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The Effect of Leadership Styles on Employees' Innovative Work Behavior

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Advisor: Dereje Abi (PhD)

July 2023

Student's Declaration

I, the undersigned, declare that this is my original work and has not been submitted to any other institution, or university other than the Addis Ababa University – School of Commerce for academic credit. Sources of material used for the work have been duly acknowledged.

Signed

A handwritten signature in blue ink, reading "Desalegn Tekle", is written over a yellow rectangular background. The signature is underlined with a black line.

Desalegn Tekle

Date: July 2 2023

Statement of Certification

This is to certify that, this project work *“The Effect of Leadership Styles on Employees’ Innovative Work Behavior: The case of Commercial bank of Ethiopia, undertaken by Desalegn Tekle in partial fulfillment of the requirements for Master of Arts in Business Leadership at Addis Ababa University School of Commerce in the Year 2023, is an original work and not submitted earlier for any Degree either at this university or any other university.*

Signed_____

Date_____

**Dereje Abi (PhD), Research Project Advisor,
Addis Ababa University, 2023**

**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE BUSSINESS
LEADERSHIP (MBL) PROGRAM**

***The Effect of Leadership Styles on Employees' Innovative Work
Behavior***

By: Desalegn Tekle

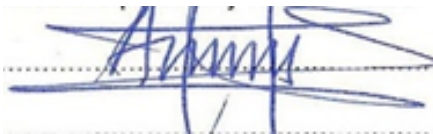
This Project work has been presented for examination with the advisor approval as the appointed examiners.

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Acknowledgment

First, I wish to thank God for enabling me to dream big and providing me with an opportunity to actualize this dream; To God be the Glory. Secondly, I wish to acknowledge with sincere gratitude the support and guidance I got from my supervisors Dr. Dereje Abi. I appreciate your invaluable time, patience and guidance through the process. Thirdly, a special appreciation to all those who took part in my academic journey; my fellow Masters of Business Leadership students, the respondents who took part in the research and My Sister Alemtsehay Tekle and the family who provided me with the support I required.

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Acronym

CBE: Commercial Bank of Ethiopia

CFA: Confirmatory Factor Analysis

CR: Contingent Reward

EIWB: Employees' Innovative Work Behavior

IC: Individual Consideration

IChamp: Idea Championing

IE: Idea Exploration

IG: Idea Generation

II: Idealized Influence

IImpl; Idea Implementation

IM: Inspirational Motivation

IS: Intellectual Stimulation

LfLS: Laissez-fair Leadership Styles

LMX: Leader–member exchange

MBE: Management-by Exception

SD: Standard Deviation

TLS: Transformational Leadership Styles

TransacLS: Transactional Leadership Styles

Abstract

This study tested the effect of leadership styles on Employees' Innovative Work Behavior the effect between leadership style and Employees' Innovative Work Behavior. The study employed explanatory research design and a quantitative research approach which included sample of 380 staff members. A multifactor Leadership Questionnaire and Employees' Innovative Work Behavior Survey were used to collect data. Data were analyzed using descriptive statistics such as mean and standard deviations and inferential statistics such as ANOVA, and regression analysis. A Confirmatory factor analysis (CFA) is made to reduce irrelevant dimension of the factors of the Dependent variable (Employees' Innovative Work Behavior). Thus of the Ten factors, eight were relevant to the Ethiopia's particularly in the banking context. Both Transformational and Laissez-fair leadership are practiced above average in a five likert score, yet there is a room for improvement. The regression for both Transformational and Laissez-fair leadership result unveiled a positive and significant effect on the Employees' Innovative Work behavior which is categorized in to four components while the transactional leadership style had a non-significant relationship. Leaders who frequently employ transformational and laissez-fair leadership create Innovative Work Behavior. Both Transformational and Laissez fair Leadership Styles have above average result in the five point likert scale but due to the fact that the two variables revealed statistically significant and positive effect on Employees' Innovative Work Behavior, the Bank should have higher level of practice in the two leadership styles to have higher level of Employees' Innovative Work Behavior.

Key Words: Leadership styles, Transformational leadership, Transactional leadership, Laissez-faire leadership, Employees' Innovative Work Behavior.

CHAPTER ONE

1.1. Background of the Study

Many factors contribute to the effectiveness of an organization. Among the various factors, the leadership style employed by the leader and the Employees' innovative work behavior could be mentioned (Bass and Riggio, 2006; Josanov-vrgovic & Pavlovic, 2014). Innovation is essential for firms to gain competitive advantage in today's increasingly dynamic business environment (Anderson et al., 2014) and recently, most organizations, from for-profit to non-profit, face a rapidly changing environment and increasing uncertainty. The performance of today's organizations depends on employees' ability to quickly react and respond to change through innovative behavior. With the emphasis on innovative behavior, many firms are looking for effective ways to encourage innovative behavior among their employees. From a leadership perspective, innovative behavior can be viewed as a work place leadership. And organizations should support innovative behavior through appropriate leadership styles.

More than 6 decades, Katz (1964) argued that, in order to maintain stability and benefit the organization. Organizations should include employees and a leader who could motivate members to demonstrate positive behavior. Innovative behavior, which is gaining traction in the field of leadership research, occurs when employees develop, encourage, and implement new and beneficial ideas in the work place (De Jong & Den Hartog, 2007).

Van de Ven (1986) claimed that one of the central problems in the management of Innovation is Leadership. Leadership is the foundation of professional and organizational commitment, teamwork, and success. The leadership qualities and skills of Bank leaders have long been recognized as essential contributors to business and the economy. However, African countries, including Ethiopia, are poorly reported on the impact of styles of leadership on Innovative Effort of employees'. Therefore, this study aimed to determine the impact of leadership style on Employees' Innovative Work Behavior.

One of the largest banks operating in Ethiopia is the Ethiopian Commercial Bank (CBE). Long before its establishment, the bank was under the umbrella of the National Bank of Ethiopia, which

is founded in 1942. In 1963, this paved the way for CBE to be established independently to be merged with the then Bank of Addis Ababa.

The Commercial Bank of Ethiopia has over 22 million account holders and offers a wide range of services. As for digitizing money, as of last year, the bank had more than 2.5 million internet banking customers. Across Ethiopia the bank has over 1,500 branches and plays significant role on economic progress and development of the Nation. CBE was also the first bank to launch Western Union money transfer services in the country and is now partnering with more than 20 of its agents of money transfer. CBE maintains reliable and lasting relationships with internationally recognized banks around the world.

Ethiopian Commercial Bank has established correspondent relationships with well-known foreign banks.

1.2. Statement of the Problem

Over the past decade, around twelve foreign banks have established branches in Ethiopia and are currently exploring business opportunities in the country. The banking industry is facing constant pressure to adapt, improve its performance, and adopt more democratic structures that involve employees in decision-making processes. The Commercial Bank of Ethiopia (CBE) has witnessed a significant increase in digitally active customers, although it still lags behind its regional competitors in terms of digital banking services.

Despite commercial banks in Ethiopia experiencing increased profitability over the years, their efficiency remains low. The average net interest margin to assets ratio of the Commercial Bank of Ethiopia (CBE) is 3%, compared to 3.7% for other commercial banks from 2004/05 to 2021/22. In 2021/22, CBE's net interest margin relative to assets was 3.8%, lower than the overall ratio of 5.6% for other banks, partly due to CBE's undercapitalization. Additionally, CBE's private sector book has grown at a slower pace compared to its peers, and its non-performing loan (NPL) ratio is approximately six times higher than its key peers, indicating a lower quality of the underlying loan portfolio. However, the bank's deposit balance has shown significant growth, increasing by an average annual rate of 26.6% since 2010.

Leadership styles refer to the approaches managers use to motivate employees and achieve organizational goals. These styles determine the level of subordinate involvement in decision-making and the administrative functioning of the organization. Team leaders play a crucial role in shaping collective norms, assisting teams in navigating their environments, and coordinating collective action to achieve desired outcomes.

Despite the advancements in leadership styles, organizations often face a problem where leaders lack the necessary skills and capacity to effectively apply the appropriate leadership style to guide their team towards achieving goals. This situation can lead to expressions of ineffective leadership behavior, which in turn impacts the organization's objectives. In addition, customers of CBE (Commercial Bank of Ethiopia) have identified common challenges such as poor customer service and a limited product portfolio, which can be attributed to the innovative work behavior of employees.

Furthermore, the wholesale customers of CBE (Commercial Bank of Ethiopia) face issues with poor customer service, including difficulties in using foreign currency (FCY) due to a lack of proactive communication and a lengthy credit process. As a result, CBE's FCY earnings have been consistently declining over the past five years, necessitating strategic intervention. This has led to demands for reform from various stakeholders, including the government and influential private shareholders, prompting a transformation of the Ethiopian Commercial Bank based on a McKinsey diagnosis. In order to maintain a competitive advantage and profitability, it is crucial for the bank to maximize the performance of its limited resources, with employees' innovative work behavior being a foundational aspect. Leaders are seen as playing a central role in establishing group norms, managing the environment, and coordinating innovative work behaviors among employees.

The text highlights the importance of studying the relationship between leadership style and employees' innovative work behavior in the Ethiopian banking industry. It suggests that previous studies have shown the influence of leadership style on employees' innovation, but there is still a need for further research to specifically examine this impact in the Ethiopian banking sector.

Therefore, the study sought to fill the gap through examining the effect of leadership styles and Employees' Innovative Work Behavior.

1.3. Basic Research Questions

The study addressed the following research questions: -

- What is the level of Employees' Innovative Work Behavior at CBE?
- What Leadership Styles are in practice at Commercial bank of Ethiopia?
- Does a Transformational Leadership Style affect the Employees' Innovative Work Behavior?
- Does Transactional Leadership Style affect Employees' Innovative Work Behavior?
- Does Laissez-fair Leadership style affect Employees' Innovative Work Behavior?

1.4. Objective of the Study

1.4.1. General Objective of the Study

The broad objective of this study is to test the effect of leadership style on Employees' Innovative Work Behavior.

1.4.2. Specific Objective of the Study

- ✓ To determine the effect of Transformational Leadership Style on Employees' Innovative Work Behavior.
- ✓ To assess the effect of Transactional Leadership Style on Employees' Innovative Work Behavior.
- ✓ To assess the effect of Laissez-Fair leadership style on Employees' Innovative Work Behavior.

1.5. Significance of the study

Different studies in the past have revealed significant relationship between Leadership styles and Employees innovative work behavior. However, as to my knowledge there was no such study in Ethiopia more specifically in the Banking Sector. Therefore, this study fills this Gap by investigating the effect of the dominant leadership styles on Employees' Innovative Work Behavior taking the Commercial bank of Ethiopia as a case.

This study would help the bank industry to give better attention to the leadership style it currently used and to further investigate which leadership style is best for Employees' Innovative Work Behavior. Also the results of this study benefits CBE to improve banking performance and promote it by adopting effective leadership style by increasing employee organizational commitment via the Innovative Work Behavior. Further the organization would benefit from the research outcome in planning future organizational intervention and development management scheme and assuring Employees' Innovative Work Behavior by indorsing and optimizing the best leadership style.

1.6. Scope/Delimitation of the Study

Conceptually, the thesis endeavored to assess and explore the effects of leadership style on Employees' Innovative Work Behavior. Currently the commercial Bank of Ethiopia is perusing transformational interventions based on Mckinsey corporate level organizational Diagnosis following the decision of foreign bank entrant by the government. This undertaking may drive Leaders to exhibit a bit different behavior from the existing norm. Thus, the study purely is the result of the current situation.

The thesis excluded others factors which may have a negative or positive effects on Employees' Innovative Work Behavior. Therefore, any expressions which are going to be found in this study must be interpreted in relation to leadership style and Employees' Innovative Work Behavior.

Thus, the scope of the paper is restricted to only the dominant three leadership styles (Transformational Leadership, Transactional Leadership and Laissez-fair leadership styles) as an explaining factors of Employee' Innovative work behavior. Moreover, the current view of the leaders and employees is intended to be a time scope. Data Collected is only from the commercial Bank of Ethiopia and a quantitative approach is the only used approach.

1.7. Limitation of the study

The major limitation is that generalizability to the whole Ethiopian Banking Industry is limited as the data is collected only from the Commercial bank of Ethiopia only using Likert scale, these the majority of the inference is based on the quantitative model; these had it been triangulated with a thorough qualitative data it would increase its reliability from its current level.

1.8. Definition of Key Terms

The subsequent acronyms and key terms have been used in this research to make a clear bound to the topic.

i. Transformational Leadership

Organizational leaders having high ethical competencies and the ability to effectively use the inspiration of subordinates to achieve intended goals can be considered as Transformational Leaders.

ii. Transactional leadership

This Leadership style is a structured approach to leadership based on strict controls and trade-offs and organizational controls an organization's production/service lifecycle.

iii. Laissez-faire

It is complete a contradictory of micromanagement in which the leader gives their subordinate to make a decision.

iv. Employee innovative Work behavior

Innovative employee behavior consists of four phases. Explore ideas exploration, innovative idea generation, and collaboration in supporting and implementing innovative ideas.

- a. ***Idea exploration***: It is the first phase of process of innovation, comprises exploring new concepts and perspectives, developing novel business models as an alternative (Ornek, 2015).
- b. ***Idea generation***: Ideation is not only the process of creating new products, services or improving existing business processes, but also the process of entering new markets or finding solutions to current business problems.
- c. ***Idea championing***: This includes encouraging support for new ideas, relying on the innovative behavior of employees, creating structures of enthusiasm to work on new ideas,

and ensuring employees' right to participate as permanent members of process teams. (Ornek, 2015).

- d. ***Idea implementation***: it is an application of the new idea to have an improved service (Saeed, 2019).

1.9. Organization of the Paper

This research is divided into five chapters. Chapter 1 introduces the research background, organizational background, problem statement, research question, research objective, research gap and significance, scope, limitations, research structure, and definitions of key terms. Chapter 2 provides an overview of relevant literature Research Hypothesis and conceptual frameworks. Research design, Research approach, Sampling Design, Data type and sources, Data instrument and methods, Methods of data analysis, Confirmatory Factor Analysis, Reliability of the data and description of variables are described in chapter Three. Chapter Four presents Data Analysis (both Descriptive and Inferential), Result and Discussion. Finally, Chapter 5 presents an overview of summary, conclusions, and recommendations. References and appendix of the questionnaire used in the survey are also provided.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Introduction

There is no solitary, universally acknowledged leadership definition. Leadership is the result of the overall state of affairs. According to Murphy (1941), it is 'process' rather than 'quality' and therefore not stationary. Many authors and scholars have defined leadership in different settings. One of these authors, James McGregor Burns (1978), defined leadership as "one of the most practical but least understood phenomena in the world." This means knowing a little about the leadership that comes with people can help them learn more about their leaders. According to Spangler & Woycke (1991), in a period of difficulty, change, and many big firms and central governments, the importance of leadership is so great that managing bureaucratic processes may not lead to effectiveness.

2.2. Theories of leadership

Theories of leadership have been developed by scholars to understand the factors that contribute to effective leadership. One such theory is the Great Man Theory, proposed by Thomas Carlyle, which suggests that leadership is an inherent trait possessed by individuals who are destined to become great leaders (Bass 1990). However, this theory has faced criticism for its male-centric approach and failure to acknowledge the leadership abilities of women.

The Trait Theory of leadership, proposed by Ralph M. Stogdill (1948), suggests that effective leaders possess certain inherent personality traits and characteristics. These traits include physiological, socioeconomic, personality, intellectual, task-related, and social characteristics. However, this theory has been criticized for neglecting environmental factors, its inability to explain failures despite possessing the specified traits, and the recognition that some of these traits can be acquired through learning and training.

The behavioral theory of leadership emerged in the 1950s as researchers shifted their focus from personal traits to leader behavior. This theory aims to understand what leaders do to become

effective. Two significant research programs, the Ohio State Leadership Studies and the University of Michigan Studies, were initiated to study leader behavior and its impact on leadership effectiveness.

- i. The Ohio State University Studies conducted by researchers aimed to understand how subordinates perceive the behavior of their leaders. They identified two main categories of leader behavior: consideration, where leaders build positive relationships with subordinates, and initiating structure, where leaders focus on achieving goals and organizing work efficiently. These categories were termed as 'people-oriented behavior' and 'task-oriented behavior' respectively.
- ii. The University of Michigan Studies focused on examining how a leader's behavior impacts group performance. Through comparing effective and ineffective managers, researchers identified two distinct types of behavior: job-centric behavior and organizational-member centric behavior. Additionally, the study identified four essential behaviors for effective leadership, including support, goal emphasis, work facilitation, and interaction facilitation

Additionally, Blake Mouton's Leadership Grid Theory (1985) categorized leadership styles based on concern for people and concern for results, resulting in styles such as indifferent, controlling, accommodating, status quo, and sound.

Contingency Theory is a leadership theory that emphasizes the importance of considering traits, behavior, and the situation in determining effective leadership. According to this theory, a leader's behavior should adapt to different situations. Various models and studies have been conducted to support this theory and explore its implications in leadership.

Fred Fiedler's Contingency Model (1967): describes a model of leadership that combines ratings based on two variables: concern for people and concern for results. It outlines different leadership styles, such as indifferent, controlling, accommodating, status quo, and sound, based on the level of attention given to work and employees. Additionally, the text introduces the contingency theory of leadership, which suggests that effective leadership depends on traits, behavior, and the situation. It mentions Fred Fiedler's Contingency Model, which assesses leadership style using the

Least Preferred Co-worker (LPC) scale, and highlights the importance of situational factors in determining leadership effectiveness.

The Hersey-Blanchard (1977) Situational Theory of leadership suggests that the appropriate leadership style depends on the maturity level of the subordinates. The theory identifies four styles: Telling, where new employees are given clear instructions and guidance; Selling, where leaders provide support and motivation to maximize output; Delegating, where leaders are less involved in task execution and subordinate issues; and Participating, where subordinates are allowed to participate in decision-making. These styles adapt to the needs of different situations and the maturity of the individuals being led.

Evans and House's Path-Goal Theory, proposed in the 1970s, suggests that a leader's behavior and the situation they are in are interconnected. To enhance organizational effectiveness, managers should align the leader's behavior with the situation or adapt their behavior accordingly. This theory emphasizes the importance of flexibility in adopting different leadership styles based on situational factors, such as subordinate characteristics and the organizational environment, and identifies four key leader behaviors: directive, supportive, participative, and achievement-oriented.

The Vroom-Yetton-Jago Decision-Making Model (2007) suggests that leadership style should be based on the level of employee involvement in decision-making. The model identifies different leadership styles, such as autocratic (AI and AII), consultative (CI and CII), and collaborative (GII), which vary in the extent to which leaders consult with group members and make decisions. Additionally, the Cognitive Resource Theory explains that experienced leaders can perform effectively even in stressful situations, while intelligent leaders excel in less stressful situations.

The Cognitive Resource Theory (1987) suggests that experienced leaders are capable of performing effectively even in stressful situations, while intelligent leaders excel in less stressful situations.

On the other hand, the Strategic Contingencies Theory proposed by Hickson et al. (1971) states that a leader's effectiveness is determined by their problem-solving skills and ability to handle critical situations, making wise decisions. Leaders with strong problem-solving abilities are more likely to secure their position and are not easily replaceable.

The Charismatic Leadership Theory (Conger, J.A. 1989) suggests that effective leaders possess exceptional qualities. These leaders demonstrate key traits such as envisioning future possibilities, setting high expectations, and creating a vision. They also energize and empower their followers by being enthusiastic, proactive, and confident, while providing support, guidance, and trust. Their focus and commitment towards achieving goals make them influential leaders.

Transactional Leadership Theory is a leadership approach that focuses on achieving specific outcomes and results. Leaders motivate their followers through a system of rewards for high performance and punishments for underperformance. This theory emphasizes the importance of maintaining a positive relationship between leaders and followers, working together to achieve organizational goals, (Karl W. Kuhnert and Philip Lewis, 1987).

Transformational Leadership Theory suggests that an effective leader is capable of transforming the perceptions, behavior, and expectations of their followers, guiding them towards a shared goal and accomplishing the leader's vision. These leaders possess charismatic and influential personalities, and they bring about psychological transformation, generate motivation and inspiration, and have a significant impact on the behavior and perception of their followers (Bass, 1990).

Based on the given description, it can be inferred that effective leaders should adapt and apply different leadership theories depending on the specific situation and circumstances they encounter. This implies that leaders should not rely on a single leadership approach, but rather employ various theories to address the needs and challenges of their followers and the environment they operate in (Bass, 1990).

2.3. Leadership Styles

According to Kendra Cherry (2020), leadership styles denote to the typical comportment of a leader in directing, motivating, inspiring and leading groups of people. Organizations with a strong leader and reformist Human Resources function can significantly improve their competitive position by changing the workplace.

2.3.1. Transformational leadership

This Leadership style allows people in the group to be goal-oriented, to be aware of the firm's mission and vision. In this way, it increases the confidence of followers to achieve their goals (Bass, 1990). In addition, transformational leadership is usually regarded as in terms of its four dimensions of leadership behavior: inspirational motivation, idealized influence, intellectual stimulation. In this phase, Transformational Leadership creates a vision for the change, provides resources, provides individual support and monitors improvements (Bass, 1990).

2.3.2. Transactional or Exchange Theories

It defines a transaction in which a Leader exchanges a reward such as bonus, improved salary and other benefits for an agreed or improved performance by a subordinate. Lynch argues that this leadership style has a similar behavior or style with that of a transformational type of leaders. Traditionally, it is often believed that a negotiation's goal is a "tit for tat" for a common agreed and perceived benefit.

2.3.3. Laissez-faire Leadership Style

According to Bass and Avolio (1997), it is a style in which autonomy is given to the practitioner or the follower to manage its own task. It is an opposite of Autocratic leadership. Decision is dispersed over the functions, subordinates and other practitioners or workers. In this style, leaders often limit their power in decision making. Allow employees to solve operation related problems and manage issues are the main features of Laissez-faire leaders. In such styles, leaders recognize when to step in an employee and lead during a crisis

2.4. Employee's Innovative Work Behavior

EIWB typically involves exploration of opportunities and being creative to produce new ideas. Improving business performance via, a new idea, knowledge and improved process can be described as an employees' innovative process.

Thus, jobs involving Idea exploration, Idea generation, Idea championing and implementing the new idea in a step wise is called innovative proceedings of an employee. It should have a positive

and significant effect over the effectiveness and the performance of a firm.

2.5. Leadership Styles and Employees' Innovative Work Behavior Relationship

Previous research has found a positive relationship between specific managerial and leadership behaviors in terms of innovative work behavior (De Jong and Den Hartog, 2007). A Leader can influence the innovative work behavior of his employees and guide them through the stages of innovation. Zhou and Shalley (2003) found in their research that motivation based on goal setting and constructive feedback can influence employees' ability to generate new ideas. The role of the Leader can therefore be considered as an important driving force for innovative work behavior (De Jong, 2007), because they provide support and resources to implement ideas into business processes (Dulebohn et al., 2012). Research on Leadership behavior has examined the roles and behaviors of leaders in innovation management and identified several ways in which they promote employees' innovation skills (Hackman and Walton, 1986; Vera and Crossan, 2001; Dulebohn et al., 2012).

Leadership in overall can be defined as the action of leading a group of people (Oxford Dictionary, 2016). According to Janssen, (2005); Scott and Bruce, (1994), several researchers argue that there is a positive relationship between leadership and innovative work behavior. According to Ong et al. (2003), Leaders who support their employees when they display innovative behavior increase innovative work behavior; thus employees know what is expected of them and what behavior the employer values. It is also important that leaders are trained to motivate their subordinates and followers. Supportive employees can promote their autonomy in innovation and creativity (Ohly et al., 2006).

Abbas (2012) conducted a study on Relationship between Transformational Leadership Style and Employees' Innovative Work Behavior. The results indicate that five elements of transformational leadership including idealized influence attributed, idealized influence behavior, inspirational motivation, intellectual stimulation, and individualized consideration are significantly correlated with four elements of Employees' Innovative Work Behavior such as idea promotion, idea generation, work commitment and idea implementation.

Li (2019) indicates a transformational leadership facilitates employees' innovative work practices which usually focus on the consideration, intellectual stimulation, and inspirational motivation of the individuals. Transformational leaders are more dependable, truthful, and practical, which could help employees accomplish their tasks and have the potential to develop innovative work behavior.

Social exchange theory is used by Scott and Bruce (1994) to underline their findings. They argue that employees who have high-quality relationships with their supervisors tend to enjoy more autonomy, which in turn is a precursor to innovative work behavior. Therefore, with an innovative idea, a reciprocity can be seen as a desire to repay the organization, e.g.. Scientists also talk about the Pygmalion effect (Livingston, 1969). This refers to the assumption that leaders expect certain behaviors from their subordinates, such as being innovative, and they become so. In addition, Janssen (2005) states that encouraging behavior promotes innovative work behavior among employees because they feel comfortable enough to express their ideas to the supervisor; and this process needs resources for implementation, leaders play a key role in the innovation process.

Previous leadership research has also explored different leadership styles, such as transformational leadership, participative leadership, and leader-member exchange (LMX) theory have positive and significant influence on organizational performance and Job satisfaction. De Jong, (2007) claims transformational leaders are seen as stimulating the creativity of their subordinates by motivating them and helping them see problems differently, whereby leaders push their employees to reach their full potential

The relationship between innovation and organizational performance Organizations aim to improve performance through innovation (Damanpour, Walker, & Avellaneda, 2009). Literature shows that innovation positively impacts a company's success in many ways. For example, García-Morales, Lloréns-Montes, and Verdú-Jover (2007) found that innovation has a direct and positive effect on firm performance. Erdem, Gül, and Gül (2013) found a significant positive correlation between innovation orientation and firm performance.

De Jong and Den Hartog (2007) assessed research gap and found 13 leadership behaviors that influence the stages of innovative work behavior. In their work, they focused on the two stages of idea generation and idea implementation. They described an innovative role model as an example of innovative employee behavior. This includes activities such as opportunity research, idea

generation, advocacy and development. The literature and its results indicate that this behavior affects both the idea generation and implementation phases. An example of innovative behavior, this means that Leaders themselves look for new ways and try to develop current work processes and routines (De Jong and Den Hartog, 2007). Leaders who want their employees to behave in a certain way must demonstrate that behavior themselves. In this way, employees repeat this behavior because they see it as an appropriate way to deal with their situations (Shalley and Perry-Smith, 2001).

Furthermore, they argued that innovation orientation has a significant positive impact on company performance. Besides, studies by Çetintürk, Adıgüzel, and Demir (2015) and Dostar et al., (2014) show a significant positive correlation between innovative capability and firm performance. Additionally, an organization's ability to innovate has a significant positive impact on business performance.

An article by Hoq and Ha 2009, on innovation capacity and firm performance confirms that innovation capacity improves firm performance and several studies have concluded that innovation is meaningfully and positively associated with firm performance (Jong and Vermeulen 2003).

2.6. Hypothesis

Based on the review of literature and the Leadership theory, this thesis was guided by the following hypotheses:

- ✓ *H₁: A Transformational Leadership Style has statically significance and positive effect on Employees' Innovative Work Behavior in Commercial Bank of Ethiopia.*
- ✓ *H₂: A Transactional Leadership Style has statically significance and positive effect on Employees' Innovative Work Behavior in Commercial Bank of Ethiopia.*
- ✓ *H₃: A laissez faire leadership style has statically significance and positive effect on Employees' Innovative Work Behavior in Commercial Bank of Ethiopia.*

2.7. Conceptual Framework

Based on review of literature and analysis the below shown conceptual framework is established, in which Employees' Innovative Work Behavior is explained by the independent variables of the three leadership styles elucidated above.

This model shows that three leadership styles are related to Employees' Innovative Work Behavior and the three styles are transformational, transactional and laissez-faire.

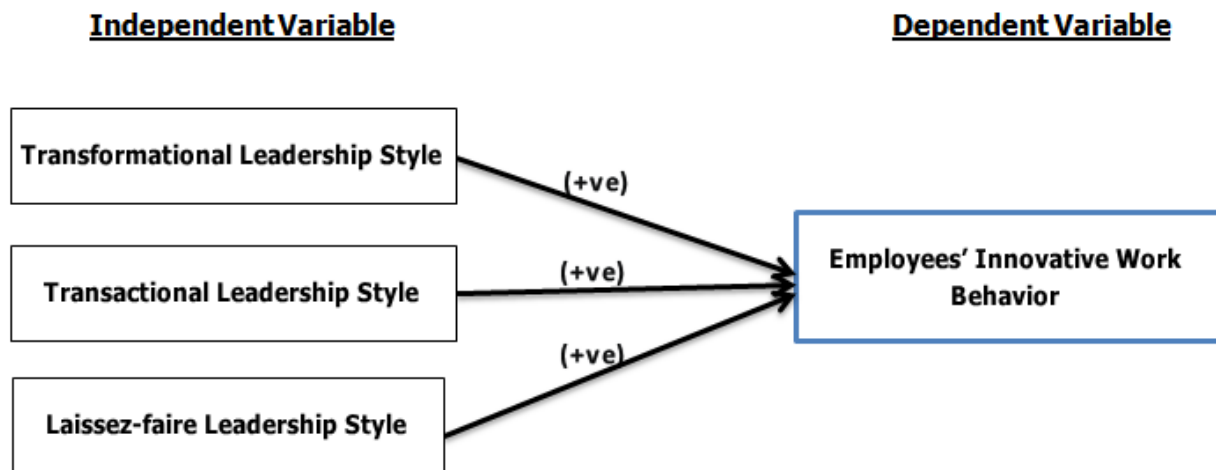


Figure 1 Conceptual framework

Source: Own-developed from the literature

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Introduction

Research methodology of the thesis is provided in this section. It includes research design, research approach, sampling design along with target population and sample size, data sources and types, data collection instrument and methods, Confirmatory Factor Analysis (CFA), and reliability of the Data. It also includes the variable declared.

3.2. Research Design

Explanatory research design is used for the purpose. Leadership of each style which are taken as an independent variables and the Employees' Innovative Work Behavior have been described via mean and standard deviation.

The explanatory research design is used to test whether the styles of the leadership explain the level of Employees' Innovative Work Behavior. With this regard, a cause and effect analysis over the variables has been considered. Testing of the research hypothesis was also made and results are generated using the SPSS software.

3.3. Research Approach

A quantitative research approach is a preferred approach for a cause and effect analysis of variables. 380 people working in Commercial Bank of Ethiopia as employee are the sample respondents of the structure questionnaire. For this purpose, respondents are asked for the style of their immediate supervisor along with their perceived behavior in relation to innovation.

3.4. Sampling Design

3.4.1. Target Population

The target population to peruse the study is the commercial bank of Ethiopia employees and their leaders. The firm has 22,908 employees, and these are a population for which an inference is made.

3.4.2. Sampling Technique and Size

By excluding the management members of the Bank, other test is made on non-managerial employees. Then a geographic stratum is made via district and branch offices of the Bank to forward the soft copy of the questionnaire via the Employees e-mail. District offices are used as a stratum and the following common Sample formula (Yamane (1967) with a .05 margin of error is used.

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

Where:

n = Sample Size

N = population Size

e = Margin of Error

$$= 22,908 / (1+22,908(0.05)^2)$$

$$= 380$$

3.5. Data type and sources

Likert scale data type using a primary data is collected to measure the perceived leadership styles and the perceived behavior. The questionnaire used a 5 scale, such as Strongly Disagree (1), Disagree (2), Neutral (3), Agree (4) and Strongly Disagree (5).

3.6. Data collection instrument and methods

3.7. Methods of Data Analysis

Demographic details of respondents were described using a descriptive data analysis. Mean and standard deviation (SD) are calculated to measure respondents' perceptions of individual elements of employee leadership styles and innovative work behaviors.

In order to determine the relationship between Leadership style and Employees' Innovative Work Behavior, correlation and regression analyses is performed. Results were generated using the SPSS version 25; and the results are presented in tables, and statements. Correlations and linear regressions were conducted to identify the relationship between leadership style and Employee's innovative work behavior.

3.8. Confirmatory Factor analysis

The measurement for the *Creativity and Innovation* is a recently developed by De Jong, D. J., & Den Hartog, H. D. (2010). Though measurement has a good factor score, it is suggested that researchers should confirm whether those items measure the dependent variable (Employees' Innovative Work Behavior). Thus, in order to verify whether the questions (factors) are consistent in measuring the Employees' Innovative Work Behavior in the Ethiopian and Commercial Bank of Ethiopia's context, a confirmatory factor analysis is used over the dependent variable questions (factors). Thus, a Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's sphericity tests were done. Values greater than 0.5, are normally qualified. Therefore, correlations between items need not be too low (around less than 0.3) or too high (above 0.8), but patterns are important.

In this study, questions with a 5-point scale were tested under the dependent variable. Factor analysis is based on a component matrix and values of the component matrix greater than 0.5 indicate no redundancy in the questions, and therefore individual questions should not be omitted.

3.9. Reliability of the Data

Reliability shows the stability and consistency of a measurement with which an instrument measures a concept (Sikaran, 2016). Reliability can also be understood whether the measurement is free from a random error and thus produces reliable outcomes. Cronbach's alpha is the most common measure of internal consistency reliability which is applied in this research.

3.10. Description of the Variables

3.10.1. Independent Variable

The Independent variables are the styles of Leadership. For this purpose, Transformational Leadership Styles, Transactional Leadership Styles and Laissez-fair Leadership Styles are selected as independent variable.

3.10.2. Dependent Variable

Employees' Innovative Work Behavior is the dependent variable of the study, referring to a comprehensive practice undergoing in a workplace; in which persons generate, promote, and implement new ideas (Scott and Bruce, 1994).

CHAPTER FOUR

ANALYSIS OF DATA AND RESULT AND DISCUSSION

4.1. Introduction

Data analysis, findings and discussions are going to be presented under this section, excluding questionnaires having missed values, a total of 380 data of respondents are analyzed and presented in the following eight sub-sections. The response for questionnaires is almost always low; to curb this problem a soft copy of the questionnaire is broadcasted to employees' mail to week by week. To avoid the low response rate, in the first week 120 questionnaires were responded and in the next week 70 Questionnaires were responded and this action is repeated until nearly the response reaches to the sample level. Thus, with this regard, the limitation of the response rate is avoided.

The findings have been summarized in the following sections. In this chapter, the results of the data collected have been presented through eight sections.

4.2. Analysis of Data and Result

4.2.1. Demographic Background of Respondents

Table 4.1 Gender of the respondents

Gender of the Respondents	Frequency	Percent	Valid Percent	Cumulative Percent
Male	285	75.0	75.0	75.0
Female	95	25.0	25.0	100.0
Total	380	100.0	100.0	

Source: Own Survey 2023

As shown in Table 4.1, majority of the respondents are male (75%) and the remaining 25% are female. It shows the org seems a male dominated organization.

Table 4.2 Age of the respondents

Age Group	Frequency	Percent	Valid Percent	Cumulative Percent
18-35	230	60.5	60.5	60.5
36-45	119	31.3	31.3	91.8
46-55	25	6.6	6.6	98.4
Above 56	6	1.6	1.6	100.0
Total	380	100.0	100.0	

Source: Own Survey 2021

Currently, as shown in table 4.2., the larger age groups of the respondent are between the age of 18-35 (60.5%) which is a younger group; followed by the age group of 36-45 (31.3%). The age group of the respondents of 46-55 represents 6.6%. Above 56 years old represent 1.6%.

Table 4.3 Level of Education

Level of Education	Frequency	Percent	Valid Percent	Cumulative Percent
First Degree	278	73.2	73.2	73.2
Master's Degree	102	26.8	26.8	100.0
Total	380	100.0	100.0	

Source: Own Survey 2023

With regard to educational level, majorities are First Degree holders and represent 73.2%. Master's Degree represents 26.8%. As indicated on Table 4.3 above, all the respondents are First Degree and 2nd degree holders.

Table 4.4 Employee's placement (Head office worker or Branch Worker)

Employee's placement	Frequency	Percent	Valid Percent	Cumulative Percent
Head Office	137	36.1	36.1	36.1
Branch office	243	63.9	63.9	100.0
Total	380	100.0	100.0	

Source: Own Survey 2023

The placement of the commercial Bank of Ethiopia is either at Head Office or at Branch. Insignificant number of employees exists as expats to its subsidiaries abroad. Of the total respondents 63.9 % are Branch office workers and the remaining are placed at Head office.

4.2.2. Confirmatory Factor Analysis

Factor analysis was conducted on each factor of the four components of the dependent variable ‘Employees’ Innovative Work Behavior’ as presented below.

4.2.2.1. Factor Analysis on Idea Exploration

Idea Exploration is one of the components of Employee Innovative Work Behavior (EIWB). As shown in the table 4.5, only one factor was derived with Kaiser-Meyer result of 0.721. The Bartlett’s test of Sphericity was significant at $X^2(1, N=380) = 23.985, p < 0.05$. Kaiser-Meyer-Olkin Measure was greater than 0.5 and the Bartlett’s test was significant ($p < 0.05$), thus the factor was sufficient for removal of component.

Table 4.5 KMO and Bartlett’s Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.721
Approx. Chi-Square		23.985
Bartlett's Test of Sphericity	df	1
	Sig.	.000

*Significant at $p < 0.05$ level

Source: own Computation

From the analyst's viewpoint, only variables with eigenvalues of 1.00 or higher are traditionally considered worth examining. And in social sciences setting, a cumulative variance explained should not be less than 50%.

Total variance explained, as per the table below, on the extraction showed that the extracted values are presented to be 62.406% of the first component. Only one component was extracted “Idea Exploration”.

Table 4.6 Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.248	62.406	62.406	1.248	62.406	62.406
2	.752	37.594	100.000			

Extraction Method: Principal Component Analysis.

One component for Idea Exploration had an Eigen value that was greater than one which was in line with the results for total variance explained for inspirational motivation as shown in Figure 2



Figure 2 Scree Plot for idea Exploration

The variables of the extracted components are indicated on the component matrix Table. Only one factor was extracted representing ‘Idea Exploration. The variables extracted and values were (.790) for both factors. All the variables and component measure under the factor loading were greater than .60.

Table 4.7 Total Variance Explained Component Matrix^a

Idea Exploration	Component
Do you often pay attention to issues that are not part of your daily work?	.790
Do you often wonder how things can be improved?	.790

*Extraction Method: Principal Component Analysis.
1 component extracted.*

Source: SPSS Computation

4.2.2.2. Factor Analysis on Idea Generation

Idea Generation is one of the components of EIWB. As indicated in the table below, only one factor was derived with Kaiser-Meyer result of 0.62. Bartlett’s test of Sphericity was significant ($p < .05$). Since the result was adequate, the factor extraction is possible.

Table 4.8 KMO and Bartlett’s Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.621
Approx. Chi-Square	89.226
Bartlett's Test of Sphericity	df
	1
	Sig.
	.000

** Significant at $p < 0.05$ level*

Source: Own Computation

As per the dimension reduction analysis, table 4.9, the total variance explained on the extraction showed the extracted values presented 72.94% of the first component. Only one component was extracted “Idea Generation”.

Table 4.9 Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.459	72.940	72.940	1.459	72.940	72.940
2	.541	27.060	100.000			

Extraction Method: Principal Component Analysis.

Source: Own Computation

One component for Idea Generation had an Eigen value that was greater than one which was in line with the results for total variance explained for inspirational motivation as shown in Figure 3.

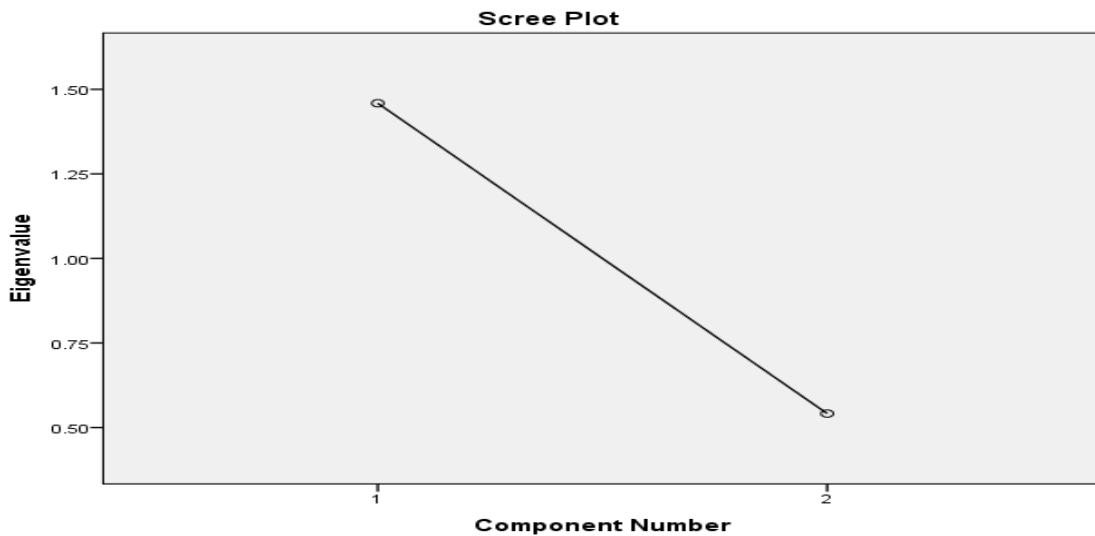


Figure 3 Scree Plot for Idea Generation

The variables of the extracted components are indicated on the component matrix Table. Only one factor was extracted representing 'Idea Generation'. The variables extracted and values were: (.854), and (.854). All the variables and component measure under the factor loading were greater than .60.

Table 4.10 Component Matrix ^a

<i>Idea Generation</i>	<i>Component</i>
	<i>1</i>
<i>Do you often generate original solutions for products?</i>	.854
<i>Do you often find new approaches to execute tasks?</i>	.854

Extraction Method: Principal Component Analysis.

a. 1 component extracted.

Source: SPSS Computation

4.2.2.3. Factor Analysis on Idea Championing

Idea Championing is one of the components of EIWB. As indicated in the table below, only one factor was derived with Kaiser-Meyer result of 0.611. Bartlett’s test of Sphericity was significant ($p < .05$). Since the result was adequate, the factor extraction is possible.

Table 4.11 KMO and Bartlett’s Test

<i>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</i>		<i>.611</i>
<i>Bartlett's Test of Sphericity</i>		<i>9.409</i>
	<i>Approx. Chi-Square</i>	
	<i>df</i>	<i>1</i>
	<i>Sig.</i>	<i>.002*</i>

As per the dimension reduction analysis, table 4.12, the total variance explained on the extraction showed the extracted values presented 57.845% of the first component. Only one component was extracted “Idea Championing”.

Table 4.12 Total Variance Explained

<i>Component</i>	<i>Initial Eigenvalues</i>			<i>Extraction Sums of Squared Loadings</i>		
	<i>Total</i>	<i>% of Variance</i>	<i>Cumulative %</i>	<i>Total</i>	<i>% of Variance</i>	<i>Cumulative %</i>
1	1.157	57.845	57.845	1.157	57.845	57.845
2	.843	42.155	100.000			

Extraction Method: Principal Component Analysis.

Source: Researcher’s Computation

One constituent for Idea Championing had an Eigen value that was greater than one which was in line with the results for total variance explained for inspirational motivation as shown in Figure 4 below.

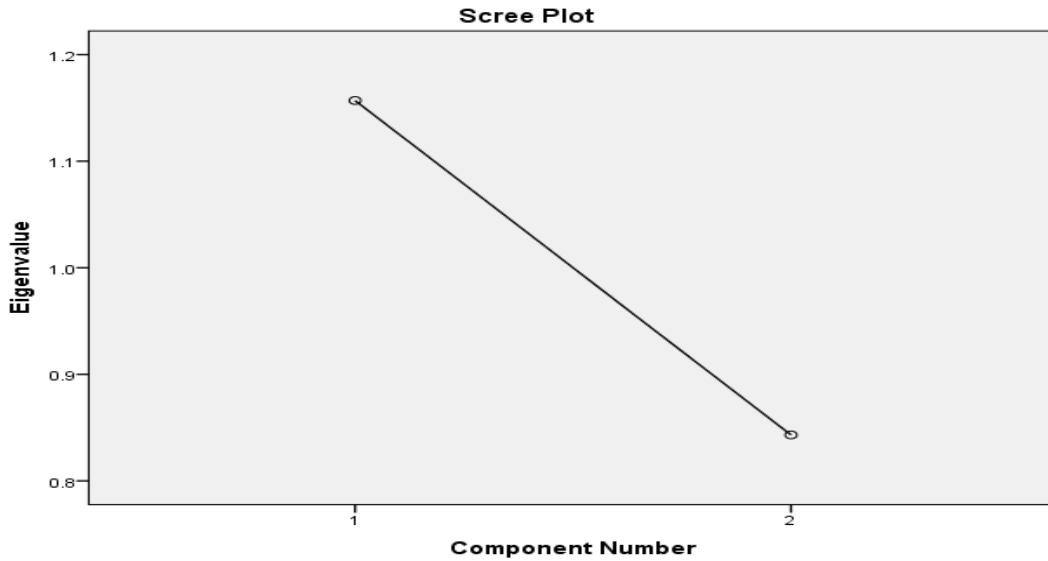


Figure 4 Scree Plot for idea championing

Extracted components are indicated on the component matrix Table. Only one factor was extracted representing ‘Idea Championing’. The variables extracted and values were: (.761), and (.761). All the variables and component measure under the factor loading were greater than .60.

Table 4.13 Component Matrix ^a

<i>Idea Championing</i>	<i>Component</i>
	<i>1</i>
<i>Do You often make important organizational members enthusiastic for innovative ideas?</i>	<i>.761</i>
<i>Do you often attempt to convince people to support an innovative idea?</i>	<i>.761</i>

*Extraction Method: Principal Component Analysis.
a. 1 component extracted.*

Source: Researcher’s Computation

4.2.2.4. Factor Analysis on Idea Implementation

Idea Implementation is one of the components of EIWB. As indicated in the table below, only one factor was derived with Kaiser-Meyer result of 0.526. Bartlett’s test of Sphericity was significant ($p < .05$). Since the result was adequate, the factor extraction is possible.

Table 4.14 KMO and Bartlett's Test

<i>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</i>		.526
<i>Bartlett's Test of Sphericity</i>		19.280
	<i>Approx. Chi-Square</i>	
	<i>Df</i>	1
	<i>Sig.</i>	.000

* Significant at p<0.05 level

Source: Researcher's Computation

As per the dimension reduction analysis, table 4.15, the total variance explained on the extraction showed the extracted values presented 61.157% of the first component. Only one component was extracted "Idea Implementation".

Table 4.15 Total Variance Explained

<i>Component</i>	<i>Initial Eigenvalues</i>			<i>Extraction Sums of Squared Loadings</i>		
	<i>Total</i>	<i>% of Variance</i>	<i>Cumulative %</i>	<i>Total</i>	<i>% of Variance</i>	<i>Cumulative %</i>
1	1.223	61.157	61.157	1.223	61.157	61.157
2	.777	38.843	100.000			

Extraction Method: Principal Component Analysis.

Source: SPSS Result

One component for Idea Implementation had an Eigen value that was greater than one which was in line with the results for total variance explained for inspirational motivation as shown in Figure 5.



Figure 5 Scree Plot for idea implementation

The variables of the extracted components are indicated on the component matrix Table. Only one factor was extracted representing 'Idea Implementation'. The variables extracted and values were: (.782), and (.782). All the variables and component measure under the factor loading were greater than .60.

Table 4.16 Component Matrix ^a

<i>Idea Implementation</i>	<i>Component</i>
	<i>1</i>
<i>Do You often contribute to the implementation of new ideas?</i>	.782
<i>Do you often put effort in the development of new things?</i>	.782

Extraction Method: Principal Component Analysis.

a. 1 component extracted.

4.2.3. Reliability and Validity Analysis

Cronbach's Alpha for the Transformational Leadership Style, Transactional Leadership Style and Laissez-fair Leadership Style were found to be 0.801, 0.821 and 0.865 respectively. The Employees' Innovative Work Behavior's Cronbach's Alpha is 0.806. Accordingly, all the variables have an Alpha value of greater than 0.7 implying that internal consistency exists.

Table 4.17 Independent Cronbach's Alpha

No.	Variables	Cronbach's Alpha for each Items
1	Transformational leadership style	0.801
2	Transactional leadership style	0.821
3	Laissez-faire Leadership Style	0.865
4	Employees' Innovative Work Behavior	0.806

Survey conducted, 2023

4.2.4. Descriptive Data Analysis

Mean values calculated for each independent and dependent variable are discussed below.

4.2.4.1. Transformational Leadership Styles

The mean of this style of Leadership score is far above average, of these four components, the inspirational motivation has a higher score (M=3.84, S.D. 0.51) followed by intellectual simulation (M=3.57, SD 0.52). However Individual consideration of the leaders is lowest of the four dimensions (M=2.84, SD 0.49).

On Inspirational motivation, majority of the respondents agreed on the attribute 'My supervisor makes me eager for his/her plans' (M= 4.71, SD = 0.549) the result shows that, leaders tend to motivate employees inspirationally to achieve the plan of the branch and H.O Organ but with low individual consideration.

Thus from the analysis, the leaders exhibit more Transformational Leadership Style especially with regard to the plan achievement, but with low individual consideration.

Table 4.18 Descriptive Statistics of Transformational Leadership Style

<i>Transformational Leadership Style Dimensions</i>	<i>N</i>	<i>Mean</i>	<i>Std. Deviation</i>
<i>Identified Influence (II)</i>			
<i>My supervisor makes others feel good to be around him</i>	380	2.76	.467
<i>I have complete faith in my supervisor</i>	380	3.91	.317
<i>I am proud to be associated with my supervisor</i>	380	3.66	.543
<i>Average</i>	380	3.44	0.44
<i>Inspirational Motivation (IM)</i>			
<i>My supervisor makes me eager for his/her plans</i>	380	4.71	.549
<i>My supervisor expresses in simple words what we could and should do</i>	380	3.79	.510
<i>My supervisor provides appealing images about what we can do</i>	380	3.02	.456
<i>Average</i>	380	3.84	0.51
<i>Intellectual Stimulation (IS)</i>			
<i>My supervisor enables others to think about old problems in new ways</i>	380	3.83	.582
<i>My supervisor provides others new ways of looking at puzzling things</i>	380	3.01	.409
<i>My supervisor gets others to rethink ideas that they have never questioned before</i>	380	3.86	.569
<i>Average</i>	380	3.57	0.52
<i>Individual Consideration (IC)</i>			
<i>My supervisor helps others to develop themselves</i>	380	2.84	.397
<i>My supervisor lets others how he/she thinks we are doing</i>	380	3.02	.429
<i>My supervisor gives personal attention to others who seem rejected</i>	380	2.66	.636
<i>Average</i>	380	2.84	0.49
<i>Transformational Leadership Style Average</i>		3.42	0.49

Source: Questionnaire and SPSS result

The question about attention which is part of Individual Consideration (IC) scored the lower, meaning leaders in the commercial Bank of Ethiopia tend to have low Individual Consideration and high for Inspirational motivation especially with regard to achieving the plan.

The Transformational Leadership Styles' average mean is 3.422 and the Std. Deviation is 0.4886 indicating the highest mean from the whole independent variables taken. Thus, leaders tend to exhibit Transformational Leadership Styles.

4.2.4.2. Transactional Leadership Styles

The average mean of the Transactional Leadership Style is lower than Transformational Leadership Styles (M=2.64, SD=0.56) and it indicates that leaders exhibit low/rarely transactional leadership in relation to the Transformational Leadership Styles.

Table 4.19 Descriptive of Transactional Leadership Style

<i>Transactional Leadership Styles Dimension</i>	<i>N</i>	<i>Mean</i>	<i>Std. Deviation</i>
<i>Contingent Reward (CR)</i>			
<i>My supervisor tells others what to do if they want to be rewarded for their work</i>	380	3.01	.471
<i>My supervisor gives rewards/recognitions to others when they reach their goals</i>	380	2.89	.585
<i>My supervisor calls attention to others what they can get for what they accomplish</i>	380	2.01	.567
<i>Contingent Reward (CR) Average</i>	380	2.64	0.541
<i>Management-by Exception (MBE)</i>			
<i>My supervisor is always satisfied when others meet agreed upon standards</i>	380	3.68	.584
<i>As long as things are working, my supervisor doesn't try to change anything</i>	380	2.01	.497
<i>My supervisor tells us the standards we have to know to carry out our work</i>	380	2.03	.548
<i>My supervisor believes employees need to be supervised closely. they are not likely to do their work</i>	380	2.75	.452
<i>As a rule, my supervisor believes that employees must be given rewards or punishments in order to motivate them to achieve organizational objectives</i>	380	1.92	.690
<i>I feel insecure about my work and need direction</i>	380	2.99	.600
<i>My supervisor is the chief judge of the achievements of employees</i>	380	3.66	.552
<i>My supervisor gives orders and clarifies procedures</i>	380	2.88	.617
<i>My supervisor believes that most employees in the general population are lazy</i>	380	1.75	.497
<i>Management-by Exception (MBE) Average</i>	380	2.63	0.56
<i>Transactional Leadership Styles Average</i>		2.64	0.555

Source: Questionnaire and SPSS result

The Contingent reward element score is similar to that of the Management-by-Exception (MBE), besides from the MBE element, the factor about reward and punishment vs organizational objectives scored the lowest of all. And this is an indication of that the reward is highly centralized to the top level decisions. Such as Bonus and promotional decisions involve Human Resource Management at Head office which the individual manager couldn't do anything on the employee wholly.

4.2.4.3. Laissez-faire Leadership Styles

Table 4.20 Descriptive Statistics of Laissez – faire leadership style

<i>Laissez-faire Leadership</i>	<i>N</i>	<i>Mean</i>	<i>Std. Deviation</i>
<i>In my complex situations my superior allows me to work my problems out on my own way</i>	380	2.70	.548
<i>My supervisor stays out of the way as I do my work</i>	380	3.80	.452
<i>As a rule, my supervisor allows me to appraise my own work</i>	380	2.93	.690
<i>My supervisor gives me complete freedom to solve problems in my own</i>	380	3.74	.600
<i>In most situations I prefer little input from my supervisor</i>	380	3.66	.552
<i>In general, my supervisor feels it is best to leave subordinates alone</i>	380	2.99	.895
<i>Laissez-faire Leadership Average</i>		3.30	0.622

Source: Questionnaire and SPSS result

The mean value of the Laissez-faire Leadership style is 3.30 with the Std. Deviation 0.622. Individually, about autonomy on work and freedom to solve problems score the best (M=3.80, SD=.452) and (M=3.74, SD=.600) respectively, however about leaving employees’ in a complex situation and self-appraisal got the lowest score.

This indicates that though the leaders give freedom in solving their own problem they never leave employees in complex situation. Besides, Leaders do not give employees a complete freedom to upraise their own work.

4.2.4.4. Employees’ Innovative Work Behavior (EIWB)

The mean value for the EIWB is 3.34 with a standard Deviation of 0.951. Of the ten questions, which are listed on the questionnaire (appendix 10), through the confirmatory analysis, only the eight below stated factors can be confirmed and analyzed accordingly.

Except the Idea Exploration component, the other three dimensions have scored above average. Idea exploration in a work place needs much more time regardless of the leadership style, thus this is confirmed. From the descriptive analysis, below the leaders often put effort to support an innovative idea and develop new things as much as they can.

The question related to attention to other jobs got the lowest Score of 2.82 holding high variability among respondents (Std. Deviation 1.044). Regarding this factor, one can conclude that some employees believe that there is low level of innovative behavior in a team, these, the job steps or work environment and procedures might be tight to consider or give caution to issues other than their own.

Table 4.21 Descriptive Statistics of Employees' Innovative work Behavior (EI)

<i>Employee' Innovative Work Behavior (EI)</i>	<i>N</i>	<i>Mean</i>	<i>Std. Deviation</i>
<i>Idea Exploration</i>			
<i>Do you often pay attention to issues that are not part of your daily work?</i>	380	2.82	1.044
<i>Do you often wonder how things can be improved?</i>	380	3.17	1.112
<i>Average</i>	380	2.995	1.078
<i>Idea Generation</i>			
<i>Do you often generate original solutions for products?</i>	380	3.64	.998
<i>Do you often find new approaches to execute tasks?</i>	380	3.19	.967
<i>Average</i>	380	3.415	0.9825
<i>Idea Championing</i>			
<i>Do You often make important organizational members enthusiastic for innovative ideas?</i>	380	3.30	.955
<i>Do you often attempt to convince people to support an innovative idea?</i>	380	3.72	.872
<i>Average</i>	380	3.51	0.9135
<i>Idea Implementation</i>			
<i>Do You often contribute to the implementation of new ideas?</i>	380	3.21	.833
<i>Do you often put effort in the development of new things?</i>	380	3.68	.833
<i>Average</i>	380	3.445	0.833
<i>Employee' Innovative Work Behavior Average</i>	380	3.34	0.951

Source: Questionnaire and SPSS result

4.2.5. Inferential Statistics

In order to infer about the population based on a sample, a diagnostics of assumptions in a regression have been done.

4.2.5.1. Diagnostics of Assumptions in Regression

In the study the following assumptions of a regression analyses have been tested.

i. Testing the Skewness and Kurtosis of the Data

Table 4.22 SKewness and Kurtosis of the Data

Variables	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Transformational Leadership Style (TLS)	380	3.7963	.20031	.325	.125	.938	.250
Transactional Leadership Style (TransacLS)	380	3.7564	.24238	.170	.125	.858	.250
Laissez-faire Leadership Style (LfLS)	380	3.7377	.29220	.366	.125	.232	.250
Valid N (listwise)	380						

Source: SPSS result

Skewness values between -2 and 0 indicate that the data are not overly skewed. Kurtosis was used to measure the degree of data selection based on the normal distribution of the data. Kurtosis values between -1 and +2 indicate that the data are not overly skewed. The absence of excessive skewness or kurtosis in the data indicates that the assumption of normality is not strictly violated and is indicative of the survey data.

i. Normality Test

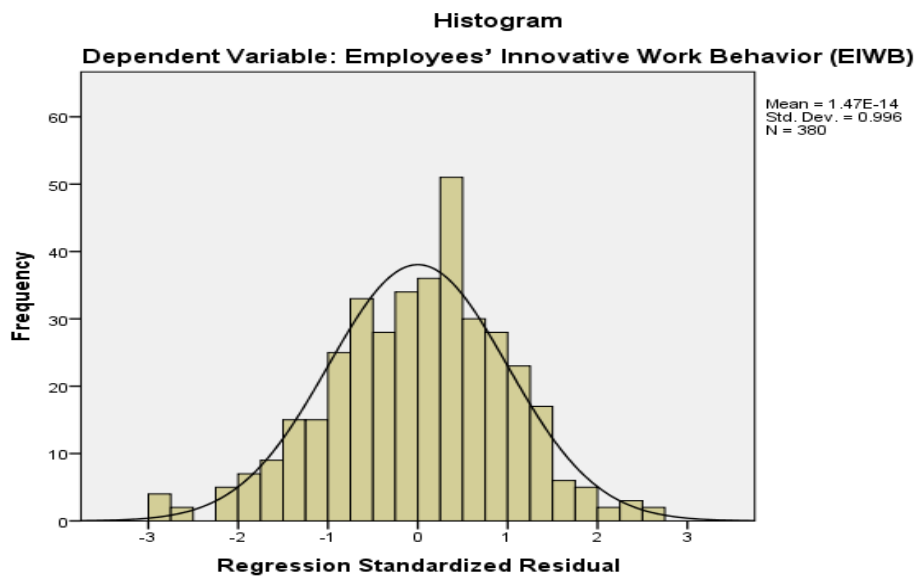


Figure 6 Normality Histogram

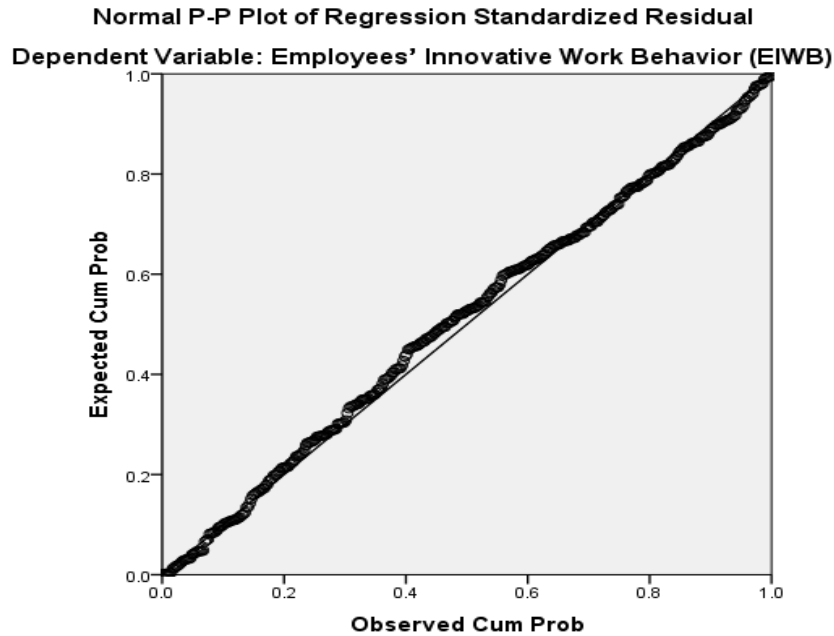


Figure 7 Normality P-P Plot

The data distribution looks normal (Figure 7), the points are also slightly closer to the normal line in the P-P plot. Combining both tests proves that the residuals are normally distributed.

ii. Multicollinearity Test

Table 4.23 Coefficients ^a

<i>Model</i>	<i>Collinearity Statistics</i>	
	<i>Tolerance</i>	<i>VIF</i>
<i>Transformational Leadership Style (TLS)</i>	.751	1.665
<i>Transactional Leadership Style (TransacLS)</i>	.704	2.068
<i>Laissez-faire Leadership Style (LfLS)</i>	.821	1.536

a. Dependent Variable: Employees' Innovative Work Behavior (EIWB)

Source: SPSS result

The researcher checked the Variance Inflation Factor (VIF) and found a smaller value, suggesting that multicollinearity is not the problem. (Hair, 2010), all his VIFs received less than 10 of his approvals in this study. Additionally, the regression tolerance statistic helps identify collinearity issues. The tolerance is greater than 0.7, so the range of variation for this configuration cannot be explained by other predictors.

4.2.6. Correlation Analysis

- The result of the correlation analysis between Transformational Leadership Style (TLS) and Employees' Innovative Work Behavior (EIWB) is significant at 99% ($p=0.000$), and positive (Coefficient=.381). This result implies that the two variables have a relationship.
- The result of the correlation analysis between Transactional Leadership Style (TranscLS) and Employees' Innovative Work Behavior (EIWB) is significant at 99% ($p=0.000$), and positive (Coefficient=.377). This result implies that the two variables have a relationship.
- The result of the correlation analysis between Laissez-faire Leadership Style (LfLS) and Employees' Innovative Work Behavior (EIWB) is significant at 99% ($p=0.000$), and positive (Coefficient=.610). This result implies that the two variables have a relationship.

Table 4.24 Correlations

<i>Variables</i>	<i>Transformational Leadership Style (TLS)</i>	<i>Transactional Leadership Style (TranscLS)</i>	<i>Laissez-faire Leadership Style (LfLS)</i>	<i>Employees' Innovative Work Behavior (EIWB)</i>
<i>Transformational Leadership Style (TLS)</i>	<i>Pearson Correlation</i> <i>Sig. (2-tailed)</i> <i>N</i>	1 .628** 380	.628** .000 380	.429** .000 380
<i>Transactional Leadership Style (TranscLS)</i>	<i>Pearson Correlation</i> <i>Sig. (2-tailed)</i> <i>N</i>	.628** .000 380	1 .585** 380	.377** .000 380
<i>Laissez-faire Leadership Style (LfLS)</i>	<i>Pearson Correlation</i> <i>Sig. (2-tailed)</i> <i>N</i>	.429** .000 380	.585** .000 380	1 .610** 380
<i>Employees' Innovative Work Behavior (EIWB)</i>	<i>Pearson Correlation</i> <i>Sig. (2-tailed)</i> <i>N</i>	.381** .000 380	.377** .000 380	.610** .000 380

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

Source: SPSS result

4.2.7. Regression Analysis Results

Linear regression was used to determine the influence of transformational leadership on Employees' Innovative Work Behavior. When there were several independent variables to explain the variation of the dependent variable, multiple linear regression analysis was utilized (Sekaran & Bougie, 2016).

The F-test, a Fischer distribution test, was used to determine if qualities of leadership styles together significantly influenced employees' innovative work behavior.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \Sigma$$

Where;

Y = Employees' Innovative Work Behavior

β_0 = Constant

X_1 = Transformational Leadership Style

X_2 = Transactional Leadership Style

X_3 = Laissez-fair Leadership Style

Σ = Standard Error

Table 4.25 Model Summary

<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>
1	.795 ^a	.632	.629	.15890

a. Predictors: (Constant), Laissez-faire Leadership Style (LfLS), Transformational Leadership Style (TLS), Transactional Leadership Style (TransacLS)

Source: SPSS result

The linear combination of those factors is significantly related to Employees' Innovative Work Behavior ($R^2=.632$). This means that, 63.2 percent of the variance in the dependent variable; Employees' Innovative Work Behavior can be explained by the independent variables. 36.8 percent of the change is not explained by this factor rather by other.

4.2.7.1. Analysis of Variance (ANOVA)

Table 4.26 ANOVA ^a

<i>Model</i>	<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
<i>1 Regression</i>	<i>31.239</i>	<i>3</i>	<i>10.413</i>	<i>80.841</i>	<i>.000^b</i>
<i>Residual</i>	<i>48.432</i>	<i>376</i>	<i>.129</i>		
<i>Total</i>	<i>79.670</i>	<i>379</i>			

a. Dependent Variable: Employees' Innovative Work Behavior (EIWB)

b. Predictors: (Constant), Laissez-faire Leadership Style (LfLS), Transformational Leadership Style (TLS), Transactional Leadership Style (TransacLS)

Source: SPSS result

The ANOVA table shows the F value of 80.841 is significant at 0.01. Thus, the independent variables Transformational Leadership Style (TLS), Transactional Leadership Style (TransacLS) and Laissez-faire Leadership Style (LfLS) of leaders significantly explain the variance in Employees' Innovative Work Behavior.

4.2.7.2. Regression Result and Coefficient

Table 4.27 Coefficients ^a

<i>Model</i>	<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>	<i>t</i>	<i>Sig.</i>
	<i>B</i>	<i>Std. Error</i>	<i>Beta</i>		
<i>(Constant)</i>	<i>-1.106</i>	<i>.366</i>		<i>-3.026</i>	<i>.003</i>
<i>Transformational Leadership Style (TLS)</i>	<i>.411</i>	<i>.119</i>	<i>.180</i>	<i>3.463</i>	<i>.001</i>
<i>Transactional Leadership Style (TransacLS)</i>	<i>-.136</i>	<i>.109</i>	<i>-.072</i>	<i>-1.245</i>	<i>.214</i>
<i>Laissez-faire Leadership Style (LfLS)</i>	<i>.902</i>	<i>.078</i>	<i>.575</i>	<i>11.539</i>	<i>.000</i>

a. Dependent Variable: Employees' Innovative Work Behavior (EIWB)

Source: Researcher Survey, 2023

Based on the beta coefficient (standardized) values, it can be shown that leadership styles Transformational Leadership Style (TLS) and Laissez-faire Leadership Style (LfLS) found to be

significant predictors of Employees' Innovative Work Behavior. However, Transactional Leadership Style (TransacLS) is found to be not significant.

Thus, the linear multiple regression formula took the form of:

$$EIWB = \beta_0 + \beta_1 TLS + \beta_2 TransacLS + \beta_3 LfLS + \varepsilon \dots\dots\dots 1$$

Thus, based on the above result the model is be,

$$EIWB = -1.106 + .180(TLS) + .575(LfLS) + \varepsilon \dots\dots\dots 1$$

i.Effect of Transformational Leadership Style on Employees' Innovative Work Behavior

As presented in the above table 4.27, the multiple linear regression test results revealed that the effect of Transformational Leadership Style on the Employees' Innovative Work Behavior is significant (P = 0.001) and Positive ($\beta=0.180$). Thus, implies that a Beta value of $\beta =.180$ represents the predicted change in the number of standard deviations of Employees' Innovative Work Behavior for an increase of 1 standard deviation in Transformational Leadership Style.

As a result, the hypothesis that there was significant influence of Transformational Leadership Style on Employee's Innovative Work Behavior is accepted. The study concluded that Transformational Leadership Style significantly influenced Employees' Innovative Work Behavior among Leaders subordinate relationship.

ii.Effect of Transactional Leadership Style on Employees' Innovative Work Behavior

The multiple linear regression test results revealed that Transactional Leadership Style had not a significant influence (P=0.214) on Employees' Innovative Work Behavior. The result contradicts to the literature, with in such one big organization, reward and benefits are highly centralized, thus individual branch managers and leaders cannot influence.

iii.Effect of Laissez-fair Leadership Style on Employees' Innovative Work Behavior

The multiple linear regression test results revealed that Laissez-fair Leadership Style had a significant and positive influence (P<0.05) on Employees' Innovative Work Behavior and it takes a coefficient of value .575 which represents the predicted change in the number of standard

deviations of Employees' Innovative Work Behavior for an increase of 1 standard deviation in Laissez-fair Leadership Style.

As a result, the hypothesis that there was significant influence of Laissez-fair leadership style on Employee's Innovative Work Behavior is accepted. The study concluded that Laissez-fair leadership style significantly influenced the Employees' Innovative Work Behavior among Leaders subordinate relationship.

4.2.7.3. Summary of Hypothesis Testing

Based on the regression result, the following summary of Hypothesis testing is prepared.

Table 4.28 Summary of Hypothesis

No	Hypothesis		Significance	Sign of Relation	Decision
1	H ₁	<i>A transformational Leadership style has statically significant effect on Employees' Innovative Work Behavior.</i>	<i>Significant (P=0.001)</i>	<i>Positive (β=0.180)</i>	<i>H₁ is Accepted</i>
2	H ₂	<i>Transactional Leadership style has statically significant effect on Employees' Innovative Work Behavior.</i>	<i>Not Significant (P=0.214)</i>	<i>Negative (β =-0.072)</i>	<i>H₂ is not Supported</i>
3	H ₃	<i>Laissez faire leadership style has statically significant effect on Employees' Innovative Work Behavior</i>	<i>Significant (P=0.000)</i>	<i>Positive (β =0.575)</i>	<i>H₃ is Accepted</i>

Source: Summary result of chapter 4

4.3. Discussion of findings

The study was based on the positivism research philosophy. The study adopted the descriptive correlation research design. The target population was 22,908 employees in the commercial banks of Ethiopia. Random sampling technique was used to select a sample of 380 employees in commercial banks of Ethiopia who participated in the study. The study used a structured questionnaire to collect data from the employees. Data analysis was done using both descriptive and inferential statistics; descriptive statistics tests performed were percentage, mean and standard deviation. The inferential statistical tests carried out were Correlation analysis, ANOVA, and regression analysis to obtain the relationship between the variables of the study. Statistical Package for the Social Sciences (SPSS) was used to generate the output.

The result of the multiple regression analysis reveals that the adjusted R square is 0.626 which indicates that 62.6% of the variation in organizational change effectiveness is explained by the three types of leadership styles (Transformational, Transactional, and Laissez-fair Leadership Styles) with $p < 0.005$ which indicates a high significant regression model. Since the difference between the R2 and the adjusted R2 is very small (0.234%), it means that if the model were derived from the population rather than a sample it would account for approximately 0.234% less variance in the outcome.

Out of the 380 respondents the proportion of male to female ratio is 3:1 i.e. male dominates the age group between 18 and 35 dominates the respondents with a percentage of 60.5% followed by the age group between 36 and 45 with a proportion of 31.3%. First Degree holders accounts 73.2% followed by Master's Degree with 26.8%.

The reliability tests for the Transformational Leadership Style, Transactional Leadership Style and Laissez-fair Leadership Style were found to be 0.801, 0.821 and 0.865 respectively. The Employees' innovative work Behavior (the dependent variable) was also showed 0.806.

The mean score of the Transformational Leadership Styles is 3.422 and the Std. Deviation is 0.4886. The mean of the transactional leadership style is lower than the transformational leadership styles ($M=2.64$, $SD=0.56$) and it indicates that leaders exhibit low/rarely transactional leadership in relation to the transformational leadership styles. However, the mean value of the Laissez-faire Leadership style is 3.30 with the Std. Deviation 0.622. The Employees' Innovative work behavior is measured via the following factors and the mean value is 3.34 with a standard Deviation of 0.951.

The result of the correlation analysis between Transformational Leadership Style (TLS) and Employees' Innovative Work Behavior (EIWB) is significant at 99% ($p=0.000$), and positive (Coefficient=.381) and the result of the correlation analysis between Laissez-faire Leadership Style (LfLS) and Employees' Innovative Work Behavior (EIWB) is significant at 99% ($p=0.000$), and positive (Coefficient=.610). This result implies that the two variables have a relationship.

Based on the regression result, the following discussion is prepared

A transformational Leadership style has statically significant effect on Employees' Innovative Work Behavior. Significant ($P=0.001$), Positive ($\beta=0.180$), thus, H_1 is Accepted; The result is similar to the study by De Jong, D. J., & Den Hartog, H. D. (2007). The researchers found that 13 related driver behaviors were relevant to Employees' innovative Work behavior. According to these researchers, although innovative behavior is crucial in such firms, it has received little attention. Leaders influence the innovative behavior of employees through their conscious activities aimed at generating and implementing ideas and through their more general day-to-day behavior. In addition to De Jong, D. J., & Den Hartog, H. D., Anderson et al., 2014; Shin et al., (2017) found transformational Leadership style found as an important source of organizational competitive advantage, employee innovative behaviors which enable organizations to adapt to a dynamic environment.

A study made by Francoise Contreras, Juan C. Espinosa, Utz Dornberger & Yonni Angel Cuero Acosta (2017) showed similar result, the aim of the study was to determine the relationship between Transformational (TFL)/ Transactional (TSL) leadership and employees' Innovative Work Behavior (IWB), through a mediation and moderation model. According to the results of their study, there is a direct and positive relationship between Transformational Leadership Styles and Innovative Work behavior as was the researchers expected. However, contrary to what had been hypothesized by the researchers, Transactional Leadership Style demonstrated to exert the same positive linkage nevertheless, this effect was less strong than when the relationship between these variables was direct; and

Laissez faire leadership style has statically significant effect on Employees' Innovative Work Behavior, Significant ($P=0.000$), Positive ($\beta =0.575$), thus H_3 is Accepted. The result is found to be similar to the research made by Axtell et al., (2000); Judge et al. (1997). According to these researchers, participative and Laissez-fair leadership allows employees to be involved in decision-making processes. They can influence decisions to a certain degree and enjoy autonomy in performing their own tasks moreover, the result is found to be similar with Befekadu Zeleke and Peter Obang (2021); a paper made on the Relationship between Leadership Styles and Employees' Job Satisfaction at Gambella Teachers' Education and Health Science College.

However, according to the result, Transactional Leadership style has no statically significant effect on Employees' Innovative Work Behavior ($P=0.214$), thus, H2 is not supported. The result is found to be similar with Befekadu Zeleke and Peter Obang (2021); a paper made on the Relationship between Leadership Styles and Employees' Job Satisfaction at Gambella Teachers' Education and Health Science College.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1. Conclusion

- Employees' Innovative Work Behavior revealed a mean score 3.34 (SD=0.951). Though this value is above average in the five point Likert scale, there are rooms for improvement.
- The average score of Transformational Leadership Styles is 3.4 (SD=0.48) implying that there is good practice of Transformational Leadership Style but room for improvement for Employees' innovative to be improved (Since Transformational Leadership Styles has significant and positive effect on Employees' Innovative Work Behavior in the regression analysis.
- The average score of Transactional Leadership Style is 2.64 (SD=0.56) indicating that Transactional Leadership Style is at average level in a five point likert scale.
- Laissez-faire Leadership style has a mean score of 3.30 (SD=0.622) to imply that it is at good level of practice. But due to the fact that this variable affects Employees' Innovative Work Behavior positively in the regression analysis, there is a need for improvement.
- The regression analysis revealed that both Transformational and Laissez-fair Leadership Styles have significant and positive effect on Employees' Innovative Work Behavior. However, the effect of Transformational Leadership Style on Employees' Innovative Work Behavior is found to be not significant.

5.2. Recommendation

- ✓ Employees' Innovative Work Behavior has good mean value but more rooms for improvement. Therefore managers at Commercial Bank of Ethiopia need to work for higher level of Employees' Innovative Work Behavior.
- ✓ Both Transformational and Laissez fair Leadership Styles have above average result in the five point likert scale but due to the fact that the two variables revealed statistically significant and positive effect on Employees' Innovative Work Behavior, the Bank should have higher level

of practice in the two leadership styles to have higher level of Employees' Innovative Work Behavior.

5.3. Future Study

The study sought to establish the influence of leadership styles on Employees' Innovative Work Behavior in commercial bank of Ethiopia. The Transactional Leadership style has not statistically significant effect on the Employees' Innovative Work behavior at least in a short term as this style is transactional. Thus, triangulating such research using both the Quantitative and Qualitative research, may clarify the contradicting result of insignificant result. Moreover, it will be better if such research extends to the different industry to better investigate which leadership component is better to which sector in the Ethiopian context.

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APPENDICES



QUESTIONNAIRE

Addis Ababa University
School of Commerce Department of Graduate Studies
Masters of Arts in Business Leadership

My name is Desalegn Tekle currently working on a research project entitled **“The Effect of Leadership Styles on Employees’ Innovative Work Behavior”** at Commercial Bank of Ethiopia. This questionnaire is prepared as part of the researcher’s effort to partially fulfill the requirements for Master of Arts Degree in Business Leadership from Addis Ababa University, School of Commerce.

The objective of the research is to explore **“The Effect of Leadership Styles on Employees’ Innovative Work Behavior”** at Commercial Bank of Ethiopia”. Your active participation in the research and your honest feedback to the questionnaires will help achieve the objective. The data shall be kept confidential and cast-off for academic purposes only. You are not required to indicate your name. Should you require further clarification, please contact me via 0911-547645.

Thank you in advance for your cooperation!

QUESTIONNAIRE

The statement below aims at capturing your perception of leadership styles and tries to identify the role of leadership styles on the Employees' innovative Work Behavior at Commercial bank of Ethiopia.

PART I: DEMOGRAPHIC QUESTIONS

This part of the questionnaire covers the demographic back ground including the job related information. Kindly respond to each question by putting a tick (√) or a mark (x) sign on the choice that represents your personal profile:

I. Gender

A. Male B. Female

II. Age

A. 18-35 B. 36-45 C. 46-55 D. Above 56

III. Level of Education

A. Diploma
B. First Degree
C. Master's Degree
D. PhD

IV. Current Job Placement

A. Head Office
B. Branch Office

PART II: LEADERSHIP STYLE QUESTIONS

The following statements are aimed at helping you assess your feelings or perceptions of your immediate supervisor's leadership style. Please rate as: 1-Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree, 5-Strongly Agree. Please place a tick (√) or a mark (x) in the box (cell) that represents your appropriate level of agreement.

S.No.	Transformational Leadership (TL)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	Idealized Influence (II)					
1	My supervisor makes others feel good to be around him					
2	I have complete faith in my supervisor					
3	I am proud to be associated with my supervisor					
	Inspirational Motivation (IM)					
4	My supervisor makes me eager for his/her plans?					
5	My supervisor expresses in simple words what we could and should do					
6	My supervisor provides appealing images about what we can do					
	Intellectual Stimulation (IS)					
7	My supervisor enables others to think about old problems in new ways					
8	My supervisor provides others new ways of looking at puzzling things					
9	My supervisor gets others to rethink ideas that they have never questioned before					
	Individual Consideration (IC)					
10	My supervisor helps others to develop themselves					
11	My supervisor lets others know how he/she thinks we are doing					
12	My supervisor gives personal attention to others who seem rejected					
	Transactional Leadership					
	Contingent Reward (CR)					
13	My supervisor tells others what to do if they want to be rewarded for their work					
14	My supervisor gives rewards/recognition to others when they reach their goals					
15	My supervisor calls attention to others what they can get for what they accomplish					

	Management by Exception (MBE)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
16	My supervisor is always satisfied when others meet agreed upon standards					
17	As long as things are working, my supervisor doesn't try to change anything					
18	My supervisor tells us the standards we have to know to carry out our work					
19	My supervisor believes employees need to be supervised closely. they are not likely to do their work					
20	As a rule, my supervisor believes that employees must be given rewards or punishments in order to motivate them to achieve organizational objectives					
21	I feel insecure about my work and need direction					
22	My supervisor is the chief judge of the achievements of employees					
23	My supervisor gives orders and clarifies procedures					
24	My supervisor believes that most employees in the general population are lazy					
	Laissez-faire Leadership					
25	In my complex situations my superior allows me to work my problems out on my own way					
26	My supervisor stays out of the way as I do my work					
27	As a rule, my supervisor allows me to appraise my own work					
28	My supervisor gives me complete freedom to solve problems in my own					
29	In most situations I prefer little input from my supervisor					
30	In general, my supervisor feels it is best to leave subordinates alone					

PART II: INNOVATIVE WORK BEHAVIOUR SURVEY

Please indicate the extent of your agreement or disagreement with each statement as objectively as you can by circling a number from 0 to 4. Whatever information you give me is strictly confidential and could be used for academic purpose only, so please respond honestly. Use the following rating scale.

S. No	Employees' Innovative Work Behavior (EIWB)	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	Idea Exploration					
1	Do you often pay attention to issues that are not part of your daily work?					
2	Do you often wonder how things can be improved?					
	Idea Generation					
3	Do you often search out new working methods, techniques and instruments?					
4	Do you often generate original solutions for products?					
5	Do you often find new approaches to execute tasks?					
	Idea Championing					
6	Do you often make important organizational members enthusiastic for innovative ideas?					
7	Do you often attempt to convince people to support an innovative idea?					
	Idea Implementation					
8	Do you often systematically introduce innovative ideas into work practices?					
9	Do you often contribute to the implementation of new ideas?					
10	Do you often put effort in the development of new things?					

Source: Adapted from De Jong and Den Hartog (2010).