about an individual (Bajtelmit, 1977). Using SPSS Statistics version 23 Cronbach's Alpha scale were used to test the reliability of our measurement.

Table 3.1 Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.868	.871	8

Source survey data 2023

Cronbach's alpha greater than or equal to 0.8 is considered acceptable and here we can see the value is 0.868 for N of 8 items. Hence, the scale used is proven good by Cronbach's alpha reliability test for all eight items below.

Table 3.2 Cronbach's Alpha Reliability Test

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Transformational Leadership (overall)	22.8393	13.534	.792	.834
Individual Consideration	22.9317	14.223	.749	.841
Contingent Reward	23.0066	12.019	.737	.840
Management by Exception	23.0815	14.795	.560	.858
Transactional Leadership (overall)	23.0441	13.211	.836	.828
Authoritative Leadership (overall)	23.4877	15.031	.309	.861
Employee Performance Overall	22.6087	13.639	.701	.843
Democratic Leadership (Overall)	22.8735	14.156	.378	.859

Source survey data 2023

To check the reliability of each construct Cronbach's alpha reliability analysis was carried out. The result of the analysis showed a reliability coefficient of 0.834 for transformational leadership overall, transactional leadership overall 0.828, authoritative is 0.861 and democratic leadership was 0.859. Moreover the analysis showed that Cronbach's alpha reliability coefficient was 0.843. In short, Cronbach's alpha coefficient was higher than 0.80 for all parameters and this has been found to be very satisfactory. Accordingly the scale used was considered to be a reliable measure of transformational, transactional, authoritative and democratic leadership style.

### 3.7 Processing and analysis of data

In order to analyze the collected data IBM SPSS Statistics version 23 was used and descriptive statistical techniques have been used. In his study, Amin (2005) said that descriptive statistical information can help us to represent the numerical and graphical representations of data by presenting an overall overview of what they have obtained. In inferential statistics, Pearson's correlation and multiple regression analysis have been used to ascertain the effects and connection of the variables, as per the objective of the study.

### 3.8 Ethical Consideration

Researcher must ensure that research participants are safeguarded, build rapport and encourage the integrity of research with a view to protecting them from possible abuse and improprieties which could reflect on their organizations and deal with new challenges. Accordingly, the respondents were employees that their information would be confidential and only used for academic purposes. Also, the data collected during the study were kept confidential and by no means would be used for personal interest. All data were collected with the consent and willingness of respondents and key informants. No names of respondents or informants were used in while collecting or interpreting the data.

## Chapter Four

### Data Analysis and Interpretation

#### 4.1 Description of the sample

Data were collected and analyzed on the demographic characteristics of respondents. Age, gender and education were some of the factors taken into account. The results are presented in the following sections.

##### 4.1.2 Distribution of Respondents by Age

Table 4.1 shows the frequency of the respondent's age. It is shown that most of the respondents, 59(45.7%) were in the a very productive age range of 29-38 years, this was followed by 52(40.3%) in the young age range of 18-28, followed by 12(9.3%) in the age range of 39-50, and the age range of above 50 years was 6(4.7%) which is the least age range. It means that the majority of those participating in the study were younger and aged between 29 and 38 years.

Table 4.1 age distribution

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18-28	52	40.3	40.3	40.3
29-38	59	45.7	45.7	86.0
39-50	12	9.3	9.3	95.3
>50	6	4.7	4.7	100.0
Total	129	100.0	100.0	

Source survey data 2023

##### 4.1.3 Distribution of Respondents by Gender

Table 4.2 shows the distribution of respondents based on gender. Obviously, the majority of the respondents, 73 of them or, 56..6%, were female, compared to males, who were, 56 (43.4%). This represented that the Jambo Real estate company had been represented more by female than male employees.

Table 4.2 Gender distribution

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	73	56.6	56.6	56.6
	Male	56	43.4	43.4	100.0
	Total	129	100.0	100.0	

Source survey data 2023

#### 4.1.4 Distribution of Respondents by Education Level

The table below gives the results of sample distribution based on education level. According to the survey results the majority of the participants 91 (70.5%) were bachelor's degree holders while the number of master's degree holder were 20(15.5%) and diploma holders were the least represented with only 18 (14.0%) representation. Meaning majority of the respondents were in a position to express their insights on the study matter and give adequate evaluation of their performance, in addition to the leadership style of immediate supervisor.

Table 4.3 Education Level

		Frequency	Percent%	Valid Percent%	Cumulative Percent
Valid	Diploma,	18	14.0	14.0	14.0
	Degree	91	70.5	70.5	84.5
	Masters	20	15.5	15.5	100.0
	Total	129	100.0	100.0	

Source survey data 2023

#### 4.1.5 Distribution of Respondents by Experience

Based on the frequency of employee experience 36 of them 27.9% had an experience of between 2 to 4 years, next employees with experience of 5 to 7 had a frequency of 31(24.0%) and experiences <= 1 years and 8-10 years were tied at 28(21.7)%, the least in number were those who have experience>10 at 6(4.7%). So the distribution of the respondents show that employees with high tenure are less in number and those who have average experience are dominant in number.

Table 4.4 Experience of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid <=1 years	28	21.7	21.7	21.7
2-4 years	36	27.9	27.9	49.6
5-7 years	31	24.0	24.0	73.6
8-10 years	28	21.7	21.7	95.3
>10 years	6	4.7	4.7	100.0
Total	129	100.0	100.0	

Source survey Data 2023

## 4.2 Findings

Here major findings in accordance with the Research Objectives are presented in the following sections.

### 4. 2.1 Analysis of Leadership Style

The outcomes of an analysis of leadership styles are presented in this section. Four (4) main types of leadership styles have been evaluated. These were transformation leadership style with four dimensions (each with three items), and transactional leadership style with two (2) dimensions (each with three items). There are five and six topics in each style of authoritarian and democratic leadership. Descriptive statistics were used to assess the level. The results of the transformational leadership style can be seen in the table below. The mean and standard deviation (S.D.) of the four dimensions of transformational leadership styles were calculated, to establish the respondents, assessment of the extent to which their immediate supervisors practice this leadership style. The scale used in the statements was 1-strongly disagree, 2-disagree, 3-neutral, 4-agree, and 5-strongly agree. The result of descriptive statistics was presented in the table below.

Table 4.5 Descriptive Statistics on Transformational Leadership

	N	Minimum	Maximum	Mean	Std. Deviation
Idealized Influence	129	1.67	4.33	3.6951	.66148
Inspirational Motivation	129	1.00	5.00	3.4212	1.06598
Individual Consideration	129	2.33	4.67	3.3359	.61024
Intellectual Simulation	129	1.67	5.00	3.2610	.83433
Transformational Leadership(overall)	129	1.67	4.67	3.4283	.69189
Valid N (listwise)	129				

Source survey data 2023

The results in Table 4.5 above indicate that the idealized influence had the maximum mean of 3.6951 and standard deviation of 0.66148, followed by inspirational motivation at a mean of 3.4212 and standard deviation of 1.06598. Individual consideration had a mean of 3.3359 and standard deviation of 0.61024. The smallest but still with above average mean of 3.2610 and standard deviation of 0.83433 was intellectual Simulation. Overall the transformational leadership style scored a mean of 3.4283 and S.D. of 0.69189 and indeed the highest of all the leadership styles exercised in JRE.

Table 4.6 below shows the mean and standard deviation from respondents' assessment of whether their immediate supervisors practiced transactional leadership style. Management by exception (MBE) had the lowest mean of 3.1860 and standard deviation of 0.65472, while contingent reward had a mean of 3.2610 and standard deviation of 0.98862. Overall the results show that Transactional leadership style with an overall mean score of 3.2235 and standard deviation of 0.71185 is the also practiced by some of the immediate supervisors at Jambo Real Estate. It is important to note that the mean score was above the midpoint. This statistics indeed show that transactional leadership style is at some level exercised by supervisors at Jambo real estate.

Table 4.6 Descriptive Statistics on Transactional Leadership

	N	Minimum	Maximum	Mean	Std. Deviation
Contingent Reward	129	1.00	5.00	3.2610	.98862
Management by Exception	129	2.33	5.00	3.1860	.65472
Transactional Leadership (overall)	129	1.67	5.00	3.2235	.71185
Valid N(listwise)	129				

Source survey data 2023

Table 4.7 shows the mean and standard deviation of the respondent's assessment of the existence of Authoritative leadership style in JRE by their immediate supervisors or line managers.

Table 4.7 Descriptive Statistics on Authoritative Leadership

	N	Minimum	Maximum	Mean	Std. Deviation
My supervisor gives orders and clarifies procedures	129	1	5	3.33	1.246
My supervisor believes that in order to motivate staff to achieve organisational objectives, they should be rewarded or punished.	129	1	5	3.19	1.097
According to my boss, employees should be carefully monitored as they are unlikely to perform their duties.	129	1	5	3.06	1.236
I'm not feeling good about my work, and I need direction.	129	1	5	2.26	1.342
My supervisor believes that most employees in the general population are lazy.	129	1	4	2.05	1.041
Authoritative Leadership(overall)	129	1.60	4.00	2.7798	.64558
Valid N(listwise)	129				

Source survey data 2023

From the above table 4.7 the question 'My supervisor gives orders and clarifies procedures' had got highest mean 3.33 and SD of 1.246 and the statement my supervisor believes that most employees in the general population are lazy had got the lowest mean 2.05 and SD=1.041. Generally authoritative leadership upon assessing the five statements had a mean score of 2.7798 and

a SD of 0.64558. This mean is lower than the midpoint and shows that most of the respondents disagreed that their supervisors use authoritative leadership style. The results suggest that Authoritative leadership style is less exhibited by immediate supervisors at JRE.

Table 4.8 Democratic Leadership DS

	N	Minimum	Maximum	Mean	Std. Deviation
Before making any decisions, my supervisor will consult with others.	129	1	5	3.67	1.085
It seems to me that my boss is supportive of what I do.	129	1	5	3.43	1.052
My supervisor seems to be very accepting and appreciative of my suggestions.	129	1	5	3.43	.900
When I'm working with a supervisor, it makes me feel good. I satisfy his leadership style.	129	1	5	3.43	1.217
I'm being encouraged by my boss. He's listening to my concerns and he's trying to create a better working environment.	129	1	5	3.26	1.057
I'm getting adequate feedback and guidance from my supervisor.	129	1	5	3.13	.963
Democratic Leadership (Over all)	129	1.33	4.50	3.3941	.77671
Valid N (listwise)	129				

Source survey data 2023

Table 4.8 depicts the mean and SD of the outcomes from respondents' analysis of the Democratic leadership style. Six items were used to assess this. The statement that 'Before making any decisions, my supervisor will consult with others.' had the highest mean of 3.67 and standard deviation of 1.085 while the question with the lowest mean of 3.13 and standard deviation of 0.963 was that 'I'm getting adequate feedback and guidance from my supervisor'. The overall Democratic leadership scored a mean of 3.3941 and standard deviation of 0.77671 when assessing the six statements. This mean is above the midpoint and indicates that respondents agree that their supervisors indeed utilize Democratic leadership to the second highest extent. As a result, it can be concluded that the Transformational leadership style, followed by the Democratic leadership style, is the most visible leadership style of the immediate supervisors at JRE. The results also show that the practice of the transactional leadership style is higher than

average. However, the authoritative leadership style is the least exhibited style in Jambo Real Estate.

#### 4.2.2 Analysis of Employee Performance

Employee performance (self-rated) was captured by four constructs; One each for self assessment of quality and productivity, two others that compare one's performance with peers who do similar work. These are examples of the items that have been applied ‘How do you evaluate the performance of your peers at their jobs compared with yourself doing the same kind of work?’ and ‘In comparing yourself to your peers performing the same kind of work, how do you assess your own performance?’ The four items were evaluated on a scale and Cronbach's alpha was determined to be below average. The researcher received an expected negative Cronbach alpha after reverse coding the third and fourth statements. The two statements were skipped from the scale test and the first two statements yielded a Cronbach's alpha of 0.857, which was integrated into the scale. Consequently, analysis of staff performance was based on two items rather than four.

Table 4.9 presents results of the analysis of employee performance. The results show that quality of performance had scored a mean of 3.88 and productivity was rated with a mean of 3.57 and a standard deviation of 0.935 and 1.067 respectively. The overall employee performance has a mean score of 3.6589 which indicates that they are performing well. In order to determine whether this has an impact on the perception of leadership by employees, further analysis is then carried out in the next section. style of the immediate supervisor.

Table 4.9 Descriptive Statistics on Employee Performance

	N	Minimum	Maximum	Mean	Std. Deviation
How do you rate quality of your performance?	129	2	5	3.88	.935
How do you rate your productivity on the job	129	1	5	3.57	1.067
Employee Performance Overall	129	1.50	4.75	3.6589	.74408
Valid N (listwise)	129				

Source survey data

## 4.2.3 The Effect of Leadership Style on Employee Performance

### 4.2.3.1 Correlation Analysis

Correlation analysis describes the strength of an association between the independent and the dependent variables and it is a linear relationship. Table 4.10 presents the outcomes of bivariate correlation based on Pearson correlation statistics. Transformational leadership ( $M = 3.4283$ ,  $SD = 0.69189$ ) positively correlated with overall employee performance ( $M = 3.6589$ ,  $SD = 0.74408$ ),  $r(129) = .715$ ,  $P < 0.01$ .

And also, there was a positive correlation between transactional ( $M = 3.2261$ ,  $SD = .70150$ ) and employee performance ( $M = 3.6589$ ,  $SD = 0.74408$ ),  $r(129) = .543$ ,  $p < 0.01$ .

There was significant correlation between Authoritative leadership ( $M = 2.8124$ ,  $SD = 0.63381$ ) and Employee performance ( $M = 3.6589$ ,  $SD = 0.74408$ ),  $r(129) = 0.238$ ,  $P < 0.01$ .

There was a strong significant correlation between Democratic leadership ( $M = 3.3941$ ,  $SD = .77671$ ) and employee performance ( $M = 3.6589$ ,  $SD = 0.74408$ ),  $r(129) = .521$ ,  $p < 0.01$ .

There was a strong and positive relationship between Intellectual stimulation ( $M = 3.2972$ ,  $SD = 0.83462$ ) and employee performance ( $M = 3.6589$ ,  $SD = 0.74408$ ),  $r(129) = 0.440$ ,  $P < 0.01$ .

Table 4.10 correlational analysis

		Transformational Leadership (overall)	Idealized Influence	Inspirational Motivation	Intellectual Simulation	Individual Consideration	Transactional Leadership (overall)	Contingent Reward	Management by Exception	Authoritative Leadership (overall)	Democratic Leadership (Overall)	Employee Performance Overall
Transformational Leadership (overall)	Pearson Correlation Sig. (2-tailed) N	1  129										
Idealized Influence	Pearson Correlation Sig. (2-tailed) N	.803** .000 129	1  129									
Inspirational Motivation	Pearson Correlation Sig. (2-tailed) N	.928** .000 129	.688** .000 129	1  129								
Intellectual Simulation	Pearson Correlation Sig. (2-tailed) N	.882** .000 129	.586** .000 129	.737** .000 129	1  129							
Individual Consideration	Pearson Correlation Sig. (2-tailed) N	.839** .000 129	.552** .000 129	.707** .000 129	.710** .000 129	1  129						
Transactional Leadership (overall)	Pearson Correlation Sig. (2-tailed) N	.663** .000 129	.561** .000 129	.629** .000 129	.521** .000 129	.585** .000 129	1  129					
Contingent Reward	Pearson Correlation Sig. (2-tailed) N	.643** .000 129	.624** .000 129	.609** .000 129	.438** .000 129	.576** .000 129	.915** .000 129	1  129				
Management by Exception	Pearson Correlation Sig. (2-tailed) N	.470** .000 129	.276** .002 129	.449** .000 129	.473** .000 129	.403** .000 129	.793** .000 129	.480** .000 129	1  129			
Authoritative Leadership (overall)	Pearson Correlation Sig. (2-tailed) N	.253** .004 129	.042 .640 129	.099 .262 129	.378** .000 129	.411** .000 129	.284** .001 129	.260** .003 129	.223* .011 129	1  129		
Democratic Leadership (Overall)	Pearson Correlation Sig. (2-tailed) N	.376** .000 129	.337** .000 129	.293** .001 129	.347** .000 129	.351** .000 129	.274** .002 129	.284** .001 129	.167 .058 129	.037 .679 129	1  129	
Employee Performance Overall	Pearson Correlation Sig. (2-tailed) N	.715** .000 129	.565** .000 129	.667** .000 129	.621** .000 129	.616** .000 129	.543** .000 129	.541** .000 129	.364** .000 129	.238** .007 129	.521** .000 129	1  129

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

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

Source survey data 2023

There was a strong and positive relationship between inspirational motivation ( $M=3.4212$ ,  $SD=1.06598$ ) and employee performance ( $M= 3.6589$ ,  $SD = 0.74408$ ),  $r(129) = 0.667$   $P < 0.01$  idealized influence and individual consideration also had a strong positive relationship with employee performance.

To summarize the result of correlation analysis indicate that inspirational motivation had the strong positive correlation with employee performance meaning it had strong correlation both with productivity and quality of work. The result also depicted that there was a positive correlation with transformational leadership (the strongest), transactional leadership and democratic leadership. Authoritative leadership and individual consideration found to be less significantly related with employee performance.

#### 4.2.3.2 Multiple Linear Regression Analysis

As shown in the figure 3 below the scatter plot assures that the relationship between the independent and dependent variable is linear. It is shown from the histogram below the errors between observed and predicted values (i.e., the residuals of the regression) is normally distributed and satisfy the normality test. Multicollinearity can be checked by VIFs or correlation matrix, when computing a matrix of Pearson's bivariate correlations among all independent variables, the magnitude of the correlation coefficients should be less than .80 hence in the result above the maximum correlation coefficients is .715 which is less than .80 it satisfy multicollinearity test too. Homoscedasticity states that the variance of error terms are similar across the values of the independent variables. From the plot of standardized residuals shown below points are well distributed across values of the independent variables. All the assumptions are satisfied.

Multiple linear regression analysis allows to assess whether the Independent Variable has an influence on a dependent variable, a linear regression analysis was performed. A regression estimate shall be applied to describe data as well as the correlation of one dependent variable with another or other interdependent variables. (Statistics Solutions, 2013)

So in order to evaluate the effect of leadership styles (independent variables), a multiple regression analysis was carried out on employees' performance (dependent variable). The model shown in below table 4.11. Then R square (coefficient of determination) is 0.596. Meaning 40.4% of of the variation in employees' performance unexplained by the independent variables (explained by other variables)

Table 4.11 multiple regression model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.772 <sup>a</sup>	.596	.583	.48047

a. Predictors: (Constant), Democratic Leadership (Over all), Authoritative Leadership (overall), Transactional Leadership (overall), Transformational Leadership (overall)

Source survey data

Model fit result or analysis of variance (ANOVA) is presented in the below table. Since  $P=.000 < .05$   $F=45.747$ ,  $Df=4$  the overall significance of the model is good.

ANOVA<sup>a</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	42.242	4	10.561	45.747	.000 <sup>b</sup>
	Residual	28.625	124	.231		
	Total	70.867	128			

a. Dependent Variable: Employee Performance Overall  
 b. Predictors: (Constant), Democratic Leadership (Over all), Authoritative Leadership (overall), Transactional Leadership (overall), Transformational Leadership (overall)

Source survey data

Table 4.12 ANOVA

The coefficients result from multiple regression shows that transformational leadership significantly and positively predict employee performance standardized coefficients Beta=0.522 where  $P < 0.01$  predicting a positive and a strong relationship with the dependent variable employee performance. Transformational leadership is the best as predicted by the table 4.13 below a variation in one unit in transformational leadership style will change to 0.522 variation in employee performance. These results suggest that employees whose immediate supervisor has transformational leadership characteristics have significantly improved their performance by 52.2%. Likewise, the result also shows that democratic leadership style significantly and positively predicts the performance of employees at standardized coefficients  $B=0.296$   $P < 0.01$ , here employees whose immediate supervisor has democratic leadership characteristics have significantly improved their performance by 29.6%.

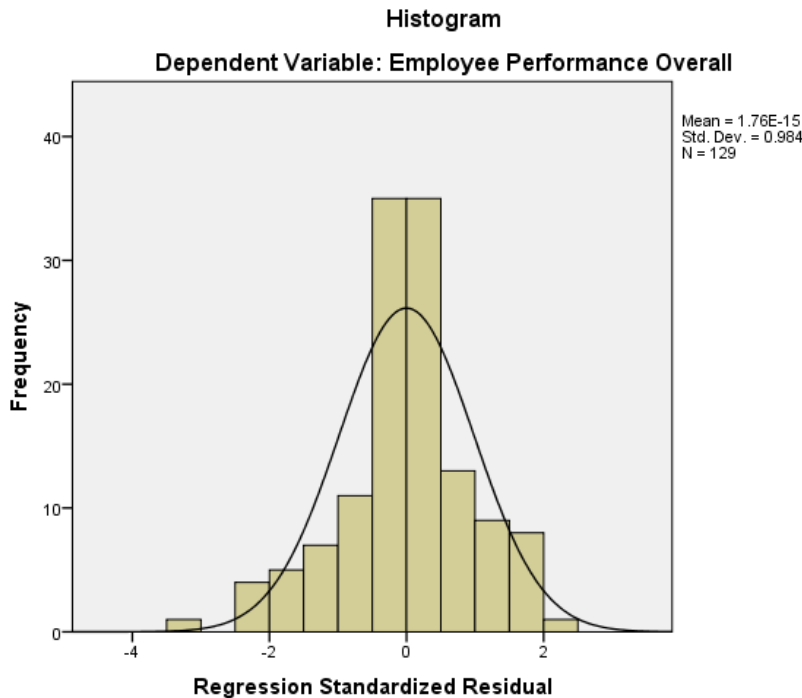
The transactional leadership style had a standardized beta coefficient of 0.097 and  $P > 0.01$  hence it is insignificant. The results also show that the performance of employees is insignificantly influenced by authoritative leadership styles because  $P > 0.01$ . There is no statistical way to prove the existence of transactional and authoritative leadership styles in Jambo Real Estate.

Table 4.13 Regression coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.229	.285		.805	.423
Transactional Leadership (overall)	.101	.081	.097	1.255	.212
Transformational Leadership (overall)	.562	.086	.522	6.563	.000
Authoritative Leadership (overall)	.077	.069	.067	1.121	.264
Democratic Leadership (Over all)	.283	.059	.296	4.788	.000

a. Dependent Variable: Employee Performance Overall

Source survey data



Source survey data  
Figure 3

From the above histogram, it is obvious to confirm that the regression analysis carried out fitted the model and a normal P plot of regression standardized analysis also ascertains that the relationship between the independent and dependent variables exists.



Source survey data  
Figure 4

### 4.3 Hypothesis Testing

Table 4-14: Summary of Hypothesis Test

Hypothesis	Description/Statement	Reason	Decision
<b>H-1</b>	Transactional Leadership has a positive and significant effect on employee performances	$\beta=.101$ , $P=.212$ $>.05$	Not Accepted / Rejected /Not supported
<b>H-2</b>	Transformational Leadership has a positive and significant effect on employee performances	$\beta=.101$ , $P=.000$ $<.05$	Accepted / Supported
<b>H-3</b>	Authoritative Leadership style has a positive and significant effect on employee performances	$\beta=.077$ , $P=.264$ $<.05$	Not Accepted / Rejected /Not supported
<b>H-4</b>	Democratic Leadership has a positive and significant effect on employee performances	$\beta=.283$ , $P=.000$ $<.05$	Accepted / Supported

## 4.4 Discussion Results

This research identified effects of authoritative, democratic, transactional, and transformational leadership styles in Jambo Real Estate employees. There are five objectives in this research to study the effect of leadership style on employee performance. The collected data were analyzed using IBM SPSS Statistics 23 software.

The result above from multiple regression analysis showed that transformational leadership positively and significantly predicted employee performance. The employees' performance will be enhanced if the leaders are showing more transformational leadership. Similarly, democratic leadership style has a positive effect on employee performance. The performance of employees would be higher if the supervisor practiced a democratic leadership style.

When addressing the research question

- What is the effect of an authoritative leadership style on employee performance?

The result from multiple regression asserted that there is no significant effect on employee performance when supervisors exercised authoritative leadership style as proven by low correlation coefficient which assures there is low or no relationship between the independent and dependent variables. This assertion remained similar in the above correlation analysis too. Therefore the above is not supported and there is no proof in the JRE to demonstrate that authoritative leadership style has effect on performance of employee. This finding is against some literature where the authoritative leadership correlated with underperforming. Literature reveals that authoritative type of leadership was found to be strongly correlated with overall negative performance of the employee Yitawok Balemlay (2020)

- What is the effect of democratic leadership style on employee performance?

The democratic leadership style had a positive and significant effect on employee performance, if the supervisors exercised democratic leadership style then the performance of employee would increase by 29.6% as indicated in the standardized coefficient beta.

This finding was consistency with other studies Iqbal et al., (2015), Khin Marlar Win (2016) and Iheriohanma et al., (2014) It was found that superior employee performance would result from democratic leadership styles, according to Iherihanma et al., 2014 the democratic style of leadership tends to foster responsibility, flexibility and high levels of morale that improve employee performance. The democratic leadership style empowered staff by setting up teams

and giving them certain degree of power and authority as stated by Iqbal et al., 2015. This would stimulate workers' potentials, promote a feeling of belonging to the organization and improve their performance at work.

- What is the effect of Transformational leadership style on employee performance?

Transformational leadership is the best as predicted by the table 4.13 above because 1 unit of change in transformational leadership style will increase to 0.522 variation in employee performance. These results show that the performance of employees with immediate supervisors with transformational leadership characteristics has significantly improved by 52.2%. So there is a positive and a very strong significant effect on the employee performance when transformational leadership style is practiced in JRE. This finding is inline with other literatures too Ademola Amussah (2020) concluded that the transformational style of leadership is the most effective style of leadership at Chi limited Nigeria. Also Celestine Awino Anyango(2015) The performance of employees has been positively predicted by transformational leadership.

- What is the effect of transactional leadership style on employee performance?

The result found that statistical there is no significant effect transactional leadership style on the performance of employees in Jambo Real Estate. Some literatures like Hayward et al(2003) found that no significant linear correlation between transactional leadership and employee performance during a study in south African pharmaceutical organization. These findings are also inconsistent with many of the studies examined in the literature review section, which reported that a transactional leadership style has significant positive effects on employee performance. For instance, a study by Pradeep and Prabhu 2011, Kehinde and Banjo 2014, Ejere and Abasilim 2013.

The researcher concludes that, after considering the above information, the transformational leadership style is the most suitable of these four leadership styles. It has a strong effect on employee performance of Jambo Real Estate and applies transformational and democratic leadership style to improve the performance of employees. However, there is not sufficient evidence that the company used an authoritative and transactional style to affect a dependent variable employee's performance. In addition, when comparing the results 1 unit of difference in transformational style increases to 0.522 differences in performance by an employee and one unit of change in democratic style develops to 0.296 differences for employees.

## Chapter Five

### Summary Conclusions and Recommendations

#### 5. Overview

The summaries of the findings, conclusions and recommendations are set out in this chapter. The following is a summary of the findings, their responses to research questions, factors that influence researchers' conclusions and recommendations for improving leadership style and employee performance at Jambo Real Estate.

To measure the effects of different leadership styles on employees' performance, a quantitative methodology and five-point Likert scale were used by the researcher for this study. In this study, two variables were then taken into account. They are the independent variable and dependent variable. The analysis of the data is carried out using correlation and linear regression models. In this study, there are four research questions. The findings of this study have already been discussed in detail in chapter four section 4.3.

#### 5.1 Summary of Findings

Depending on the type of business, various organizations operate with a variety of leadership styles. The leader must take into account the situation in which he finds himself and apply appropriate leadership styles. The researcher here in this paper examined the effect of four leadership styles; authoritative, democratic, transformational, and transactional on employee performance

The result found from a sample of 129 employees show that the transformational leadership style is the most practiced style at Jambo Real Estate. Democratic leadership style is the second most exercised style at JRE. It is proven with evidence when a transformational leadership style is exercised 0.522 variation in employee performance is exhibited. Overall, both measures of employee performance have been found to be strongly and significantly correlated with transformational leadership style scores.

Democratic leadership style is the second exercised philosophy in Jambo Real Estate. Democratic leadership style positively and significantly correlated with both measures of employee performance. A single unit of change in democratic leadership style will rise to 0.296 variation in employee performance.

The existence of transactional and authoritative leadership style was proven insignificant statistically using multiple regression model by using SPSS Version 23.

## 5.2 Conclusion and Recommendations

The aim of this study was to clearly describe and explore the influence of leadership styles transformational, transactional, autocratic as well as democratic in terms of employee performance at Jambo Real Estate. A quantitative descriptive research strategy, which sampled 129 employees at random from the study population of 216 Jambo Real Estate workers, has been adopted. The researcher used different statistical analysis techniques such as, Pearson's correlation and multiple linear regression analysis to analyze relations and effects of leadership styles on employee performance as per the objectives of the study

By considering all of the facts above the following conclusions are drawn

- Transformational leadership style is the most exercised, hence this style is related with changes in the beliefs, values, views, and needs of followers so it is important to keep employees empowered by development, coaching and training to further motivate and make them loyal citizens of the organization, align the style with appropriate strategic vision to be more productive.
- The finding shows leaders in JRE should work in intellectual stimulation and individual consideration, especially to view puzzling things in new dimension and when employees who seem rejected.
- Democratic leadership is the second most exhibited style and the standardized coefficient beta value shows not enough exercised so this is an indication of employee's participation in the decision-making process is not enough.
- Leaders at JRE are supposed to provide feedback and guidance whenever necessary the finding shows a gap in this area. Moreover, creating a better working environment listening and encouraging employees need the attention of the supervisors. To cultivate the most out of every individual employee, styles such as democratic should be enhanced further to boost productivity and quality of work.

### 5.3 Implications

Finally, there are some suggestions for research and practice from the findings of this study. The findings could help improve the way businesses operate by providing information on managers' knowledge and understanding of employee performance improvement strategies. The finding may be used by the managers of the Real Estate Industry in order to increase employee's performance.

Further research could be conducted on the JRE companies different areas by including variables not included in this study such as culture difference, pay variable and individual perception leadership behavior, as we have seen the sample dominated by female employees gender influence could be studied in the future studies.

The study could be useful for managers and supervisors in understanding which type of leadership style is best suited to employee performance and how they can adjust their leadership styles with a view to improving efficiency and results. Based on these findings, transformational and democratic leadership styles are better suited to improve employees' performance than authoritarian or transactional leadership styles. An organization can attain its objectives when it leads employees by the right leadership style for the right circumstances.

Jambo real estate should apply the recommended style dominantly to enhance their employee performance and secondly similar companies in the area could use the finding as input to make their business productive.

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## SURVEY QUESTIONNAIRE

Dear Respondents,

My name is Mulugeta G/wold a master of business leadership student at Addis Ababa university college of Economics and Business at the School of Commerce. I am conducting a research under the supervision of Dr. Wubeshet Bekalu. The aim of this research is to study the effects of Leadership Style and Employee Performance in the case of Jambo Real Estate. I assure you your response is confidential and not required to write your name.

I would kindly ask you to take a few minutes of your precious time to fill out this questionnaire and I really appreciate it.

Participation in this study is **voluntary**, so you may withdraw your consent at any time during or after the questionnaire has been answered. All the information you've provided will be totally confidential and only used for intended **academic** purpose.

I'd like to thank you again for your support and participation. Do not hesitate to ask me if you have any questions about this questionnaire via email at [mulugeta2009@gmail.com](mailto:mulugeta2009@gmail.com) or phone no 0911709724 for a quick response.

### **PART I: Basic information**

Read the questions and put (√) or (X) mark on your answer

1. Sex  
A. Female                      B. Male
2. Age between  
A. 18-28 years              B. 29-38 years              C. 39-50 years              D. >50 years
3. Educational qualification  
A. Certificate or below      B. Diploma      C. Degree      D. Masters      E. PhD
4. Experience in years in the present job  
A. <1 year      B. 2-4              C. 5-7              D. 8-10              E. >10 years

### **Part II: LEADERSHIP STYLE**

The purpose of these sets of statements is to allow you to evaluate your feelings or views on the leadership style of an immediate supervisor. To indicate how much you agree with what's proposed in this statement, the following ratings are required for each of these statements:

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

<b>TRANSFORMATIONAL LEADERSHIP</b>						
	<b>Idealized Influence</b>	1	2	3	4	5
1	My boss makes everybody feel good about being around him.					
2	I am completely confident in my supervisor.					

3	I am very proud of the relationship I have with my supervisor					
	<b>Inspirational Motivation (IM)</b>	1	2	3	4	5
1	My supervisor tells us what we can and should do in just a few short words.					
2	Our supervisor provides exciting images of what we can do.					
3	I am helped by my supervisor to find meaning in my work					
	<b>Intellectual Simulation (IS)</b>	1	2	3	4	5
1	My supervisor's making it easier for others to think of old problems in new ways.					
2	My supervisor's providing people with new ways of looking at things that puzzle them.					
3	My boss is getting others to think again of ideas they haven't thought about before.					
	<b>Individual Consideration (IC)</b>	1	2	3	4	5
1	My supervisor's encouraging other people to develop.					
2	My supervisor's letting other people know how we're doing.					
3	My supervisor gives personal attention to others who seem rejected.					
	<b>TRANSACTIONAL LEADERSHIP</b>					
	<b>Contingent Reward (CR)</b>	1	2	3	4	5
1	My supervisor tells others what to do if they want to be rewarded for their work					
2	If employees meet their targets, my supervisor gives them recognition and rewards.					
3	My supervisor calls attention to what others can get for what they accomplish.					
	<b>Management by exception (MBE)</b>	1	2	3	4	5
1	My supervisor is always satisfied when others meet agreed-upon standards					
2	2. As long as things are working, my supervisor do not try to change anything					
3	3. My supervisor tells us the standards we have to know to carry out our work					
	<b>AUTHORITATIVE LEADERSHIP</b>	1	2	3	4	5
1	According to my boss, employees should be carefully monitored as they are unlikely to perform their duties.					
2	My supervisor believes that in order to motivate staff to achieve organizational objectives, they should be rewarded or punished.					
3	I'm not feeling good about my work, and I need direction.					
5	My supervisor gives orders and clarifies procedures					

6	My supervisor believes that most employees in the general population are lazy.					
	<b>Democratic Leadership</b>	1	2	3	4	5
1	Before making any decisions, my supervisor will consult with others.					
2	I'm getting adequate feedback and guidance from my supervisor.					
3	It seems to me that my boss is supportive of what I do.					
4	My supervisor seems to be very accepting and appreciative of my suggestions.					
5	When I'm working with a supervisor, it makes me feel good. I satisfy his leadership style.					
6	I'm being encouraged by my boss. He's listening to my concerns and he's trying to create a better working environment.					

### Part III: Employee Performance

These sets of statements are designed to help you evaluate your job performance in the company. In order to indicate your own assessment of performance, you will be required to rate yourself against all statements where the following ratings are given:

**1=Very Low      2=Low      3=Average      4=High      5=Very High**

Please mark (√) in the box that best represents your appropriate level of performance rating.

	<b>The quality of your performance and your productivity.</b>	1	2	3	4	5
1	How do you rate the quality of your performance?					
2	How do you rate your productivity on the job					
	<b>Individual's quality of performance and productivity compared with others doing similar jobs.</b>	1	2	3	4	5
1	How do you evaluate the performance of <b>your peers</b> at their jobs compared with yourself doing the same kind of work?					
2	In comparing <b>yourself</b> to your peers performing the same kind of work, how do you assess your own performance?					

(Adopted from Yousef, 2000)

**Once again I thank you very much for your participation!!!**