



SEEK WISDOM, ELEVATE YOUR INTELLECT AND SERVE HUMANITY!



# **College of Business and Economics**

## **School Of Commerce**

### **EFFECTS OF LEADERSHIP STYLES ON IMPROVING EMPLOYEE'S PERFORMANCE: THE CASE OF KADISCO PAINT AND ADHESIVE INDUSTRY SHARE COMPANY**

A Thesis submitted to Business Leadership, Postgraduate Program,  
School of Commerce, Addis Ababa University, In Partial fulfillment  
of the Requirements for the Award of Masters of Arts Degree in  
Business Leadership

By: Dawit Melesse

Advisor: Abdurezak Mohammed (Ph.D.)

July 2024

Addis Ababa, Ethiopia

## DECLARATION

I, Dawit Melesse, the under signed, declare that this thesis entitled: “Effects of leadership styles on improving employee’s performance: the case of Kadisco paint and adhesive industry share company” is my original work. I have undertaken the research work independently with the guidance and support of the research supervisor. This study has not been submitted for any degree or diploma program in this or any other institutions and that all sources of materials used for the thesis has been duly acknowledged.

_____	_____	_____
<b>Name of Student</b>	<b>Signature</b>	<b>Date</b>

This is to certify that the thesis entitled: Effects of leadership styles on improving employee’s performance: the case of Kadisco paint and adhesive industry share company submitted to Addis Ababa University School of Commerce in partial fulfillment of the requirements for the degree of Masters of Arts Degree in Business Leadership is a record of original research carried out by Dawit Melesse, under my supervision. The assistance and help received during the course of this investigation have been duly acknowledged. Therefore, I recommend it to be accepted as fulfilling the thesis requirements.

**Dr. Abdurezak Mohammed (Ph.D.)**

_____	_____	_____
<b>Name of Advisor</b>	<b>Signature</b>	<b>Date</b>

## **DEDICATION**

This is to certify that the thesis prepared by Dawit Melesse, entitled “Effects of leadership styles on improving employee’s performance: the case of Kadisco paint and adhesive industry share company” and submitted in partial fulfillment of the requirements for the Degree of Masters of Arts Degree in Business Leadership complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

**Signature of Board of Examiner`s:**

<b>External examiner</b>	<b>Signature</b>	<b>Date</b>
<b>Internal examiner</b>	<b>Signature</b>	<b>Date</b>
<b>Dean, SGS</b>	<b>Signature</b>	<b>Date</b>

## **ACKNOWLEDGMENTS**

First and foremost, I would like to express my heartfelt thanks to my God for my life and abilities he put in me to successfully complete this thesis. My limitless thanks go to my advisor Abdurezak Mohammed (Ph.D.) for his constant support and insistent advice to ensure the completion of the thesis paper and my studies. Without his constant guidance and dedicated involvement throughout the research paper development process, this paper would have never been accomplished. Moreover, I am deeply grateful to my wife Fenta Mequannet for her unwavering support and patience during the challenging periods of this research.

# TABLE OF CONTENTS

## Contents

DECLARATION	I
DEDICATION	II
ACKNOWLEDGMENTS	III
Table of Contents	v
Abstract	ix
CHAPTER ONE	1
INTRODUCTION	1
1.1 Backgrounds of the study	1
1.1.1 Overview of Kadisco paint and adhesive industry	3
1.2 Statements of the problem	4
1.3 Objectives	5
1.3.1 General Objective:	5
1.3.2 Specific Objective:	5
1.4 Research Questions	6
1.5 Scope of the Study	6
1.6 Significance of the study	7
1.7 Organization of the study	7
CHAPTER TWO	8
REVIEW OF RELATED LITERATURE	8
2.1 Theoretical Review	8
2.1.1 Conceptual definitions	8
2.1.1.1 Leadership	8
2.1.1.2 Leadership Styles	9

2.1.2 Employee Performance	9
2.1.3 Type of Leadership	10
2.1.4 Theoretical literature review	13
2.1.4.1 Great-Man Theory	13
2.1.4.2 Trait Theory	14
2.1.4.3 Contingency Theories (Situational)	15
2.1.4.4 Style and Behavior Theory	15
2.1.4.5 Process Leadership Theory	16
2.1.4.6 Transactional Theory	17
2.1.4.7 Transformational Theory	18
2.5 The Effect of leadership styles on improving employee performance	18
2.5.1 The Effect of Transactional leadership on improving employee performance	18
2.5.2 The Effect of Democratic leadership on improving employee performance	19
2.5.3 The Effect of Transformational leadership on improving employee performance	20
2.5.4 The Effect of Laissez-faire leadership on improving employee performance	21
2.2 Empirical Review	22
2.2.1 General Studies	22
2.2.2 Research Gaps	25
2.3 Conceptual Framework	26
2.3.1 Statement of Hypothesis	27
<b>CHAPTER THREE</b>	<b>28</b>
<b>RESEARCH METHODOLOGY</b>	<b>28</b>
3.1 Methodology and Data Source	28
3.2 Research Design	28

3.3 Research Approaches _____	28
3.4. Target Population, Sample Design and Sample Size _____	29
3.5. Sampling techniques _____	29
3.4 Data Type and Data Source _____	30
3.4.1 Types of data _____	30
3.4.2 Sources of data _____	30
3.5 Research Instruments _____	30
3.6 Questionnaire _____	31
3.7 Data Analysis Methods _____	31
3.8 Data Validity and Reliability _____	31
3.9 Ethical Consideration _____	32
<b>CHAPTER FOUR _____</b>	<b>33</b>
<b>4. RESULT AND DISCUSSION _____</b>	<b>33</b>
4.1 Introduction _____	33
4.2 Reliability Test _____	33
4.3. Descriptive Analysis _____	34
4.2.1 Demographic characteristics of the respondents _____	34
4.4 Descriptive Statistics _____	36
4.4.1 Transformation Leadership _____	37
4.4.2 Transactional Leadership _____	38
4.4.3 Laissez-faire Leadership _____	39
4.4.4 Democratic Leadership _____	40
4.4.5 Employee Performance _____	42
4.5 Regression analysis _____	43

4.5.1 Correlation analysis	43
4.5.2 Regression model diagnostics result	44
4.5.2.1 Normality test	44
4.5.2.2 Linearity test	45
4.5.2.3 Multicollinearity test	46
4.5.2.4 Autocorrelation test	47
4.5.3 Multiple regression result	47
4.5.3.1 Model summary	47
4.5.3.2 ANOVA result	48
4.5.3.3 Multiple Regression Coefficient	49
4.6 Interview Analysis	52
4.7 Discussion of the Major Findings	54
<b>CHAPTER FIVE</b>	<b>56</b>
<b>5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS</b>	<b>56</b>
5.1 Summary	56
5.2 Conclusion	57
5.3 Recommendation	58
Reference	61
Appendices	71
Appendix I: Questionnaire	71
Appendix II: Interview Questions	74
Appendix III: Skewness and Kurtosis	75

## *Abstract*

*The aim of this study was to investigate the impacts of leadership styles on improving the employee's performance at Kadisco Paint and adhesive Industry Share Company. The study employed both descriptive and explanatory research methods. It also used quantitative and qualitative research approach. A self-administered questionnaire was used for data collection from Kadisco paint and adhesive industry Share Company employees through census methods. Hence, out of 250 questionnaires distribute 204 questionnaires were collected and used for further analysis. Moreover, the data were analyzed using descriptive and linear regressions methods using SPSS software. However, the result showed that the correlation coefficient between each independent variables (transformational leadership, transactional leadership, and democratic leadership) has positive and significant relation with employee's performance with the value of 0.612, 0.736, 0.540, and 0.572, respectively. Moreover, among the four leadership transactional leadership is the most influential leadership style with medium level effect on employee performance than other independent variables and transformational leadership style has the second influential factor. Therefore, based on the result of the study Kadisco paint and adhesive industry Share Company better to advice orient and train its supervisors to integrate different leadership style to bring employee performance.*

***Key words: employee performance, transformational leadership, transactional leadership, and democratic leadership***

# CHAPTER ONE

## INTRODUCTION

### 1.1 Backgrounds of the study

Globally, the idea of leadership has evolved and developed due to various organizational and environmental changes (Alonderiene & Majauskaite, 2016). Leadership is mostly defined as the process of influencing a group toward the achievement of goals and directing the organization to make it more cohesive and coherent (Bass, 1997). Besides, leadership also is defined as the influence processes involving determination of the group's objectives, motivating task behaviour in pursuit of these objectives, and influencing group maintenance and culture (Yukl, 2010).

According to Burns (1978) definition leadership as encouraging groups to act for certain goals that represent the values and the motivations, the wants and needs, the aspirations and expectations of both leaders and followers. Several studies have been carried out to assess the effect of leadership on the performance of organizations and how organizational variables such as culture, employee effectiveness, satisfaction, performance, retention, and motivation are influenced by various leadership styles (Shaw & Newton, 2014; Siddique, Aslam, Khan, & Fatima, 2011; Yang, 2014; Yang & Islam, 2012).

Moreover, leaders in different areas play a crucial role in successfully directing their supporters to achieve organizational objectives (Anantatmula & Rad, 2018). They need to systematically connect with their workers (Sepdiningtyas & Santoso, 2017), and handle human resources (Kmecova, 2018), financing (Fillol, Lohmann, Turcotte-Tremblay, Some, & Ridde, 2019), and marketing wisely (Eriksson, Robertson, & Nappa, 2020). To summarize, leadership is a mechanism by which a person motivates (PAAIS & PATTIRUHU, 2020) or influences others to accomplish organizational objectives (Yang Liu & Gu, 2017). It is the method of strengthening and promoting employees' self-esteem to perform administrative tasks (Vila-Vazquez, Castro-Casal, Alvarez-Perez, & Río-Araujo, 2018), and objectives (Chou & Ramser, 2019). The motivation of workers is a way of achieving unique goals (Delaney & Royal, 2017), in which they bring effort above and above specified organizational objectives. Employee motivation, generally speaking, is the degree to which workers are emotionally or mentally

related to the company (Reina, Rogers, Peterson, Byron, & Hom, 2018). Employees are the most crucial source of organizational objectives (Salama, Al Shobaki, Abu Naser, AlFerjany, & Abu Amuna, 2017). Employees strive to successfully use corporate resources and improve the organization's efficiency (Khan, Kaviani, Galli, & Ishtiaq, 2019) and profitability (Ameen, Ahmed, & Abd Hafez, 2018). A well-qualified, capable, and talented workforce is required (Silva & Lima, 2018).

Besides, the leadership style is considered as the essential for the benefit of different commodity (Inyang, Agnihotri, & Munoz, 2018). Most companies to achieve their desired goals, dedicated workers are a significant success factor (Lorincová, Štarchoň, Weberová, Hitka, & Lipoldová, 2019). The considerable benefit of dedicated employees is that they have less desire to leave the business (Alkhateri, Abuelhassan, Khalifa, Nusari, & Ameen, 2018). The Motivation (Graves & Sarkis, 2018), efficiency (Abu Sultan, Al Shobaki, Abu-Naser, El Talla, 2018), and productivity (Buil et al., 2019) of employees in organizations could increase if they are managed with a strong style of leadership.

However, the success for every organization is very much dependent on Employees' performance. Employees performance is a cooperation, considerate, and helpful acts that assist co-worker's performance and job dedication. It includes motivated acts such as working hard, taking initiative and following rules to support organizational objectives. Here, a good leader plays a vital role through understanding the importance and contributions of employees towards achieving the goals of the organization. It has to be realized that organizations cannot achieve their objective with the efforts of only one or two individuals. Consequently, motivating and coordinating employees and gaining collaboration and the collective effort will help to adopt the organizational goals. Similarly, Noormala and Syed (2009); Gerstner and Day (1997) argues that high quality leader follower relationships impacted the employee performance, organizational commitment, delegation, empowerment and job satisfaction. Hence, effective leadership can be a fundamental tool in maximizing organizational performance.

Therefore, this study aimed at investigating the effect of leadership styles on improving employees' performance at Kadisco paint and adhesive industry Share Company. It also investigates the leadership styles which have a positive impact on employees' performance in Kadisco paint and adhesive industry Share Company.

### 1.1.1 Overview of Kadisco paint and adhesive industry

KADISCO is a company that traces its origins from a small automotive parts dealership that was operating in one of the busy streets of Addis Ababa back in late 60' or early 70's. In 1979 it was registered as the sole company to manufacture adhesives and glue.

In 2015, Kadisco and Asian Paints joined hands to form a new partnership to offer products and services for the Ethiopian consumer. Kadisco's partnership with Asian Paints gives it access to world class manufacturing, technology and quality standards. Today the company produces a full range of products for the construction coatings, industrial coatings, automotive coatings, water proofing construction chemicals and Adhesives.

Kadisco Paint and Adhesive Industry S.C. aims to become one of the top ten decorative coating companies in Africa by 2030 by leveraging its expertise in the higher growth emerging markets like Ethiopia & in African continent. Simultaneously, the company intends to build long term value for the customer in the Industrial and domestic Coating business by being "Reliable in processes" , "having Cost effective operations by proper execution of deliverables", offering "Quality" products through involvement of the "People.

Kadisco paint and adhesive Share Company is committed to produce and deliver on time paints and adhesives that confirm to our customers' requirements and to maintain quality leadership in the markets we serve. We are committed to establish and implement a quality management system that complies with the requirements of ISO-9001:2015 standards including dedicating ourselves to the following points:

- Meet and strives to exceed its customers' expectation and all other requirements.
- Achieve continual improvement of our products and services through the use of quality management systems and KAIZEN.
- Establish objectives to help communicate organizational direction and drive improvements.
- Its Employees shall be encouraged to remain competent on the basis of education, training & experience and expected to do the job right first time.

(<https://www.eximpedia.app/country/ethiopia-importer/kadisco-paint-and-adhesive-industry>)

## 1.2 Statements of the problem

An organization without good leadership is like a ship without a captain where resources are wasted despite their scarce nature (Khamis, 2008). Managers or leaders are expected to show an appropriate behavior towards employees that fits with the culture and general situation of the organization. Various organizations need strong leadership styles that can stimulate the employee performance. Employee performance seen in the notion of contextual performance that covers non-job-specific behaviors such as cooperation, dedication, enthusiasm and persistence and task performance which included executing defined duties, meeting deadlines, team input, and achieving departmental goals. Organizations face poor innovation, low productivity, inability to meet performance targets. These problems happen as a result of lack of strategic interventions of specific leadership style to the particular situations (Iqbal et al, 2015).

The effect of leadership style on performance of employees has been an arguable theme among researchers worldwide. Behn (1995), the issues of leadership styles on manipulating employee's performance is one of the questions which need to get proper answer in organizations management.

Maxwell (2015) distinguished that transactional leadership is the one which highly motivates employees than transformational leadership. It is also expressed that transactional leadership style is able to move subordinates beyond their normal level of performance to higher level of performance than any other leadership style (Bass, 1985). However, a positive relationship between transformational leadership and employee performance has been found in both practical perspectives (Howell & Frost, 1989).

Many researchers believe that the Leadership styles can affect the performance of the employees of a company both directly and indirectly. Reports show that transactional leadership style influences workers performance more than any other leadership style (Patern, 1995). Furthermore, it is propounded that transformational leadership style generates higher performance than transactional leadership style (Avolio, 1993). A number of recent studies examined the effect of leadership styles on employee's performance. According to Rasool, et al. (2015), Pradeep and Prabhu (2011), Aboshaqah et al. (2015), Ipas (2012), Kahinde and Bajo (2014), Gimuguni, et al (2014), Raja and Palanichamy (2015) etc. Rasool et al (2015) examined

the health sector in Pakistani shows that both transformational and transactional leadership styles affect employee performance but the effect of transformation leadership style is higher than that of transactional leadership. Furthermore, Raja and Palanichamy (2015) studies shows that there is a positive relationship between both transformational and transactional leadership styles but negative relationship between autocratic leadership style and employee performance from a sample of employees in public and private sector enterprises in India.

As revealed in the above statement different researcher has shown the effect of the leadership style (autocratic, transactional, transformational and democratic) on employee performance in different organization and they are tried to show whether it has positive or negative relation and effect with performance. Therefore, this study wants to investigate the impacts of leadership styles on improving the employee's performance at Kadisco paint and adhesive industry Share Company.

### **1.3 Objectives**

#### **1.3.1 General Objective:**

The general objective of the study is to investigate the effect of leadership styles on improving the employee's performance at Kadisco paint and adhesive industry Share Company.

#### **1.3.2 Specific Objective:**

- To explore the leadership styles that contributes to improves employee performance at Kadisco paint and adhesive industry Share Company.
- To explain the relationship between the effective leadership styles and improving performance of employees at Kadisco paint and adhesive industry Share Company.
- To identify the significance of leadership styles in improving employee performance at Kadisco paint and adhesive industry Share Company.
- To develop models that shows relationship among different styles of leadership and improving employee performance at Kadisco paint and adhesive industry Share Company.

## 1.4 Research Questions

Based on the above specific objective this study wants to answer the following questions:

- Is the effect of Transactional Leadership style affects the performance of employee in Kadisco paint and adhesive industry Share Company?
- To what extent democratic leadership style affects the performance of employee in Kadisco paint and adhesive industry Share Company?
- What is the effect of transformational leadership style on the performance of employee in Kadisco paint and adhesive industry Share Company?
- What is the effect of Laissez-Faire leadership style on the performance of employee in Kadisco paint and adhesive industry Share Company?

## 1.5 Scope of the Study

This study was conducted in Kadisco paint and adhesive industry Share Company through focusing on the following scopes such as:

**Conceptual scope:** This study was focused on thematic areas/leadership style on employee performance namely, laissez-faire leadership, democratic leadership, transformational leadership, transactional leadership.

**Geographical scope:** The study was tried to collect important information across different employees of Kadisco paint and adhesive industry Share Company Addis Ababa office.

**Methodological scope:** With regard to the methodological part, the study was used both descriptive and explanatory research method. Besides, the approach of the study was include qualitative and quantitative data. Moreover, the sample technique was census sampling techniques from Kadisco paint and adhesive industry Share Company employees.

**Time scope:** The study was cover the period between Januarys to June 2024 to evaluate the leadership style on employee performance.

## **1.6 Significance of the study**

The need for this study is to analyze the problem and provide alternative solution that Kadisco paint and adhesive industry Share Company adopts to determine which leadership style best fits in order to improve employee's performance in its daily activities. Depending on the correction made, the company may adopt a leadership style that is vigorous in conflict resolution, which can increase job performance in the future.

Besides, a positive work environment reinforces the entity's work environment in Kadisco paint and adhesive industry Share Company, and there is a correlation between the motivation projected by the leader and organizational climate satisfaction, which indicates that when the leader promotes the improvement of the quality of performance, employees will feel that their work helps improve the quality of the organization.

The result of the study will benefit different scholars and organization as it will address the research gap existed and adds value to the existing literature and knowledge regarding leadership styles on improving employee performance. The findings of this study will also suggest and gives recommendations on the most effective leadership style that enhances employee performance the most.

## **1.7 Organization of the study**

This study was organized in five chapters. The first chapter relates to the introduction to the study, a description of purpose and the significance of the study. The second chapter shows the literature review of published materials related to the study. The third chapter shows the methods which were used in order to answer the research questions and fulfill the purpose of the research. Next to that, the fourth chapter focuses on the result and discussions of the research findings. Finally, the last chapter ends by forwarding conclusions and recommendations.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **2.1 Theoretical Review**

This section of the study will mainly review related works, literature, and empirical works on the research topic leadership style and employee's performance and other relevant theories associated with the research topic. Other research concepts, theoretical frameworks, behavioral contingencies, and systematic theories will be reviewed and analyzed in connection with this study.

##### **2.1.1 Conceptual definitions**

###### **2.1.1.1 Leadership**

According to Northouse (2010), leadership is a process whereby an individual influences a group of people into achieving a common goal for the overall good of both the individual and the group of people. Leadership is the use of leading strategies to motivate and enhance the employee's potential for growth and inspire them to bring out their best or contribute their best to better the organization (Fry, 2013). As posited by Rosenboom (2011), leadership is the act of influencing subordinates so they will be willing to give their best to achieve organizational goals. Research by Peretomode (2015) in defining leadership outlined four aspects of leadership which include the ability to enthusiastically persuade others to work towards a definite objective, the motivation and the human factor keep a group organized, introduction of new procedures and structures for achieving or changing organizational set goals or objectives, personal influence directed through communication processes with the sole aim of achieving the goals of the organization, and influencing the behavior's, actions, beliefs, and goals of the person involved.

From this, one can deduce that leadership is not an isolated activity; rather, it is a collective effort to better the organization. Leadership requires the use of persuasion and influence rather than coercion or coercive domination. Leadership is a gradual and continuous process; it is an ongoing activity with the key aim of accomplishing a set goal for the organization (Jackson,

2011). Heresy & Blanchard (2011) review leadership literature, offered their definition of leadership as the process of influencing the activity(s) of a group or an individual towards

achieving goals in a particular situation for the organization's overall betterment. As a result of those above, this research seeks to determine the impact of leadership style on improving employee's performance in Kadisco paint and adhesive industry Share Company.

### **2.1.1.2 Leadership Styles**

The behavioral pattern or methodology that a leader adopts to manage his subordinates is termed leadership style (Wahab, 2010). Different leaders relate and communicate with their subordinates in a certain way to get them to perform exceedingly to a specific task for the overall welfare of the organization (Hersey & Blanchard, 2013).

A leader's method to bring out the best from his subordinates to perform beyond their capacity is the tagged leadership style. Different leaders have different ways or methodology that works for them. However, scholars have argued that leadership style can either hinder or promote subordinates' job performance and organizational commitments, so scholars have warned that leaders should be careful when administering their style of leadership to the subordinates as it can make or mar their performance (Marturano & Gosling, 2016).

The combination of characters and skills that leaders use in their interaction with subordinates is termed leadership style (Jeremy et al., 2011). The relationship where one uses his influence and ways to bring people to work together for a common task to promote organizational goals is termed leadership style (Fiedler, 2011). According to Newstrom & Davis (2013), leadership style is the approach and manner of implementing plans, motivating people, and providing direction for subordinates to bring out their best and commit to the promotion of the organizational goals.

### **2.1.2 Employee Performance**

According to Conway and Monks (2008), definition employee performance as the degree to which an employee accomplish the responsibilities that are necessary to retain the role given to the employee within the organization. One of the major goal of any firm is to improve their employee's performance, so that the organization can be successful in today's changing environment (Anyango, 2015). This is because organization's success is associated with firm's performance and their commitment (Drucker, 2007).

As stated on Mathis and Jackson (2010) findings, employee performance is linked with quantity and quality of output, timeliness, presence/attendance on the work, efficiency of the task accomplished, and effectiveness of the task accomplished.

Hakala (2008) also stated that the quantity, quality, timeliness and cost-effectiveness are the indicators and measurement for employee performance. Therefore, this study adopted timelines, quality of work, quantity of work, need for supervision and interpersonal impact as the key indicators of the employee performance.

Moreover, Armstrong, M. (2009) states that performance is both the behaviors and results of employees which means behaviors emanates from performer and transform performance from abstraction to action. Employees Performance is defined in terms of effectiveness, efficiency and ongoing relevance (the extent to which the organization adapts to changing conditions in its environment). Performance effectiveness derives from human aspirations and human values that are invisible roots of organizational values, they determine the rational for which organizations exist. The task of a leader in the organization in this case will be too nurture the roots of organizational values, which consists of nothing but a basic human aspiration, that is the will to give.

Performance in the work place is defined as good ranking with the hypothesized conception of requirement of a role. The job performance is divided into: Task, contextual and adaptive. Task performance is related to cognitive ability expressed in behavioral role as recognized in job descriptions and by remuneration systems, they are directly related to organizational performance, whereas, contextual performance are value based and additional behavioral roles that are not recognized in job descriptions and covered by compensation; they are extra roles that employees are expected to go above and beyond the requirements listed in their job descriptions. Contextual performance includes volunteering for additional work, following organizational rules and procedures even when personally inconvenient, assisting and cooperating with coworkers, and various other discretionary behaviors (Ribeiro et al., 2018).

### **2.1.3 Type of Leadership**

Understanding one's leadership style allows a leader to take ownership, control, and responsibility for the size and scope of the tasks ahead. Effective leaders can stabilize their own resources by adopting various leadership styles, including:

### **A. Transactional Leadership**

The transactional leadership style is considered to be an exchange of rewards based on completion, which has been likened to the carrot and stick method for employees to complete their leadership tasks (Bass, 1997). It is more short-term and can best be described as a “give and take” kind of transaction.

Kuhnert and Lewis (1987) argue that transactional leadership is the substitution of one goal for another to increase leadership performance, to encourage change in leadership employees to become ethical leaders of the future, by coaching them to recognize the challenges of leadership situations to lead the organization to increase employee performance.

Another view is that transactional leaders identify employees’ needs and reward them for satisfying those needs so that they perform better (Arnold et al., 1998). Transactional leaders can use punishment when the work is poor, or the results are negative but can achieve rewards when the work is positive. Leaders exchange rewards or punishments with employees based on task completion in return for employee productivity (Naidu & Van der Walt, 2005).

### **B. Democratic Leadership**

The democratic leadership style is one of the participative leadership style, derives its roots from the Transformational theory (Burke et al., 2006; Rad & Yarmohammadian, 2006; Vigoda-Gadot, 2007). In this style, leadership focuses on change, visionary leadership and enhancing employees and organizational results. It allows employees to have a chance to build up their leadership skills, participate in leadership and contribute to decision-making (Vigoda-Gadot, 2007). This leadership style by far more efficient and effective than autocratic leadership (Macbeth, 2005). Employees have the chance to express their opinions, suggestions and ideas are taken into consideration. Although members enjoy a certain level of autonomy, it works effectively in situations where members are highly skilled, passionate and more satisfied about their job as is the situation where the laissez-faire leadership style is utilized.

### **C. Transformational Leadership**

Transformational leaders are seen as inspirational, motivating employees to be motivated to work with high performance and be able to overcome their previous limits. (Abasilim et al., 2019; Burns, 1978). Some authors consider the transformational leadership style as holistic

leadership style (Avolio et al., 1988) or multi-factor leadership style (Tejeda et al., 2001). When practicing transformational leadership style, leaders actively create changes in awareness, attitudes, and behaviors in themselves, becoming attractive role models to create cognitive change, behaviors, attitudes, and even value orientations in employees (Bass, 1985).

Bass and Riggio (2006) stated that the transformational leadership style achieves high leadership performance and can exceed expectations because it also focuses not only on leadership performance but also on the human factors and the development of employees. This is considered the main motivation for leaders to create employee engagement with the organization. Transformational leaders are attractive because they always believe in employees, are change agents and always pay attention to improving the working capacity of employees in the organization, and organize the learning process so that the organization can cope with complexity as well as being very proactive in building an atmosphere of job satisfaction and engagement to leadership performance (Agarwal & Gupta, 2021).

According to Burns (1978) transformational leadership has some values such as justice, fairness, honesty, and honor, which are the ultimate values that cannot be bargained or exchanged so that they can unleash their creativity, so leaders get great power through the mobilization of collective intelligence, new ideas and are an important condition for building learning organizations practice that not all leadership styles create these values (Moradi Korejan & Shahbazi, 2016).

According to Bass and Avolio (1997), the transformational leadership style has five manifestations. The five manifestations of transformational leadership style are idealized attributes, idealized behavior, intellectual stimulation, inspirational motivation, and individualized consideration. Influence is idealized, leadership vision is shared, employees voluntarily follow shared visions, leaders become role models for employees, always putting the collective interests first (Avolio & Bass, 2004). Inspiring motivation, leaders make employees aware of the urgency of leadership goals and motivate employees, arouse in employees the desire and confidence to realize the goals and organization vision as a whole (Yukl, 2013). Personal considerations, leaders respect differences, care about the needs of employees, become mentors, coach trusted employees before employees (Winkler, 2010).

## **D. Laissez-Faire Leadership**

The laissez-faire leadership style often does not represent the role of the leader, but employees can maximize the laissez-faire to make most decisions and do work in a way that is most convenient for them (Lewin et al., 1939) while encouraging personal growth, employees can express themselves especially before difficult tasks. On the other hand, the laissez-faire leadership style encourages innovation and creativity and allows for faster decision-making, autonomy to make decisions without waiting for the approval process (Amanchukwu et al., 2015).

Laissez-faire leaders do not interfere in the thought and actions of employees, even in difficult situations where the role of the leader is required, but they avoid it, the decision belongs to the employees (Giao & Hung, 2018; Goodnight, 2011). However, this seems to be suitable for employees with self-discipline, high responsibility, and in contrast, this style will be difficult to achieve leadership goals with employees having a low sense of discipline. Besides some views in favor of the laissez-faire leadership style, others argue that it is a leadership style that leads to low productivity among team members (Anbazhagan & Kotur, 2014). Laissez-faire leaders often avoid making decisions, hesitate, avoid making decisions instead of actively responding to the leadership situation needed (Piccolo et al., 2012).

### **2.1.4 Theoretical literature review**

#### **2.1.4.1 Great-Man Theory**

The struggle toward investigations for common traits of leadership is protracted over centuries as most beliefs need heroes to define their successes and to justify their failures. In 1847, Thomas Carlyle stated in the best interests of the heroes that “universal history, the history of what man has accomplished in this world, is at the bottom of the history of the great men who have worked here”. Carlyle claimed in his “great man theory” that leaders are born and that only those men who are endowed with heroic potentials could ever become the leaders. He opined that great men were born, not made. An American philosopher, Sidney Hook, further expanded Carlyle perspective highlighting the impact which could be made by the eventful man vs. the event-making man (Carlyle, 1847).

As Dobbins & Platz, (1986) proposed that the eventful man remained complex in a historic situation, but did not really determine its course. On the other hand, he maintained that the actions of the event-making man influenced the course of events, which could have been much different, had he not been involved in the process. The event making man's role based on "the consequences of outstanding capacities of intelligence, will and character rather than the actions of distinction". However, subsequent events unfolded that this concept of leadership was morally flawed, as was the case with Hitler, Napoleon, and the like, thereby challenging the credibility of the Great Man theory. These great men became irrelevant and consequently growth of the organizations, stifled

MacGregor (2003) states that the passing years have given the coup de grace to another force the great man who with brilliance and farsightedness could preside with dictatorial powers as the head of a growing organization but in the process retarded democratization. Leadership theory then developed from dogma that leaders are born or are destined by nature to be in their role at a particular time to a reflection of certain traits that envisage a potential for leadership.

#### **2.1.4.2 Trait Theory**

Some early theorists opined that born leaders were gifted with certain physical traits and personality characteristics which distinguished them from non-leaders. Trait theories ignored the assumptions about whether leadership traits were genetic or acquired. Jenkins identified two traits; emergent traits (those which are heavily dependent upon heredity) as height, intelligence, attractiveness, and self-confidence and effectiveness traits (based on experience or learning), including charisma, as fundamental component of leadership (Ekvall & Arvonen, 1991).

Max Weber termed charisma as "the greatest revolutionary force, capable of producing a completely new orientation through followers and complete personal devotion to leaders they perceived as endowed with almost magical supernatural, superhuman qualities and powers". This initial focus on intellectual, physical and personality traits that distinguished non-leaders from leaders portended a research that maintained that only minor variances exist between followers and leaders (Burns, 2003).

The failure in detecting the traits which every single effective leader had in common, resulted in development of trait theory, as an inaccessible component, falling into disfavor. In the late

1940s, scholars studied the traits of military and non-military leaders respectively and exposed the significance of certain traits developing at certain times.

#### **2.1.4.3 Contingency Theories (Situational)**

The situational or contingency theories recommends that no leadership style is precise as a stand-alone as the leadership style used is reliant upon the factors such as the quality, situation of the followers or a number of other variables. “According to this theory, there is no single right way to lead because the internal and external dimensions of the environment require the leader to adapt to that particular situation”.

Mostly in this theory leaders do not change only the dynamics and environment, employees within the organization change. In a common sense, the theories of contingency are a category of behavioral theory that challenges that there is no one finest way of leading/organizing and that the style of leadership that is operative in some circumstances may not be effective in others (Greenleaf, 1977).

Most theorists of contingency supposed that the leader was the focus of leader-subordinate relationship; situational theorists opined that the subordinates played a pivotal role in defining the relationship. Though, the situational leadership stays to emphasis mostly upon the leader, it creates the significance of the focus into group dynamic. “These studies of the relationships between groups and their leaders have led to some of our modern theories of group dynamics and leadership”. The theory of situational leadership proposes that style of leadership should be accorded with the maturity of the subordinates (Bass, 1997). “The situational leadership model, first introduced in 1969, theorized that there was no unsurpassed way to lead and those leaders, to be effective, must be able to adapt to the situation and transform their leadership style between task-oriented and relationship oriented”.

#### **2.1.4.4 Style and Behavior Theory**

According to style theory, it recognizes the significance of certain necessary leadership skills that serve as enabler for a leader who performs an act while drawing its parallel with previous capacity of the leader, prior to that particular act while suggesting that each individual has a distinct style of leadership with which he/she feels most contented. Like one that does not fit all heads, similarly one style cannot be effective in all situations.

On the bases of style theory Yukl (1989) introduced three different leadership styles. The employees serving with democratic leaders displayed high degree of satisfaction, creativity, and motivation; working with great enthusiasm and energy irrespective of the presence or absence of the leader; maintaining better connections with the leader, in terms of productivity whereas, autocratic leaders mainly focused on greater quantity of output. Laissez faire leadership was only considered relevant while leading a team of highly skilled and motivated people who excellent track-record, in the past.

Feidler & House (1994) also identified two additional leadership styles focusing effectiveness of the leadership. These researchers opined that consideration (concern for people and relationship behaviors) and commencing structure (concern for production and task behaviors) were very vital variables. The consideration is referred to the amount of confidence and rapport, a leader engenders in his subordinates. Whereas, initiating structure, on the other hand, reflects the extent, to which the leader structures, directs and defines his/her own and the subordinates' roles as they have the participatory role toward organizational performance, profit and accomplishment of the mission.

Diverse studies proposed that three types of leaders such as autocratic, democratic and laissez-faire. Without involving subordinates, the autocratic leader makes decisions, laissez-faire leader lets subordinates make the decision and hence takes no real leadership role other than assuming the position and the democratic leader accesses his subordinates then takes his decision. "He further assumed that all leaders could fit into one of these three categories".

#### **2.1.4.5 Process Leadership Theory**

The process theory of leadership conveys the idea that leadership is a process that has to do with the relationship between the leader and their followers. Related to the idea of transformational leadership that James MacGregor Burns proposed, process leadership involves a leader putting their personal interests aside for the interest of the larger group. The goal is to empower and motivate everyone involved, and that is where the leaders put their focus (MacGregor Burns, 2003).

When you work to be a process leader, you take on the responsibility of offering support to others and building relationships with them. Rather than being born with the qualities of a leader, this theory states that this process allows you to become a leader over time. By creating

these positive relationships, you build an environment where you and your followers can succeed. To fully understand what is meant by the process theory, it can be helpful to understand the broader application of the term.

Process theories, in general, refer to a system of ideas that help illustrate how an entity develops and changes. These theories focus on how something happens rather than why something happens. When applied to leadership, the focus is on the interaction between the leader and the follower rather than simply on the leader alone. It takes into account the reality that exchange occurs between leaders and followers, which is a vital part of the process of great leadership (Human Resource Development Quarterly, 2022).

#### **2.1.4.6 Transactional Theory**

The leadership theories, by the late 1970s and early 1980s, activated to diverge from the specific perspectives of the leader, leadership context and the follower and toward practices that concentrated further on the exchanges between the followers and leaders. The transactional leadership was described as that in which leader-follower associations were grounded upon a series of agreements between followers and leaders (House & Shamir, 1993). The transactional theory was “based on reciprocity where leaders not only influence followers but are under their influence as well”. Some studies revealed that transactional leadership show a discrepancy with regard to the level of leaders’ action and the nature of the relations with the followers.

Bass and Avolio (1994) observed transactional leadership “as a type of contingent-reward leadership that had active and positive exchange between leaders and followers whereby followers were rewarded or recognized for accomplishing agreed upon objectives”. From the leader, these rewards might implicate gratitude for merit increases, bonuses and work achievement. For good work, positive support could be exchanged, merit pay for promotions, increased performance and cooperation for collegiality.

The leaders could instead focus on errors, avoid responses and delay decisions. This attitude is stated as the “management-by-exception” and could be categorized as passive or active transactions. The difference between these two types of transactions is predicated on the timing of the leaders’ involvement. In the active form, the leader continuously monitors performance and attempts to intervene proactively (Avolio & Bass, 1997).

#### **2.1.4.7 Transformational Theory**

This leadership theory distinguishes itself from the rest of the previous and contemporary theories, on the basis of its alignment to a greater good as it entails involvement of the followers. As per Bass, transformational leader, “attempts to induce followers to reorder their needs by transcending self-interests and strive for higher order needs”. This theory conform the Maslow (1954) higher order needs theory.

Transformational leadership is a course that changes and approach targets on beliefs, values and attitudes that enlighten leaders’ practices and the capacity to lead change. The literature suggests that followers and leaders set aside personal interests for the benefit of the group. The leader is then asked to focus on followers’ needs and input in order to transform everyone into a leader by empowering and motivating them (House & Aditya, 1997).

This leadership gave emphasis from the previously defined leadership theories because it focuses on the ethical extents of leadership further differentiates the transformational leadership. The transformational leaders are considered by their capability to identify the need for change, gain the agreement and commitment of others, create a vision that guides change and embed the change (MacGregor Burns, 2003). These types of leaders treat subordinates individually and pursue to develop their consciousness, morals and skills by providing significance to their work and challenge. These leaders produce an appearance of convincing and encouraged vision of the future. They are “visionary leaders who seek to appeal to their followers’ better nature and move them toward higher and more universal needs and purposes” (MacGregor Burns, 2003).

### **2.5 The Effect of leadership styles on improving employee performance**

#### **2.5.1 The Effect of Transactional leadership on improving employee performance**

A research study done by Masa’deh et al., (2016) on the relationship between transformational leadership, transactional leadership and employee performance and firm performance found that transactional leadership style significantly impacts employee job performance. Sung-Pyo Choi (2015), asserts that exceptional management element of transactional leadership is found to have a positive influence on firm’s employee’s behaviour.

Sundi K (2013), study indicates that transactional leadership style has a positive and significant effect on employee performance. Similarly, Zohra et al, (2017), found that transactional

leadership style has a strong positive correlation with the performance of the employees. Yang (2010), concluded that transactional leadership is positively related to employee's creative performance in teams with higher empowerment climate. Both Girei, (2015) and Jama (2017), studies found that transactional leadership positively and significantly impacts the performance of employees.

### **2.5.2 The Effect of Democratic leadership on improving employee performance**

Democratic leadership style encourages employees to participate in the decision making process of the organization (Nwokocha & Iheriohanma, 2015). According to Puni et al. (2014), decision making in a democratic system is not centralized and high performance is recognized and rewarded. Nwokocha & Iheriohanma (2015) on the other hand suggest that there is potential for poor decisions to be made by the subordinates as a result of the leader depending on the contributions made by the employees or subordinates. This can be said to have a negative impact on the organization and can also instigate turnover intention in employees. It is therefore expected that brainstorming of ideas and collective decisions are arrived at by all concerned.

The democratic leadership sounds good in theory but it is often bogged down in its slow decision making process and the results which could seem workable would always require a lot of time and effort (Nwokocha & Iheriohanma, 2015). The democratic leader allows for decision making to be shared by the leader and the group. Criticisms and praises are objectively given and a feeling of responsibility is developed within the group.

Kotter (1995) argued that this form of leadership is claimed to be earliest amongst all other leadership style. The leader discusses with subordinates before he issues general or broad orders from which subordinates feel free to act on (Bhargavi & Yaseen, 2016). The superior allows the subordinates opportunity to use their initiative and make contributions. The leaders also offer support to the subordinates in accomplishing task. Democratic leadership yields a lot of benefits. Subordinates are encouraged to share their thoughts; it can lead to better ideas and more creative solutions to problems (Sadia & Aman, 2018). Employees also feel more involved and committed to projects, making them more likely to care about the end results. It is perceived that democratic leadership style leads to higher productivity among group members.

### **2.5.3 The Effect of Transformational leadership on improving employee performance**

Many research findings on leadership styles confirmed that transformational leadership style have a positive influence on the performance of the organization (Zeb et al., 2015; Yukl, 2009). Moreover, studies done by researchers on leadership styles and employee performance have found that there is a positive significant relationship between transformational leadership and employee performance (Masa'deh et al., 2016; Caillier, 2014; Ribeiro et al., 2018; Krepia et al., 2018; Yang et al., 2020). A research study done by Masa'deh et al., (2016), on the relationship between transformational leadership, transactional leadership and employee performance and firm performance found that transformational leadership style significantly impacts employee job performance.

A study done by Ribeiro et al., (2018), revealed that transformational leaders promote affective commitment of employees which enhances employee's individual performance. They also propose that firms should adopt transformational leaders since they create an organizational environment of trust, loyalty and employee's participation which will increase employee's performance. Similarly, Caillier (2014), asserts that mission valence enhance the positive relationship between transformational leadership and employee performance. Banerjee et al., (2017) study outcomes indicate that transformational leadership has a positive relationship with creative performance of salespersons. Krepia et al., (2018), concludes that it is evident that transformational leaders affect positively on work performance.

Rao and Kareem Abdul (2015), suggests that transformational leadership significantly and positively influence on team performance. This was evident in Yang et al., (2020) research study that transformational leadership positively impacts on employee's task and contextual performance through organizational embeddedness. It was found that transformational leadership impacts positively on employee performance through mediating influence of behavioural integrity (Saleem et al., 2019). Itunga and Awuor (2019), study shows that transformational leadership predicts performance of employees. Studies done by Girei (2015), Jama (2017), Hoxha and Heimerer, (2019), Basit et al (2017), (Lor and Hassan, 2017) and Abimbola et al (2017), shows that transformational leadership positively and significantly influence the performance of employees.

#### **2.5.4 The Effect of Laissez-faire leadership on improving employee performance**

Laissez faire is a French phrase which means “let it be” and it is also known as the “hands off style” (Nwokocha & Iheriohanma, 2015: p. 194). According to Gill (2014), it means leaving subordinates to complete tasks and jobs in the way they choose without adherence to any strict policies or procedures. Bass (1985) describes the laissez faire leadership style as one in which the leader has no belief in his own ability to supervise. He further states that the leader has no clear set goals towards how they may work, does not help the group in making decisions and so leaves too much responsibility with subordinates. According to Puni et al. (2014), the laissez-faire leader avoids controlling his employees and so only relies on the few available employees who are loyal to get a task done.

It is argued that laissez faire leaders do not believe in employee development as they believe that employees can take care of themselves (Puni et al., 2014). This leadership style cannot be said to be operational in an organizations which require that both the leader and subordinates have an input in the decision making process and completion of tasks to ensure the success of the organizations. This is defined as a style of leadership where leaders refuse to make decisions, are not available when needed, and choose to take no responsibility for their lack of leadership ability.

Leadership has been identified as an important subject in the field of organizational behaviour. Leadership is one with the most dynamic effects during individual and organizational interaction. However, laissez-faire is a leader as one who avoids involvement when important issues arrive, is absent when needed, avoids making decisions, delays responding to urgent questions, lacks direct supervision of employees and fails to provide regular feedback to those under his or her supervision and highly experienced and trained employees requiring little supervision. However, not all employees possess those characteristics and this leadership style hinders the production of employees needing supervision (Bennett, 2009).

## 2.2 Empirical Review

### 2.2.1 General Studies

The study conducted by Celestine Awino (2015) the Effect of leadership styles on employee performance at Bank of Africa by using cross sectional descriptive survey research strategy. The leadership styles were measured by using MLQ, in which both descriptive and inferential statistical techniques were used for data analysis. The findings shows that as transformational leadership style was the most exhibited style at the bank followed by transactional and laissez-faire respectively. Both transformational and transactional are positively correlated with employee performance, while laissez-faire leadership style had positive relationship and statistically insignificant correlation.

Moreover, the study conducted by Muzaffar and K. Devanadhen (2015) was aimed to find out the dominance of the leadership styles in the concerned Banking companies in India. The descriptive survey research design was operated in order to accomplish the above stated objectives. The findings reveal that only transformational leadership style has significant direct impact on employee performance while transactional the leadership styles showed insignificant impact. Moreover the transformational leadership was the more dominant form of leadership style prevailing in the concerned Banking organizations of Jammu and Kashmir, India. Similarly, most of the literature reviewed is somehow consistent in suggesting that both transformational and transactional leadership styles are significantly positively related to performance and that transformational style effect is more pronounced than that of the transactional leadership style, but the evidence on the relationship between laissez-faire and employee performance is not that straight forward (Rasol, et al. 2015; Tsigu and Rao, 2015).

Raja and Palanichamy (2015) examined the effect of leadership styles on employee performance in public vs. private sector enterprises in India. From 43 middle-level managers and 156 subordinates, the study results indicate sufficient evidence, at the 5% level of significance, that there is a linear positive relationship between transformational leadership and employee performance, there is a significant positive relationship between transactional leadership employee performances. However, the study found that laissez-faire leadership had a negative relationship with the employee performance/outcomes". Leaders and their leadership styles is one of the mostly researched topics in the recent past. Studies have been conducted on the effects of leadership styles on employee performance. Rassol et al (2015)

studied leadership styles and its impact on employee's performance in health sector of Pakistan and concluded that transformational leadership styles have more positive effect on employee performance than transactional leadership. They found out that transformational leadership can perform better in highly organic environment where focus is on competitive advantages. Results of their study also explored that the impact of transactional leadership was not much stronger as compared to transformational leadership on job performance.

Pradeep and Prabhu (2011) states that leadership is positively linked with employee performance for both transformational leadership behaviors and transactional contingent reward leadership behaviors. The managers, who are perceived to demonstrate strong leadership behaviors, whether transformational or transactional, are seen to be engaging in increasing the employees' performance. In giving their summary it was found that the transformational leadership style has significant relationships with performance outcomes; viz. effectiveness in work, satisfaction, extra effort and dependability. Their study added some additional knowledge for a better understanding of the preferred leadership approach and appropriate style for using with subordinate in various professional levels. By using their results, leaders can adjust their behaviors in practical ways to enhance subordinates' job performance, thereby reaping increased productivity for their organizations as a consequence. They emphasize on the need of leaders to have the ability to attract / influence their subordinates, be able to set clear standards of performance to their peers and act as a best role model to the subordinates.

A study by Aboshaiqah et al (2015) on nurses' perception of managers' leadership styles and Its Associated Outcomes, demonstrated that staff nurses perceived that transformational leadership and its factors are utilized more often than transactional and laissez-faire leadership styles, again, further analysis showed that there was positive correlation between outcome factors (effectiveness, extra efforts and satisfaction) and transformational and transactional leadership styles and negative correlation with laissez-faire leadership style. They concluded that a combination of transformational leadership styles and behaviors/factors contributed to an increase in extra effort, satisfaction and overall employee performance and perceived leader effectiveness among nurses.

Ipas (2012) did a study on the perceived leadership style and employee performance in hotel industry, they found that autocratic leadership style is perceived as being the most used style

by the managers that ensures expected results. They also stressed the fact that managers must find the good solution to help the employees to increase their individual performance. Kehinde and Banjo (2014) also did a test of the impact of leadership styles on employee performance: A study of department of Petroleum Resources; The implication of their study was that “transformational leadership style” would bring effective results in organizations because it motivates employees to go beyond ordinary expectations, appeals to follower’s higher order needs and moral values, generates the passion and commitment of followers for the mission and values of the organization, instills pride and faith in followers, communicates personal respect, stimulates subordinates intellectually, facilitates creative thinking and inspires followers to willingly accept challenging goals and a mission or vision of the future mission and objectives of organization, they recommend that transformational leadership style is good or appropriate for organizations that wish to compete successfully and mentor subordinates who will be managers of tomorrow to keep the flag flying for the firm.

“Leadership has got a paramount attention in both the academia and practitioners since recent decades as determinant factor on employee behavior and performance”. Rasool, (2015) “The measure of relationship between the job performance and leadership style draws the considerable attention of scholars. Leader and their leadership styles is one of the mostly studied topics of recent history. Chan (2010) points out that the many researchers who have done studies on leadership style have not come up with a specific style suitable for specific issue, however Chan advises that it is important to note that different styles are needed for different situations and leaders just need to know when to use a particular approach and by using appropriate leadership styles, leaders can affect employee job satisfaction, commitment, productivity and ultimately the organization’s performance through its employees. The amount of direction and social support a leader gives to subordinates/ followers depend greatly on their styles to fit the situation.

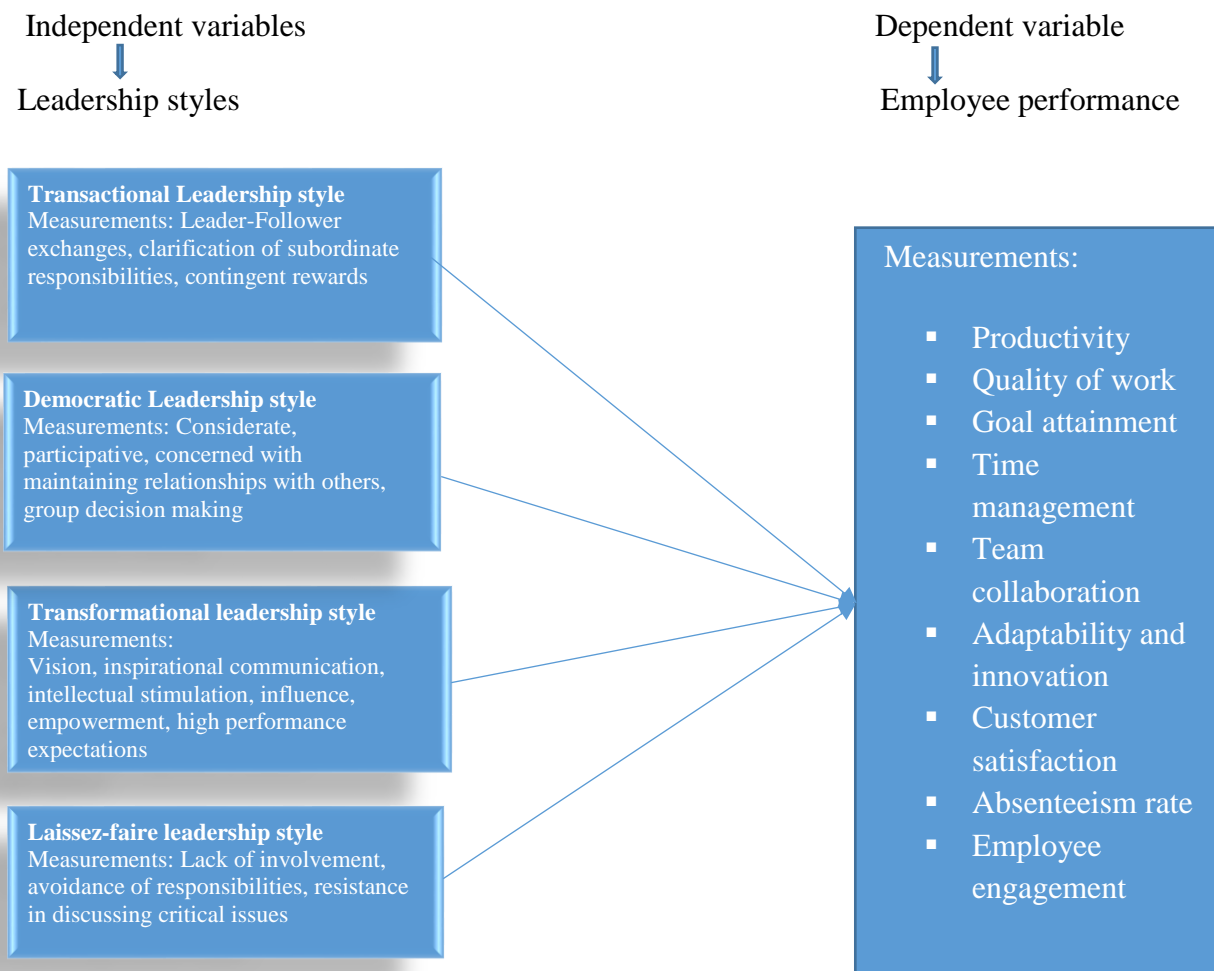
Therefore, there are diverse literatures or empirical evidence that describes leadership styles and employee performance from a multitude of angles and views. Many articles also repeat the same topics. Many of these studies were generally conducted in business organizations, yet there have been few researches conducted in protective organizations and there is no much research conduct specifically in painting industry.

### **2.2.2 Research Gaps**

The literature on leadership and employee performance is scattered across countries and across industry. The evidence of the effect of leadership style on employee performance is also varied. While most of the literature reviewed is somehow consistent in suggesting that both transformational and transactional leadership styles are significantly positively related to employee performance and that transformational style's effect is more pronounced than that of the transactional leadership style (Rasool, et al., 2015; Kehinde and Bajo, 2014; Tsigu and Rao, 2015), the evidence on the relationship between laissez-faire and performance is not that straight forward. For example while, some are reporting negative relationship, e.g. Aboushaqah et al (2015), others like Gimuguni, et al (2014) have reported a positive relationship. This suggests that the evidence on this leadership style is inconsistent. Therefore, from the review of literature it is evident that the research evidence on the effect of leadership style on employee performance that leadership style can explain significant number of performance outcomes at individual and organizational level.

## 2.3 Conceptual Framework

The importance of leadership in an organization cannot be overemphasized as different scholars have given various definitions due to its complexity and importance. Leadership has been viewed as a transaction between a leader and his subordinates. It had also been defined as a process of influencing people towards a particular objective or goal. Whichever leadership style that is exhibited by a person is a combination of traits, characteristics, skills and behaviors. The situation also matters and will call for a totally different style. The conceptual framework is derived from different leadership theories mentioned under the theoretical literature review and from transactional, democratic, transformational, and laissez-faire leadership styles. These leadership styles will be hypothesized to predict the impact on improving employee performance at Kadisco paint and adhesive industry SC.



Source: Design adopted from Koeh M. (2012).

Figure 1: The conceptual model of the study

The research sought to identify different types of attributes of transactional leadership offered by the Bank of Africa to its employees and how they affect the employee performance, to assess whether by offering reward employees are motivated to perform better or the absence of rewards indeed affects the employee performance. The research also sought seek to understand how the attributes of transformational leadership affect employee performance at Bank of Africa and if indeed the supervisors of bank of Africa exhibit the following attributes in furtherance for employee performance. The research will also seek to understand the extend of laissez faire leadership in Bank Of Africa and how it affects the performance of employees, whether it slows performance or what extend it can improve performance of the employees of Bank Of Africa, lastly, the research sought to understand how authoritative leadership affects the employee performance of Bank Of Africa, to know how coerced the employees of Bank of Africa feel and how this improves or slows down their performance.

The background information to be collected to help understand more on the research included the following factors; age, gender, length of service and education levels.

### **2.3.1 Statement of Hypothesis**

- H1. The Transactional leadership style affects employee performance in Kadisco paint and adhesive industry Share Company.
- H2. The democratic leadership style affects employee performance in Kadisco paint and adhesive industry Share Company.
- H3. The Transformational leadership style affects employee performance in Kadisco paint and adhesive industry Share Company.
- H5. The laissez-faire leadership style affects employee performance in Kadisco paint and adhesive industry Share Company.

# **CHAPTER THREE**

## **RESEARCH METHODOLOGY**

### **3.1 Methodology and Data Source**

This chapter deals with essentially with the methods and procedures that used to gather and analyses the data to undergone this study. It comprises the research design, approaches of the study, population and sample size of the study, sampling techniques, sample frame, instruments for gathering data, questionnaire, key informants, and validation of research and methods of data analysis.

### **3.2 Research Design**

For the purpose of this study, all Kadisco paint and adhesive industry Share Company employees are the target population. The company has four plants in Addis Ababa with more or close to 256 employee as of 01 April 2024.

This study employed both descriptive and explanatory research design. Most of the time descriptive kind of studies is good enough as a method of data collection which is very helpful in terms of demonstrating the connection between different aspects of situations and for describing the world as it is. Hence, the descriptive study design is preferred by the researcher because of the interest to describe the existing impacts of leadership style that lead to improving employee's performance and explanatory study design is selected as it supports for explaining, understanding and controlling the relationship between variables. So this study used both a descriptive and explanatory research design to describe impacts of leadership style on improving employee's performance of the Kadisco paint and adhesive industry Share Company. In addition, it was helpful to obtain an accurate profile of the situation under this study and thus the study were consist of mixed data types and sources.

### **3.3 Research Approaches**

The researcher were used mixed approach in order to answer the study objectives on impact of leadership style and employee performance. The purpose of quantitative research is to gather, analyze and measure statistical data. On the other hand, the purpose of the qualitative approach is to explore the condition or situation of the company that could be the main drivers of employee performance as it is observed and perceived by the researcher. So this study was used

descriptive research approach to describe the employee performance towards the leadership style of the company management. In addition, this approach were helpful to obtain an accurate profile of the situation under this study and thus the study was consist of mixed data types and sources.

Data was collected from primary and secondary sources through different mechanisms such as administering structured questionnaire, key informant interviews, observation and reviewing documents and related literatures.

#### **3.4. Target Population, Sample Design and Sample Size**

The target population for this study were 250 and the study is conducted all employees of Kadisco paint and adhesive industry Share Company, such as top managers, middle managers and others of sub-city. Moreover, in order to satisfy the adequacy and representativeness of the sample size selected major office employees of Kadisco paint and adhesive industry Share Company, so the target population of the study were all employees.

#### **3.5. Sampling techniques**

In order to enhance the validity and reliability of the finding of the study, taking optimum level of sample size and designing appropriate sampling technique is needed spatial consideration. For this in order to obtain more accurate information and reduce biasness using probability sample techniques enrich the finding of the study. Sampling is a means of selecting some part of a group to represent the entire group or the population of interest. Sampling reduces the length of time needed to complete a research; it cuts costs, is manageable, increases accuracy and is almost a mirror of the sample population (Babbie, 2004). In this research the researcher used both probability and non-probability sampling methods. So, for the study selected census sampling method and the respondents selected across the organization using this method. This sampling technique chosen as it gives each member of population equal chance of being selected.

### 3.4 Data Type and Data Source

#### 3.4.1 Types of data

The study was conducted through structured questionnaire (for employees of Kadisco paint and adhesive industry Share Company) used to identify the target study participants. In addition, interview was also be used in this study. The primary and secondary data was collected through document review, structured questionnaires, key informant interview, observation and participation. Document which includes implementation manuals, project appraisal document, performance report, and other documents were reviewed as a secondary data sources.

#### 3.4.2 Sources of data

The research writing was involve both the combination of the primary and secondary data sources.

- **Primary sources:** these sources of data was collected from the primary sources of data, which includes open ended and close ended questionnaires, structured/semi-structured interviews with the employees and management bodies.
- **Secondary sources:** the secondary sources of data were collected from different secondary data sources such as annual reports of Kadisco paint and adhesive industry Share Company.

### 3.5 Research Instruments

The research instruments used in this research was formal questionnaires and key informant interviews. Questionnaires was employed as an appropriate research tools to get sensitive issues which respondents would otherwise feel uncomfortable to talk about in an interview. A pre-test survey also were done to evaluate the validity and reliability of the questionnaire. Questions that proved to be unclear to the respondents were modified, rephrased or discarded.

Questionnaires were be designed in English but also have a chance to translate it into Amharic to ensure that respondents can understand what is required from them. Key informant interviews were conducted the interviewer to have a room to adjust questions as necessary, clarify and ensure the questions to be understood by them. It also can make possible for the researcher to take note of non-verbal clues from the respondents, for example, frowns and nervous tapping which can be used to determine the final result.

### **3.6 Questionnaire**

The questionnaires were used as a primary data source for qualitative and quantitative data gathering. It was designed to enable the researcher to obtain as detailed information as possible. The questionnaires were consists of both open-ended questions (qualitative data) where the questions provide a guideline for the respondent but it does not have to be followed strictly and closed-ended questions (quantitative data).

The questionnaires that are used for this work to gather data from employees of Kadisco paint and adhesive industry Share Company are close-ended. The questionnaires were administered at the head office of Kadisco paint and adhesive industry Share Company and a total of 250 questionnaire were circulated to the employees. These questionnaires were filled in by the respondent themselves with the help of the researcher in some cases.

### **3.7 Data Analysis Methods**

Before processing the responses, the filled questionnaire by the respondents were edited for completeness and consistency. The date collected through interview and personal observation and focus group discussion was arranged meaningfully. After collecting the data, the data were analyzed using a descriptive data analysis technique which was presented by tables, frequency distributions and percentages to give a strong picture of the data. This was achieved through summary of simple statistics, which includes the mean, percentage and frequencies which are computed for each variable in this study.

Quantitative data were collected, analyzed and interpreted in line with study objectives. The collected quantitative data were analyzed by using descriptive statistics to generate percentages, means, standard deviations and frequencies. The advantage of this package is that it can be used to analyze questionnaires with many questions including both closed ended and open-ended questions (Kothari, 1995).The researcher were collect qualitative data using semi-structured questionnaire from the selected informants of Kadisco paint and adhesive industry Share Company employees and managements. The responses of informants were analyzed using the narrative method. Pearson correlation analysis is also employed to examine the relationship between employee performance (Dependent Variable) and independent variables.

### **3.8 Data Validity and Reliability**

Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure (Kothari, 2004). In order to achieve validity, the researcher

ensures the measuring instrument provides adequate coverage of the topic by containing adequate representative sample of Kadisco paint and adhesive industry Share Company employees and managements. Numbers of different steps were taken to ensure the validity of the study.

Reliability is defined as the quality of consistency or reliability of a study or measurement. Measuring instrument is reliable if it provides consistent results (Kothari, 2004). That means if the same or different researcher repeats the study it should produce more or less the same results. Finally, to make sure the reliability of this study, triangulation (using via survey) and Cronbach alpha test were employed.

The Cronbach alpha coefficient is the most common method used for assessing the reliability of a measurement scale (Hayes & Bob, 1998). The coefficient, which reflects homogeneity among a set of items, varies from 0 to 1. The literature regarding test and scale construction suggests that an acceptable level of reliability is a function of the intended use of the test results. Nunnally (1967) suggests that when a test or scale is used to make decisions about individuals, the reliability coefficients should be at least 0.90. However, it is impossible to achieve this number, especially assessing personality and feelings. Others are somewhat less conservative, suggesting that a reliability coefficient of 0.80 is acceptable for a test or scale that was used for making decisions about an individual (Batjelsmit, 1977).

### **3.9 Ethical Consideration**

Before administering the questionnaire to the respondents, prior arrangement were made with the concerned body of Kadisco paint and adhesive industry Share Company on the date and the time to administer the questionnaire to the employees and management members. The purpose of the study was explained to the respondents and they were not be forced to give their response rather was allowed to participate voluntarily to the study.

Explanations about the objective of the research was done before undertaking the research for clarity purpose on the direction of the study. Utmost confidentiality about the respondent's response were assured by way of keeping all responses secure and using them only for academic purpose. Before embarking on the field research, permission was asked from the Head Office of Kadisco paint and adhesive industry Share Company. The researcher was

arranged a discussion with the concerned body of the company on how to execute the data collection for the intended research.

## CHAPTER FOUR

### 4. RESULT AND DISCUSSION

#### 4.1 Introduction

As stated in the title, this chapter presents, analyses, discusses, and interprets the results of the data presented below. The researcher prepared 250 questionnaires. The questionnaires were distributed through both google form and a print format. The print format was sent out physically whereas the google form was sent through the mobile application “Telegram”. Out of the distributed 250 questionnaire only 204 were collected. The sampling technique used to distribute the questionnaire was simple random technique.

#### 4.2 Reliability Test

The internal reliability and consistency was assessed between groups and a total of 35 items by means of the Cronbach Alpha. Table 4.1 shows the Cronbach Alpha scores for each item. Cronbach's Alpha recorded scores for items by group and total were greater than the threshold value of 0.7, indicating that all questionnaire items were reliable as a group and overall.

Table 4.1: Reliability statistics

Items	Cronbach's Alpha	No. of Items
Transformational Leadership	.745	12
Transactional Leadership	.845	9
Laissez-faire Leadership	.720	4
Democratic leadership	.700	6

Source: Own survey, result, 2024

### 4.3. Descriptive Analysis

Descriptive data analysis aims to describe basic features of the data. Descriptive analysis is performed first to give the researcher an initial picture of the data obtained. Consequently, the data for every item on the questionnaire in this study are provided via the descriptive statistics measures mentioned below.

#### 4.2.1 Demographic characteristics of the respondents

The first part of the questionnaire consists of five items about the demographic information of the respondents. It covers the personal data of respondents, such as sex, age, education level, experience, and Current Position at Kadisco paint and adhesive industry Share Company.

Table 4.2: Respondents background information

Items		Frequency	Percent
<b>Sex</b>	Male	144	70.6
	Female	60	29.4
<b>Age</b>	18-30	56	27.5
	31-40	88	43.1
	41-50	48	23.5
	Above 50	12	5.9
<b>Level of Education</b>	High school graduate	4	2.0
	Diploma graduate	24	11.8
	First Degree	124	60.8
	Master's Degree	52	25.5
<b>Working Experience</b>	Less than 5 years	104	51.0
	5-10 years	44	21.6
	10 - 15 years	40	19.6
	15-20 years	12	5.9
	More than 20 years	4	2.0
<b>Current position</b>	1-5 year	144	70.6
	More than 6 years	60	29.4

Source: Own survey, result, 2024

The demographic data for gender shows that out of the 204 respondents, there were 144 males and 60 females. Table 4.2 shows item i male respondents formed the majority of the target population with a percentage of 70.6%, while female respondents were representing 29.4%. Hence, human resource aspect of Kadisco paint and adhesive industry Share Company shows that male domination is high and most leaders are in the hand of male.

The sample population age distribution was clearly depicted in table 4.2 item ii which is largely dominated by respondents who are at the age of 31-40 years old covering 43.1%. The second highest group 27.5% fall under age categories of between 18 and 30. The remaining age groups also represented in the table i.e., between 41-50 years represents 23.5% while age group above 50 covers 5.9%. Thus, young employees have the largest share compared with others and expected from them to easily understand about leadership type and employee performance. It can be conclude that most leader of the company are young employees.

With regards to educational level of the respondents in table 4.2 item iii shows that, respondents hold a range of educational qualifications from high school graduate and below to master's degree. The majority or more than half of the sample group is first degree holders which accounted 60.8% followed by Master's degree holder, Diploma graduate and high school graduate 25.5%, 11.8%, and 4%, respectively. From the above result it can be expected that the majority of employees are educated and expected to have understanding the impact and effect of leadership type and employee performance.

Regarding the working experience of the employees at Kadisco paint and adhesive industry Share Company, table 4.2 item IV shows that 51.0% have Less than 5 years' work experience in Kadisco paint and adhesive industry Share Company. While 21.6% have working experience with the range of 5 to 10 years. The remaining respondents have 10 to 15 years, 15 to 20 years and more than 20 years' work experience at Kadisco paint and adhesive industry Share Company with the share of 19.6%, 5.9%, and 2.0%, respectively. So, it can be understood that most of the employees have much experience in Kadisco paint and adhesive industry Share Company and expected from them to know the goal of the organization including the performance and expectation of the organization about leadership type and employee performance.

On the other hand, table 4.2 item v also shows that years of the current position of employees, based on their responses shows that 43.1% are working in the current position for the last 3 years. While 29.4% are in the current position for the last more than 6 years, 17.6% are working less than 1 year, and 9.8% are working for the last 3-5 years. Hence, the highest number of employees are working on the current position for the last 3 years.

#### 4.4 Descriptive Statistics

Table 4.3 shows that the level of influence on employee performance and the extent to which leadership styles are exhibited by the managers based on the mean value. Descriptive statistic test was conducted on four independent variables of transformational, transactional, laissez-faire and participative leadership styles on dependent variable of employee performance. The level of influence based on the range of mean value according to Hong et al., (2013) is: low influence-1.0 to 2.32, medium influence- 2.33 - 3.65 and high influence- 3.66 – 5.00. Furthermore, Mcleod (2019) states that the range of interpreting the Likert scale mean score was given as follows: 1.0-2.4(Negative attitude), 2.5-3.4 (Neutral attitude), and 3.5-5.0 (Positive attitude). Hence, both authors have no big difference on their mean range.

Table 4.3: Descriptive statistics for variables

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Transformational Leadership	204	1	4	2.74	.603
Transactional Leadership	204	1	4	2.93	.865
Laissez-faire Leadership	204	1	5	2.67	.845
Democratic leadership	204	1	5	2.63	.830
Employee Performance	204	1	4	2.79	.773
<b>Grand mean</b>	<b>204</b>			<b>2.75</b>	<b>.783</b>

With reference to table 4.3, transactional leadership have the highest mean value of 2.93 (SD= 0.865) as compared to transformational, laissez-faire, and democratic leadership style. This indicates that transactional leadership is the most exhibited leadership style among the supervisors/managers working at Kadisco paint and adhesive industry Share Company. Transformational leadership style is the most preferable style for Kadisco paint and adhesive industry Share Company. However, the respondents agreed that transactional leadership style is practiced in Kadisco paint and adhesive industry Share Company. Transformational

leadership style has the second highest mean of 2.74 (SD= 0.603), followed by laissez-faire leadership style at a mean of 2.67 with a standard deviation of 0.845. This indicates that laissez-faire and democratic leadership style is the third and fourth most practiced leadership style in Kadisco paint and adhesive industry Share Company as well as influential leadership style on employee performance with mean value of 2.67 and 2.63, respectively. All the leadership styles have a medium influence on employee performance. This was investigated further with correlation analysis to determine if there is a positive or negative relationship between leadership styles and employee performance and regression analysis to determine if independent variables predict significant variance in dependent variable.

Moreover, the grand mean result shows that there is medium influence with the value of 2.75. Besides, the standard deviation in table 4.3 shows that Transformational Leadership has moderate effect. While, the remaining variables such as transactional leadership, laissez-faire leadership, democratic leadership, and employee performance has high effect.

#### 4.4.1 Transformation Leadership

Table 4.4: Descriptive Statistics for Transformation Leadership

Transformation Leadership Dimensions	N	Minimum	Maximum	Mean	Std. Deviation
Idealized Influence	204	1	4	2.83	.670
Inspiration motivation	204	1	5	3.09	.828
Intellectual Stimulation	204	1	4	2.65	.782
Individual Consideration	204	1	4	2.53	.944
<b>Grand Mean</b>	<b>204</b>			<b>2.77</b>	<b>.806</b>

As indicated in the table 4.4 all the dimensions of transformational leadership style have a medium influence on employee performance. Inspirational motivation is the most exhibited dimension of transformational leadership with the highest mean value of 3.09 (SD=0.828). This also indicates that inspirational motivation is the most influential factor of transformational leadership on employee performance. With a mean value of 2.53 and standard deviation of 0.944, individual consideration is the least practiced dimension of transformational leadership and is the least influential factor of transformational leadership on employee performance.

Furthermore, the grand mean result of transformational leadership shows that there is medium

influence with the value of 2.77. Besides, the standard deviation in table 4.4 shows that among items under transformational leadership idealized influence has moderate effect. Although, inspiration motivation, intellectual stimulation, individual consideration has high effect.

Moreover, respondents gave low agreement for item number three such as supervisor acts in ways that builds my respect inspirational motivation. While on the remaining items they have moderate level agreement such as supervisor instill pride in me for being associated with him/her, supervisor goes beyond self-interest for the good of the group, supervisor talks optimistically about the future, Supervisor talks enthusiastically about what needs to be accomplished, supervisor expresses confidence that goals will be achieved, supervisor seeks differing perspectives when solving problems, supervisor gets me to look at problems from many different angles, supervisor suggests new ways of looking at how to complete tasks, supervisor spends time teaching and coaching, supervisor considers me as having different needs, abilities, and aspirations from others, and supervisor helps me to develop my strengths.

Hence, there are effects in each dimensions of transformational leadership. The major gaps based on the finding of the result on transformational leadership style in Kadisco paint and adhesive industry Share Company are supervisor acts in ways that builds my respect inspirational motivation.

#### 4.4.2 Transactional Leadership

Table 4.5: Descriptive Statistics for Transactional Leadership

Transactional Leadership dimensions	N	Minimum	Maximum	Mean	Std. Deviation
Contingent Reward	204	1	5	3.14	1.101
Management by Exception (Active)	204	1	5	3.00	.870
Management by Exception (Passive)	204	1	5	2.73	.900
<b>Grand Mean</b>	<b>204</b>			<b>2.95</b>	<b>.957</b>

Based on the table 4.5, all the dimensions of transactional leadership style have a medium influence on employee performance. Contingent reward has the highest mean value of 3.14 (SD=1.101), indicating that it is the most exhibited factor of transactional leadership. While

management by exception (active) has medium mean value of 3.00 (SD=0.870), indicating that one of exhibited factor of transactional leadership. Management by exception (passive) is the least practiced factor of transactional leadership with a mean value of 2.73 (SD=0.900).

Additionally, the grand mean result of transactional leadership shows that there is medium influence with the value of 2.95. Besides, the standard deviation in table 4.5 shows that among items under transactional leadership such as contingent reward, management by exception (active) and management by exception (passive) has high effect.

Moreover, respondents gave medium agreement for item under transactional leadership dimensions such as supervisor provides me with assistance in exchange for my efforts, supervisor makes clear what one can expect to receive when performance goals are achieved, supervisor express satisfaction when I meet expectation, supervisor focuses attention on irregularities, mistakes, exceptions, and deviations from standards, supervisor concentrates his/her full attention on dealing with mistakes, complaints, and failures, supervisor keeps track of all mistakes, supervisor fails to interfere until problems become serious, supervisor waits for things to go wrong before acting, and supervisor Shows that he/she is a firm believer in "If it isn't broke, don't fix it."

Therefore, there are effects in each dimensions of transactional leadership. The major gaps based on the finding of the result shows that on transactional leadership style in Kadisco paint and adhesive industry Share Company are supervisor provides assistance in exchange for efforts, supervisor makes clear what one can expect to receive when performance goals are achieved, supervisor express satisfaction when I meet expectation, supervisor focuses attention on irregularities, mistakes, exceptions, and deviations from standards.

#### 4.4.3 Laissez-faire Leadership

Table 4.6: Descriptive Statistics for Laissez-faire Leadership

Items	N	Minimum	Maximum	Mean	Std. Deviation
LF1	204	1	5	2.91	1.171
LF2	204	1	5	2.90	1.140
LF3	204	1	5	2.38	1.069
LF4	204	1	5	2.62	1.179
<b>Grand Mean</b>	<b>204</b>			<b>2.70</b>	<b>1.139</b>

As stated on table 4.6 all items under laissez-faire leadership such as supervisor avoids getting involved when important issues, supervisor is absent when needed, supervisor avoids making decisions, and supervisor delays responding to urgent questions has medium effect on employee performance has medium influence on employee performance with the mean value of 2.91, 2.90, 2.38, and 2.62, respectively.

Also, the grand mean result laissez-faire leadership shows that there is medium influence with the value of 2.70. Besides, the standard deviation in table 4.6 shows that among items under laissez-faire leadership such as supervisor avoids getting involved when important issues, supervisor is absent when needed, supervisor avoids making decisions, and supervisor delays responding to urgent questions has high effect.

Hence, my supervisor avoids getting involved when important issues arise is the most exhibited factor of laissez-faire leadership style and has the highest influence on employee performance compared to other factors. This implies that the main assumption of laissez-faire leadership style where laissez-faire leaders avoid decision making and not actively involved in problem solving.

#### 4.4.4 Democratic Leadership

Table 4.7: Descriptive Statistics for Democratic Leadership

Items	N	Minimum	Maximum	Mean	Std. Deviation
DL1	204	1	5	2.56	1.074
DL2	204	1	5	2.43	1.017
DL3	204	1	5	2.95	1.215
DL4	204	1	5	2.19	.986
DL5	204	1	5	2.69	1.178
DL6	204	1	5	3.08	1.131
<b>Grand Mean</b>	<b>204</b>			<b>2.65</b>	<b>1.100</b>

As stated on table 4.7 supervisor asks team members for their vision of where they see their jobs going and then uses their vision where appropriate has low effect on employee performance with the mean value of 2.19. While on the remaining items such as supervisor and team members always vote whenever a major decision must be made, supervisor wants to create an environment where team members are allowed to participate in the decision-making

process, supervisor allows team members to determine what needs to be done and how to do it, there are differences in role expectation, my supervisor works with employees to resolve the differences, and team members have the right to determine their own organizational objectives has medium effect on employee performance with the mean value of 2.56, 2.43, 2.95, 2.69, and 3.08, respectively.

In addition, the grand mean result democratic leadership shows that there is medium influence with the value of 2.65. Besides, the standard deviation in table 4.7 shows that among items under democratic leadership such as supervisor and team members always vote whenever a major decision must be made, supervisor wants to create an environment where team members are allowed to participate in the decision-making process, supervisor allows team members to determine what needs to be done and how to do it, supervisor asks team members for their vision of where they see their jobs going and then uses their vision where appropriate, there are differences in role expectation, my supervisor works with employees to resolve the differences, and team members have the right to determine their own organizational objectives has high effect.

The main assumption of democratic leadership style where in democratic leadership team members have the right to determine their own organizational objectives. Besides, under democratic variables items needs attention are supervisor and team members always vote whenever a major decision must be made, supervisor wants to create an environment where team members are allowed to participate in the decision-making process, and there are differences in role expectation, my supervisor works with employees to resolve the differences.

#### 4.4.5 Employee Performance

The performance of employees within the organization measured in terms of timeliness, quality of work, quantity of work, need for supervision, and interpersonal impact.

Table 4.8: Descriptive Statistics for Employee Performance

	N	Minimum	Maximum	Mean	Std. Deviation
EP1	204	1	5	2.57	1.022
EP2	204	1	5	2.48	.939
EP3	204	1	5	2.80	1.089
EP4	204	1	5	2.89	1.152
EP5	204	1	5	3.22	1.025
<b>Grand Mean</b>	<b>204</b>			<b>2.79</b>	<b>1.045</b>

As stated on table 4.8 all items under employee performance respondents moderately agreed on the following items such as consider the degree to which an activity is completed, or a result produced, at the earliest time, consider neatness, accuracy and dependability of results regardless of volume, consider the volume of work produced under normal conditions disregarding errors, consider the degree to which you carry out a job function without supervisory intervention, and consider the degree to which you promote feelings of self-esteem, goodwill and cooperativeness among co-workers and leaders with the mean value of 2.57, 2.48, 2.80, 2.89 and 3.22, respectively.

Moreover, the grand mean result democratic leadership shows that there is medium influence with the value of 2.79. Besides, the standard deviation in table 4.8 shows that among items under employee performance such as timeliness, quality of work, quantity of work, need for supervision, and interpersonal impact has high effect.

Hence, Kadisco paint and adhesive industry Share Company should work on the degree to which an activity is completed, or a result produced, at the earliest time, consider neatness, accuracy and dependability of results regardless of volume, consider the volume of work produced under normal conditions disregarding errors, consider the degree to which you carry out a job function without supervisory intervention, and consider the degree to which you promote feelings of self-esteem, goodwill and cooperativeness among co-workers and leaders.

Regarding to employee performance, the issues need attention by Kadisco paint and adhesive industry Share Company are the degree to which an activity is completed or a result produced at the earliest time, neatness or accuracy and dependability of results regardless of volume, volume of work produced under normal conditions disregarding errors, the degree to which carry out a job function without supervisory intervention, and the degree to which promote feelings of self- esteem, goodwill and cooperativeness among co- workers and leaders.

## 4.5 Regression analysis

### 4.5.1 Correlation analysis

Correlation is a word which describes the statistical measure of association or the relationship between two phenomena or continuous variables in terms of how strong the Relationship is and in what direction the relationship goes Abdulhakim (2020). According to Field (2009), correlation is a very useful means to summarize the relationship between two variables with a single number that falls between  $r = +1.00$ , a perfect positive (direct) relationship, 50 and  $r = -1.00$ , a perfect negative (inverse) relationship.

Table 4.10: Correlation result

		Employee Performance	Transformational Leadership	Transactional Leadership	Laissez-faire Leadership	Democratic leadership
Employee Performance	Pearson Correlation	1	.612**	.736**	-.014	.540**
	Sig. (2-tailed)		.000	.000	.848	.000
	N	204	204	204	204	204
Transformational Leadership	Pearson Correlation	.612**	1	.473**	.041	.442**
	Sig. (2-tailed)	.000		.000	.558	.000
	N	204	204	204	204	204
Transactional Leadership	Pearson Correlation	.736**	.473**	1	.034	.463**
	Sig. (2-tailed)	.000	.000		.627	.000
	N	204	204	204	204	204
Laissez-faire Leadership	Pearson Correlation	-.014	.041	.034	1	.014
	Sig. (2-tailed)	.848	.558	.627		.839
	N	204	204	204	204	204
Democratic leadership	Pearson Correlation	.540**	.442**	.463**	.014	1
	Sig. (2-tailed)	.000	.000	.000	.839	
	N	204	204	204	204	204

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

The correlation analysis table 10 above indicates that transformational leadership, transactional leadership, and democratic leadership has a strong positive and significant relationship with employee performance with the correlation value of 0.612, 0.736, and 0.540, respectively. And a significant value of 0.000 less than 0.05 ( $P < 0.05$ ). However, laissez-faire leadership style has a correlation value of -0.014 and a significance value of 0.848 higher than 0.05, indicating that it has a negative relationship with employee performance.

Among these five leadership style, transactional leadership has the highest positive and significant relationship with employee performance while, laissez faire leadership style has the weakest relationship. This finding is similar to the most exhibited and least displayed leadership style by the supervisors/managers in Kadisco paint and adhesive industry Share Company. Kadisco paint and adhesive industry Share Company found in descriptive statistic table 4.3 above. Multiple regression analysis was conducted to investigate and determine the leadership styles that predicts significant variance in performance of employees.

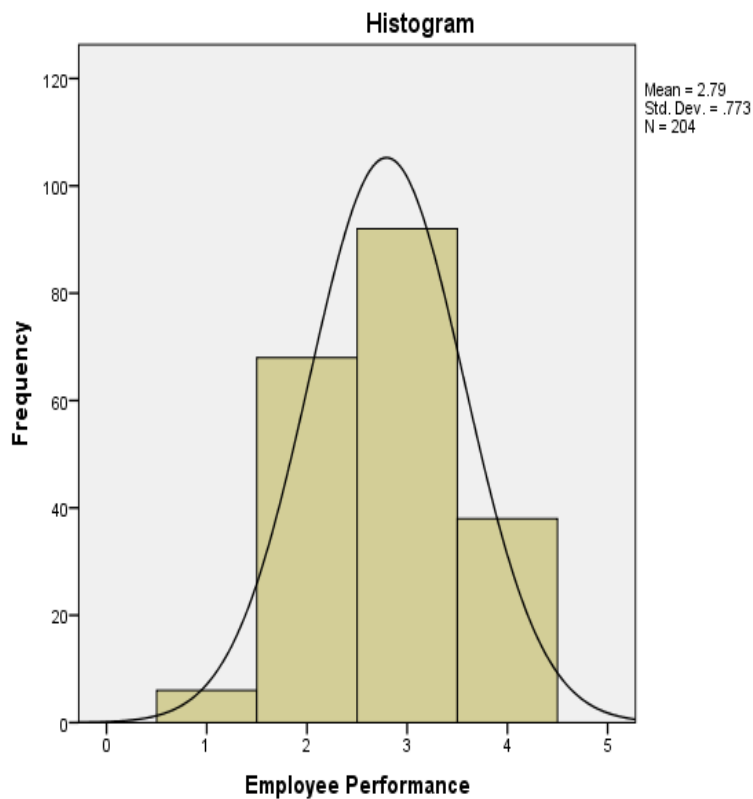
#### **4.5.2 Regression model diagnostics result**

The basic assumptions should be satisfied to maintain data validity and robustness of the regressed result of the research under the multiple regression models Beza (2021). Therefore, this study conducted the below assumption tests.

##### **4.5.2.1 Normality test**

One critical assumption of the linear regression model is that the residuals must be normally distributed. Verifying the normality of the residuals of the estimated model is therefore essential. The distribution of these residuals is depicted in the figures below. Test for normality, its determining whether the data is well modeled by normal distribution or not. This normal distribution test could be checked using graphical methods (histograms and dot plots).

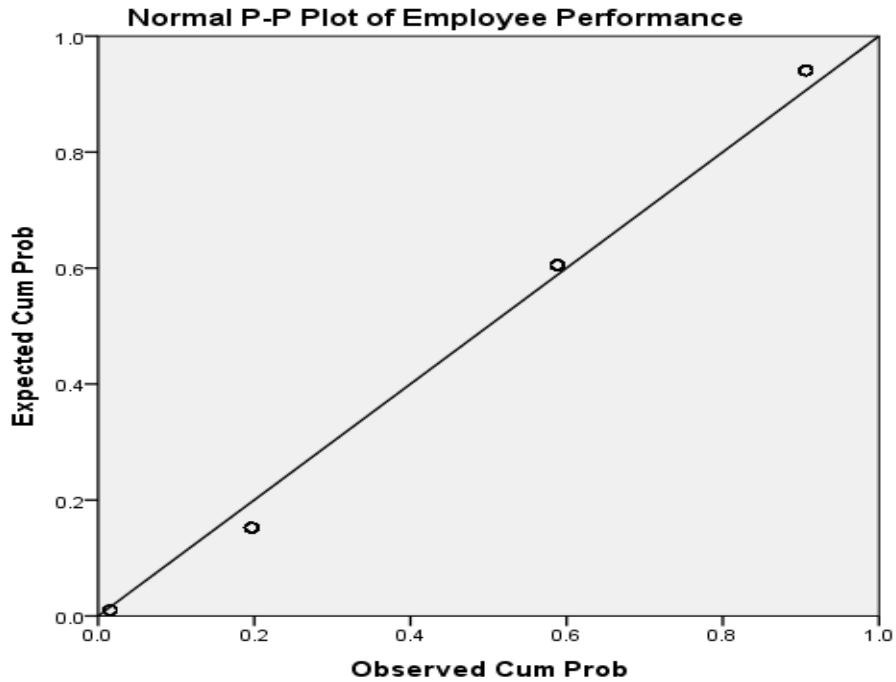
According to the Decision Rule Normality a histogram of the residuals should ideally show a bell-shaped curve, indicating a normal distribution. In the Meantime, Normal Probability Plot (NPP) should display a roughly straight line, indicating that the residuals are distributed normally. If the points closely follow a diagonal line that spans from the bottom left to the top right of the plot, this confirms the assumption of normality Gujarati (2004).



As per the value in skewness and Kurtosis indicates that the questionnaire was within the acceptable range of -1 and +1 (appendix III). Therefore, the data is considered as normal and further to reliability test is conducted.

#### 4.5.2.2 Linearity test

The below presented the scatter plot of the residuals approximately lie on the linear line. Moreover, normal Probability plot of residuals is also approximately linear supporting the condition that the error terms are normally distributed and it suggests that the relationship that are predicted in the result is linear. As mentioned above In the Normal P-P Plot the points will lie in a reasonably straight diagonal line from bottom left to top right. This would imply no significant deviations from normalcy. Therefore, based on the p-plot graph in the diagram the variables are normally distributed.



As it depicted from the above figure, the shape of the histogram follows the shape of the normal curve fairly well. As the result, we can conclude that the residuals are normally distributed and the model is appropriate (Figure 4.2).

#### 4.5.2.3 Multicollinearity test

After the normality test in the regression model, it is important to conduct multicollinearity test. Widely used technique for identifying multicollinearity is calculating variance inflation factor (VIF) between all independent variables. When an independent variable has a strong linear relationship with other independent variables, the associated VIF is large and is evidence of multicollinearity (Shieh, 2010).

Table 4.11: Multicollinearity test result

Model	Collinearity Statistics		
	Tolerance	VIF	
1	Transformational Leadership	.671	1.489
	Transactional Leadership	.614	1.629
	Laissez-faire Leadership	.996	1.005
	Democratic leadership	.696	1.437

a. Dependent Variable: Employee Performance

Based on the above Table 4.11 output, collinearity statistics of VIF, obtained is between 1.200 and 2.541, meaning that the VIF value obtained is below 10 and above 1, therefore it can be concluded that there is no Multicollinearity Problem.

#### 4.5.2.4 Autocorrelation test

After the multicollinearity test is completed, it is important to examine whether there was a correlation between residuals by way of autocorrelation test. Regression analysis uses uncorrelated error/residual terms for any two or more observations Kothari (2004). This assumption is tested for each regression procedure with the Durbin-Watson test, which test for correlation between variables residuals Lidiya (2020). Durbin Watson statistics tests for autocorrelation value ranges from 0 to 4 and as a rule of thumb, the value should be between 1.5 and 2.5 to indicate independent of observations Garson, G. and David (2010).

Table 4.12: Autocorrelation test result

<b>Model Summary</b>	
Model	Durbin-Watson
1	1.839 <sup>a</sup>

a. Predictors: (Constant), Laissez-faire Leadership, Democratic leadership, Transformational Leadership, Transactional Leadership

b. Dependent Variable: Employee Performance

Therefore, as shown from Table 4.12 the Durbin Watson value 1.839 reveals that there is no autocorrelation problem and implies that independent of observation and the model is adequate.

### 4.5.3 Multiple regression result

#### 4.5.3.1 Model summary

In addition to the above factor analysis, Regression model summary is one output of multiple regression analysis that measures the amount of total variation on dependent variable due to independent variable. This table provides the R, R<sup>2</sup>, adjusted R<sup>2</sup> and the standard error of the estimate which can be used to determine how well a regression model fits the data (AbulhakimEndis, 2002).

The adjusted coefficient of determination ( $R^2$ ) shows that the five factors explained approximately 66.4 % of the variation in employee performance. This also indicates that the model is appropriate.

Table 4.13: Model summary results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.815 <sup>a</sup>	.664	.656	.454	.664	78.392	5	198	.000

a. Predictors: (Constant), Laissez-faire Leadership, Democratic leadership, Transformational Leadership, Transactional Leadership

As per table 13, 66.4% changes in employee performance among employees in Kadisco paint and adhesive industry Share Company can be explained by these five leadership styles. It can be conclude that R square value is 0.664 which indicates that 66.4% of the variation in employee performance can be explained by laissez-faire leadership, democratic leadership, transformational leadership, transactional leadership styles. However, R-squared increases with increasing variables, even though if the variables have no association with the dependent variable (Mangiafico, 2016). Therefore, Adjusted R square is used to predict the variance as it is to do with variance when allowing for error (Mangiafico, 2016). Adjusted R square value is 0.656 which implies that 66.5% of the variation in employee performance can be explained by laissez-faire leadership, democratic leadership, transformational leadership, transactional leadership styles which is a medium size effect according to Cohen’s 1988 classifications for multiple regression. Further analysis will be done on coefficients where the range of alpha value is 0.05 is used to determine the significance between dependent and independent variables.

#### 4.5.3.2 ANOVA result

An analysis of variance (ANOVA) was performed to ensure that the regression model was well-fitted. If the F ratio is large and probability is less than 0.05 then it is termed statistically significant (Saunders, 2012). The ANOVA table below, demonstrations the overall model significance, and this board help us to make sure the above model (on model summary table) is statistically significant predictor of the outcome i.e. employee performance.

Table 4.14: ANOVA summary results

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	80.625	5	16.125	78.392	.000 <sup>b</sup>
Residual	40.728	198	.206		
Total	121.353	203			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Laissez-faire Leadership, Democratic leadership, Transformational Leadership, Transactional Leadership

The F value of 78.392 and significant value of 0.000 ( $p < 0.01$ ) in table 14, indicates that this model is significant.

#### 4.5.3.3 Multiple Regression Coefficient

Multiple regression models show the relationship between a dependent variable and a collection of independent variables. According to IBM SPSS Manual multiple linear regressions is used to model the value of a dependent scale variable based on its linear relationship or “straight line” relationship to one or more predictors”.

Table 4.15: Model Coefficients Estimation Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.075	.184		.407	.684
1 Transformational Leadership	.338	.064	.264	5.246	.000
Transactional Leadership	.426	.047	.477	9.073	.000
Laissez-faire Leadership	-.037	.038	-.041	-.993	.322
Democratic leadership	.139	.046	.149	3.014	.003

a. Dependent Variable: Employee Performance

Model coefficients estimation result shows that transactional leadership style is higher with coefficient value of 0.426 followed by transformational leadership style (0.338), and democratic leadership (0.139).

As stated in table 4.15, the transformational leadership style has beta coefficient value of 0.338 with a significant value of 0.000 (lower than 0.05), thus transformational leadership predicts

significant variance in employee performance as a positive beta coefficient value represents a positive variance and a p level lower than significance value of 0.05 indicates a significant variance. This means that one unit increase in transformational leadership predicts 0.338 (33.8%) increase in perceived performance of employee in Kadisco paint and adhesive industry Share Company.

Regarding transactional leadership style has unstandardized beta coefficient value of 0.426 with a significant value of 0.000 (lower than 0.05), thus transactional leadership predicts significant variance in employee performance as a positive beta coefficient value represents a positive variance and a p level lower than significance value of 0.05 indicates a significant variance. This means that one unit increase in transactional leadership predicts 0.426 (42.6%) increase in perceived performance of employee in Kadisco paint and adhesive industry Share Company.

With regard to democratic leadership style, its beta coefficient value is 0.139 with a significant value of 0.003 (lower than 0.05), thus democratic leadership predicts significant variance in employee performance as a positive beta coefficient value represents a positive variance and a p level lower than significance value of 0.05 indicates a significant variance. This means that one unit increase in democratic leadership predicts 0.139 (13.9%) increase in perceived performance of employee in Kadisco paint and adhesive industry Share Company.

However, laissez-faire leadership style has beta value of -0.037 with an insignificant value of 0.332 (higher than 0.05), indicating that it predicts a negative and insignificant variance on employee performance. This implies that one unit increase in laissez-faire leadership predicts 0.037 (3.7%) decrease in perceived performance of employee in Kadisco paint and adhesive industry Share Company.

Table 16: Summary of Hypotheses Result

Type	Hypothesis	Result
H1	The Transactional leadership style affects employee performance in Kadisco paint and adhesive industry Share Company.	Accepted
H2	The Transformational leadership style affects employee performance in Kadisco paint and adhesive industry Share Company.	Accepted
H3	The laissez-faire leadership style affects employee performance in Kadisco paint and adhesive industry Share Company.	Accepted
H4	The democratic leadership style affects employee performance in Kadisco paint and adhesive industry Share Company.	Accepted

In the hypothesis of the study (H1): Transactional leadership has a positive effect on employee performance in Kadisco paint and adhesive industry Share Company. Based on the regression result stated above, transactional leadership has positive effect on the employee performance and it has statistically significant to predict the dependent variable and this lead us to accept the hypothesis stated in chapter two. As previously described in the empirical literatures transformational leadership had positive effect on employee performance and this result of this study coincides with the result of most researchers.

In the hypothesis of the study (H2): Transformational leadership has a positive effect on employee performance in Kadisco paint and adhesive industry Share Company. Based on the regression result stated above, transformational leadership has positive effect on the employee performance and it has statistically significant to predict the dependent variable and this lead us to accept the hypothesis stated in chapter two. As previously described in the empirical literatures transformational leadership had positive effect on employee performance and this result of this study coincides with the result of most researchers.

In the hypothesis of the study (H3): laissez-faire leadership has a positive effect on employee performance in Kadisco paint and adhesive industry Share Company. Based on the regression result stated above, laissez-faire leadership has negative effect on the employee performance and it has statistically insignificant to predict the dependent variable and this lead us to accept the hypothesis stated in chapter two. As previously described in the empirical literatures

laissez-faire leadership had negative effect on employee performance and this result of this study coincides with the result of most researchers.

In the hypothesis of the study (H4): democratic leadership has a positive effect on employee performance in Kadisco paint and adhesive industry Share Company. Based on the regression result stated above, democratic leadership has positive effect on the employee performance and it has statistically significant to predict the dependent variable and this lead us to accept the hypothesis stated in chapter two. As previously described in the empirical literatures democratic leadership had positive effect on employee performance and this result of this study coincides with the result of most researchers.

Overall based on the mean score, correlation and regressions results transactional leadership style is dominant highly correlated and has more effect on employee performance at Kadisco paint and adhesive industry Share Company.

#### **4.6 Interview Analysis**

1. What is role of leaders and employee to achieve organizational mission, vision and goals of your organization Kadisco paint and adhesive industry Share Company?

As the interviewee stated that the roles of leaders in Kadisco paint and adhesive industry Share Company are crucial in achieving an organization's mission, vision, and goals. According to their responses their role are clearly articulating the organization's mission and vision. They also ensure that all employees understand these concepts and how their work contributes to them. Leaders develop strategic plans that align with the mission and vision. They set measurable goals and objectives to guide the organization. Furthermore, they shape the organizational culture, promoting values that support the mission and vision. They foster an environment of trust, collaboration, and innovation.

2. How do the leaders in Kadisco paint and adhesive industry Share Company motivate or initiate employee for enhancing employee and organizational performance?

Leaders motivate and initiate employees to enhance both individual and organizational performance through various strategies. Some effective methods that leaders often employ:

- **Setting Clear Objectives:** Leaders articulate specific, measurable, achievable, relevant, and time-bound (SMART) goals to provide direction.
- **Regular Updates:** Keeping employees informed about organizational goals and changes fosters transparency and alignment.
- **Acknowledgment of Achievements:** Recognizing individual and team accomplishments boosts morale and encourages continued effort.
- **Incentive Programs:** Implementing reward systems, such as bonuses, promotions, or non-monetary rewards (like extra time off), can motivate employees to excel.

Henceforth, leaders significantly influence employee performance by setting expectations, providing resources, fostering a positive environment, and motivating their teams to achieve goals, ultimately impacting productivity and engagement.

3. Which leadership style is practiced in in Kadisco paint and adhesive industry Share Company?

According to the interview, they replied that the leader and my observation, leaders in Kadisco paint and adhesive industry Share Company especially middle and low level leaders; behave authoritatively and transactional leadership because many times they retain the decision authority, ignore employee well-being and emphasis more on task than people. These leaders exercise almost absolute power and one side communication style. On the other hand, democratic and transformational leadership styles are the least practiced in this organization.

4. Does Kadisco paint and adhesive industry Share Company give chance for employees to be a leader?

According to the interviewee, Kadisco paint and adhesive industry Share Company has a system to give chance for employees to be a leader. But the time to be a leader takes long. This will affect employees to be stay in the organization for long period of time.

5. What is the appropriate leadership style that will improve employee performance in Kadisco paint and adhesive industry Share Company?

To improve employee performance, a democratic and transformational leadership style that fosters a positive and engaging work environment, encourages innovation, and empowers employees, is most appropriate. Both of them enables

- inspire and motivate their teams to achieve their full potential, fostering a sense of purpose and engagement
- delegating tasks and encouraging independent decision-making, which boosts morale and creativity
- Encourage critical thinking, problem-solving, and innovation, leading to better outcomes.
- fostering a culture of trust and respect, transformational leaders create a positive and supportive work environment

Hence, the appropriate leadership style that will improve employee performance in Kadisco paint and adhesive industry Share Company are democratic and transformational leadership.

#### **4.7 Discussion of the Major Findings**

Effective leadership styles, particularly transformational and transactional approaches, significantly enhance employee performance by fostering motivation, engagement, and job satisfaction. However, in addressing the issue of leadership styles plays crucial role and can bring huge change in employee performance.

Regarding transformational leadership, the finding of the study also shows that most of respondents were gave low agreement for item number three such as supervisor acts in ways that builds my respect inspirational motivation. While on the remaining items they have moderate level agreement such as supervisor instill pride in me for being associated with him/her, supervisor goes beyond self-interest for the good of the group, supervisor talks optimistically about the future, Supervisor talks enthusiastically about what needs to be accomplished, supervisor expresses confidence that goals will be achieved, supervisor seeks differing perspectives when solving problems, supervisor gets me to look at problems from many different angles, supervisor suggests new ways of looking at how to complete tasks, supervisor spends time teaching and coaching, supervisor considers me as having different needs, abilities, and aspirations from others, and supervisor helps me to develop my strengths. Hence, there are effects in each dimensions of transformational leadership. The major gaps based on the finding of the result on transformational leadership style in Kadisco paint and adhesive industry Share Company are supervisor acts in ways that builds my respect inspirational motivation.

Moreover, respondents gave medium agreement for item under transactional leadership dimensions such as supervisor provides me with assistance in exchange for my efforts, supervisor makes clear what one can expect to receive when performance goals are achieved, supervisor express satisfaction when I meet expectation, supervisor focuses attention on irregularities, mistakes, exceptions, and deviations from standards, supervisor concentrates his/her full attention on dealing with mistakes, complaints, and failures, supervisor keeps track of all mistakes, supervisor fails to interfere until problems become serious, supervisor waits for things to go wrong before acting, and supervisor Shows that he/she is a firm believer in "If it isn't broke, don't fix it."

With regard to the grand mean result laissez-faire leadership shows that there is medium level agreement my supervisor avoids getting involved when important issues arise is the most exhibited factor of laissez-faire leadership style and has the highest influence on employee performance compared to other factors. This implies that the main assumption of laissez-faire leadership style where laissez-faire leaders avoid decision making and not actively involved in problem solving.

Furthermore, the grand mean result democratic leadership shows that there is medium agreement for supervisor and team members always vote whenever a major decision must be made, supervisor wants to create an environment where team members are allowed to participate in the decision-making process, and there are differences in role expectation, my supervisor works with employees to resolve the differences.

Finally, employee performance result shows that there is medium level agreement for the degree to which an activity is completed, or a result produced, at the earliest time, consider neatness, accuracy and dependability of results regardless of volume, consider the volume of work produced under normal conditions disregarding errors, consider the degree to which you carry out a job function without supervisory intervention, and consider the degree to which you promote feelings of self- esteem, goodwill and cooperativeness among co- workers and leaders.

## CHAPTER FIVE

### 5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Summary

In this chapter, the research findings regarding the impacts of leadership styles on improving the employee's performance at Kadisco paint and adhesive industry Share Company are summarized. The study identified key factors that significantly impact employee's performance within the organization. Based on the objectives and findings of the study, the following conclusion were drawn.

Regarding the demographic issues male respondents formed the majority of the target population with a percentage of 70.6%, while female respondents were representing 29.4%. The sample population age distribution was clearly depicted that age of 31-40 years old covering 43.1%. More than half of the sample group is first degree holders which accounted 60.8% followed by Master's degree holder, Diploma graduate and high school graduate 25.5%, 11.8%, and 4%, respectively.

Regarding the variables, the result of transactional leadership have the highest mean value of 2.93 (SD= 0.865) as compared with transformational, laissez-faire, and democratic leadership style. This indicates that transactional leadership is the most exhibited leadership style among the supervisors/managers working at Kadisco paint and adhesive industry Share Company. This also shows that transactional leadership is the most influential leadership style with medium influence on employee performance than other independent variables. Transformational leadership style has the second highest mean of 2.74 (SD= 0.603), followed by laissez-faire leadership style at a mean of 2.67 with a standard deviation of 0.845. This indicates that laissez-faire and democratic leadership style is the third and fourth most practiced leadership style in Kadisco paint and adhesive industry Share Company as well as influential leadership style on employee performance with mean value of 2.67 and 2.63, respectively.

The correlation analysis indicates that transformational leadership, transactional leadership, and democratic leadership has a strong positive and significant relationship with employee performance with the correlation value of 0.612, 0.736, 0.540, and 0.572, respectively. And a

significant value of 0.000 less than 0.05 ( $P < 0.05$ ). However, laissez-faire leadership style has a correlation value of -0.014 and a significance value of 0.848 higher than 0.05, indicating that it has a negative relationship with employee performance.

Finally, Model coefficients estimation result shows that transactional leadership style is higher with coefficient value of 0.426 followed by transformational leadership style (0.338), and democratic leadership (0.139).

## 5.2 Conclusion

Based on the major findings of the study, the following conclusions were drawn:

- Transactional leadership has the largest mean score, strongly correlated with employee performance, more changes of employee performance are due to transactional and it can predict more employee performance than others, has positive effect and statistically significant. Comparatively transactional leadership style was the most frequently used in the findings and has positive effect on employee performance. The major gaps based on the finding of the result shows that on transactional leadership style in Kadisco paint and adhesive industry Share Company are supervisor provides assistance in exchange for efforts, supervisor makes clear what one can expect to receive when performance goals are achieved, supervisor express satisfaction when employees meet expectation, supervisor focuses attention on irregularities, mistakes, exceptions, and deviations from standards.
- Transformational leadership style has the second largest mean score next to transformational leadership, has strong relationship with employee performance, can explain and predict employee performance. It can be concluded that transformational leadership has positive effect on employee performance in Kadisco paint and adhesive industry Share Company. So, it can be concluded that the major gaps based on the finding of the result on transformational leadership style in Kadisco paint and adhesive industry Share Company are supervisor acts in ways that builds my respect inspirational motivation.
- Democratic leadership style has the third largest mean score next to democratic leadership, has strong relationship with employee performance, can explain and predict

employee performance. It can be concluded that democratic leadership has positive effect on employee performance in Kadisco paint and adhesive industry Share Company. So, it can be concluded that the major issues need needs attention are supervisor and team members always vote whenever a major decision must be made, supervisor wants to create an environment where team members are allowed to participate in the decision-making process, and there are differences in role expectation, my supervisor works with employees to resolve the differences.

- Laissez-faire has weak relationship with employee performance, is the least to explain employee performance, statistically insignificant and has negative effect to predict employee performance. So, it can be concluded that laissez-faire leadership style has negative effect on employee performance.

### **5.3 Recommendation**

Based on the study's findings and conclusions, the following recommendations are made, with an emphasis on the weak areas that require further improvement.

- The practice of transformation leadership in Kadisco paint and adhesive industry Share Company is affected by supervisor acts in ways that builds employees respect inspirational motivation. Hence, Kadisco paint and adhesive industry Share Company should work on supervisors to acts in ways that builds employees respect inspirational motivation.
- Regarding to transactional leadership style employees agreed that there is lack of supervisor assistance in exchange employee's efforts and supervisor focuses attention on irregularities, mistakes, exceptions, and deviations from standards. Therefore, Kadisco paint and adhesive industry Share Company should train it supervisors how to exercise transactional leadership style to share skill, knowledge and experience for the employees.
- Availability of democratic leadership helps to improve employee performance in Kadisco paint and adhesive industry Share Company. However, team members have the right to determine their own organizational objectives is the most exhibited factor of democratic leadership and has the highest influence on employee performance compared to other factors. Though Kadisco paint and adhesive industry Share Company

should guide its supervisor how to exercise democratic leadership and the limit of team members to determine their own organizational objectives.

- Finally, Kadisco paint and adhesive industry Share Company should integrate transformation with democratic leadership style with other style to enhance the performance of employees.



## Reference

- Abimbola, O., Samuel., Omowumi, A.O. and Dele, A.O. (2017) 'THE INFLUENCE OF LEADERSHIP STYLES ON EMPLOYEES' PERFORMANCE: A STUDY OF SELECTED PRIVATE UNIVERSITIES IN OGUN STATE, NIGERIA'. *Global Journal of Commerce & Management Perspective*, 6(2), pp. 5–13. DOI: 10.24105/gjcmp.6.2.1702.
- ADB. (2020) *Maldives and ADB. Asian Development Bank*. Available at: <https://www.adb.org/countries/maldives/economy> (Accessed: 28 August 2020).
- ADB. (2019) *Maldives Economic Update 2019*. Available at: <https://www.adb.org/sites/default/files/institutional-document/544946/maldives-economic-update-2019.pdf> (Accessed: 3 April 2020).
- Akpoviro, K.S., Olufemi, A.A. and Owotutu, S.O. (2018) 'Effect of Participative Leadership Style on Employees Productivity'. *Trendy v Podnikání*, 8(2). DOI: 10.24132/jbt.2018.8.2.48\_58.
- Allen, S.L., Smith, J.E. and Silva, N.D. (2013) 'Leadership Style in Relation to Organizational Change and Organizational Creativity: Perceptions from Nonprofit Organizational Members'. *Nonprofit Management and Leadership*, 24(1), pp. 23–42. DOI: 10.1002/nml.21078.
- Antwi, S.K. and Kasim, H. (2015) 'Qualitative and Quantitative Research Paradigms in Business Research: A Philosophical Reflection'. *European Journal of Business and Management*, 7(3).
- Anyango, C.A. (2015) 'EFFECTS OF LEADERSHIP STYLES ON EMPLOYEE PERFORMANCE AT BOA KENYA LIMITED'. p. 92.
- Arifin, F., Troena, E.A. and Rahayu, M. (2014) 'Organizational Culture, Transformational Leadership, Work Engagement and Teacher's Performance : Test of a Model'. 2(1), p. 14.
- Arinanye, R.T. (2015) 'ORGANISATIONAL FACTORS AFFECTING EMPLOYEE PERFORMANCE AT THE COLLEGE OF COMPUTING AND INFORMATION SCIENCES (COCIS), MAKERERE UNIVERSITY, KAMPALA- UGANDA'. p. 67.

- Asrar-ul-Haq, M. and Kuchinke, K.P. (2016a) 'Impact of Leadership Styles on Employees' Attitude towards Their Leader and Performance: Empirical Evidence from Pakistani Banks'. *Future Business Journal*, 2(1), pp. 54–64. DOI: 10.1016/j.fbj.2016.05.002.
- Asrar-ul-Haq, M. and Kuchinke, K.P. (2016b) 'Impact of Leadership Styles on Employees' Attitude towards Their Leader and Performance: Empirical Evidence from Pakistani Banks'. *Future Business Journal*, 2(1), pp. 54–64. DOI: 10.1016/j.fbj.2016.05.002.
- AVAS. (2020) 'Shah Transferred to MWSC, Azim to MTCC'. Available at: <https://avas.mv/en/76886> (Accessed: 1 March 2020).
- Avolio, B.J. and Bass, B.M. (1995) 'Individual Consideration Viewed at Multiple Levels of Analysis: A Multi-Level Framework for Examining the Diffusion of Transformational Leadership'. *The Leadership Quarterly*, 6(2), pp. 199–218. DOI: 10.1016/1048-9843(95)90035-7.
- Awori, B.W.A. (2017) 'EFFECT OF TRANSFORMATIONAL LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE IN REGULATORY STATE CORPORATIONS IN KENYA'. p. 261.
- Baig, S.A. *et al.* (2019) 'Impact of Leadership Styles on Employees' Performance with Moderating Role of Positive Psychological Capital'. *Total Quality Management & Business Excellence*, pp. 1–21. DOI: 10.1080/14783363.2019.1665011.
- Banerjee, B., Alén, E. and Gupta, B. (2017) 'Transformational Leadership and Creative Performance: A Dyadic Analysis of Salespeople and Their Supervisors'. *Asian Journal of Business & Accounting*, 10(1), pp. 201–233.
- Basit, A., Sebastian, V. and Hassan, Z. (2017) 'IMPACT OF LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE (A CASE STUDY ON A PRIVATE ORGANIZATION IN MALAYSIA)'. *International Journal of Accounting & Business Management*, 5(2). DOI: 24924/ijabm/2017.11/v5.iss2/112.130.
- Bennett, T. M. (2009). A study of the management leadership style preferred by IT subordinates. *Journal of Organizational Culture, Communications and Conflict*, 13(2), 1-26.
- Carlson, M.D.A. and Morrison, R.S. (2009) 'Study Design, Precision, and Validity in Observational Studies'. *Journal of Palliative Medicine*, 12(1), pp. 77–82. DOI: 10.1089/jpm.2008.9690.

- Celestine, Awino A. (2015). Effect of leadership styles on employee performance at Bank of Africa. Kenya limited.
- Chishti, S. ul H. et al. (2010) 'Impact of Participative Management on Employee Job Satisfaction and Performance in Pakistan'. *Language in India*, 10(12), pp. 89–101.
- Chua, J., Basit, A. and Hassan, Z. (2018) 'Leadership Style and Its Impact on Employee Performance'. *International Journal of Accounting & Business Management*, 6(1). DOI: 10.24924/ijabm/2018.04/v6.iss1.80.94.
- Cohen, L., Manion, L. and Morrison, K. (2007) *Research Methods in Education*. 6th ed. London ; New York: Routledge.
- Collins, H. (2010) (1) *Creative Research: The Theory and Practice of Research for the Creative Industries*. Switzerland: AVA Publications.
- Conway, E. and Monks, K. (2008) 'HR Practices and Commitment to Change: An Employee-Level Analysis'. *Human Resource Management Journal*, 18(1), pp. 72–89. DOI: 10.1111/j.1748-8583.2007.00059.x.
- Cooper, D.R. and Schindler, P.S. (2014) *Business Research Methods*. 12th edition. New York, NY: McGraw-Hill Education.
- Creswell, J.W. (2007) *Qualitative Inquiry & Research Design: Choosing among Five Approaches*. 2nd Edition. Thousand Oaks, California: SAGE Publications.
- Dalluay, V.S. and Jalagat, R.C. (2016) 'Impacts of Leadership Style Effectiveness of Managers and Department Heads to Employees' Job Satisfaction and Performance on Selected Small-Scale Businesses in Cavite, Philippines'. *International Journal of Recent Advances in Organizational Behaviour & Decision Sciences*, 2(2), pp. 734–751.
- Demetriou, C., Ozer, B.U. and Essau, C.A. (2015) '(PDF) Self-Report Questionnaires'. ResearchGate. DOI: 10.1002/9781118625392.wbecp507.
- Den Hartog, D.N. (2019) *Transformational Leadership*. Poff, D.C. and Michalos, A.C. (eds.). Cham: Springer International Publishing DOI: 10.1007/978-3-319-23514-1\_57-1.
- Drucker, P.F. (2007) *Management: Tasks, Responsibilities, Practices*. New Brunswick, NJ: Transaction Publishers.
- Eran, V.-G. and Drory, A. (2006) *Handbook of Organizational Politics*. Edward Elgar Publishing.
- Ghasemi, A. and Zahediasl, S. (2012) 'Normality Tests for Statistical Analysis: A Guide for Non-Statisticians'. *International Journal of Endocrinology and Metabolism*, 10(2), pp. 486–489. DOI: 10.5812/ijem.3505.

- Girei, A.A. (2015) 'Perceived Effects Of Leadership Styles On Workers' Performance In Package Water Producing Industry In Adamawa State, Nigeria'. *International Journal for Innovation Education and Research*, 3(12).
- Grasmick, L., Davies, T.G. and Harbour, C. (2012) 'Participative Leadership: Perspectives of Community College Presidents'. *Community College Journal of Research and Practice*, 36(2), pp. 67–80.
- Greiman, B.C. (2009) 'Transformational Leadership Research in Agricultural Education: A Synthesis of the Literature'. *Journal of Agricultural Education*, 50(4), pp. 50–62.
- Hackman, M.Z. and Johnson, C.E. (2013) *Leadership: A Communication Perspective*. sixth edition.
- Hair, J.F. et al. (2010) *Multivariate Data Analysis*. 7 edition. New York: Pearson.
- Hakala, D. (2008) '16 Ways to Measure Employee Performance'. *HR World*, p. 3.
- Hall, J. et al. (2002) (2) 'Transformational Leadership: The Transformation of Managers and Associates'. *EDIS*, 2002(2).
- Hameed, A.Z. and Waheed, A. (2011) 'Employee Development and Its Affect on Employee Performance A Conceptual Framework'. *International Journal of Business and Social Science*, 2(13).
- Hong, L.C., Hamid, N.I.N.A. and Salleh, N.M. (2013) 'A Study on the Factors Affecting Job Satisfaction amongst Employees of a Factory in Seremban, Malaysia'. *Business Management Dynamics*, 3(1), pp. 26–40.
- Hoxha, A. and Heimerer, K. (2019) 'Transformational and Transactional Leadership Styles on Employee Performance'. *International Journal of Humanities and Social Science Invention*, 8(11), pp. 46–58.
- Human Resource Development Quarterly, 2022. *Leadership Theories: The Trait Theory vs. the Process Theory*
- Hurduzeu, R.-E. (2015) 'The Impact Of Leadership On Organizational Performance'. *SEA - Practical Application of Science*, (7), pp. 289–294.
- IMF. (2019) MALDIVES 2019 ARTICLE IV CONSULTATION—PRESS RELEASE; STAFF REPORT; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR MALDIVES.
- Imna, M. and Hassan, Z. (2015) 'Influence of Human Resource Management Practices on Employee Retention in Maldives Retail Industry'. *International Journal of Accounting*

- , Business and Management, 3(1), pp. 54–87. DOI: 10.24924/ijabm/2015.04/v3.iss1/50.80.
- Ismail, A., Zainuddin, N.F.A. and Ibrahim, Z. (2010) 'LINKING PARTICIPATIVE AND CONSULTATIVE LEADERSHIP STYLES TO ORGANIZATIONAL COMMITMENT AS AN ANTECEDENT OF JOB SATISFACTION.' UNITAR E-Journal, 6(1), pp. 11–26.
- Itunga, G.M. and Awuor, D.E. (2019) (2) 'EFFECT OF LEADERSHIP STYLES ON EMPLOYEE PERFORMANCE IN STATE CORPORATION IN KENYA.' International Journal of Research Publications, 39(2). DOI: 100392102019764.
- Jama, I.A. (2017) 'The Effect of Leadership Style on Employee Performance in the Case of Ministry of Education and Higher Studies of Somaliland'.
- James A, O. and Ogbonna, I.G. (2013) 'Transformational Vs. Transactional Leadership Theories: Evidence in Literature'. International Review of Management and Business Research, 2(2).
- Jaufar, S. (2016) 'The Effect on Performance of Employees Working in Male' (MWSC). Available at: [https://www.academia.edu/33198848/GRADUATE\\_DIPLOMA\\_IN\\_MANAGEMENT](https://www.academia.edu/33198848/GRADUATE_DIPLOMA_IN_MANAGEMENT) T (Accessed: 5 August 2020).
- Johnson, R.B. and Onwuegbuzie, A.J. (2004) 'Mixed Methods Research: A Research Paradigm Whose Time Has Come'. 33(7). DOI: <https://doi.org/10.3102/0013189X033007014>.
- Jones, D. and Rudd, R. (2008) 'Transactional, Transformational, or Laissez-Faire Leadership: An Assessment of College of Agriculture Academic Program Leaders' (Deans) Leadership Styles'. Journal of Agricultural Education, 49(2), pp. 88–97.
- Jones, T., Baxter, M. and Khanduja, V. (2013) 'A Quick Guide to Survey Research'. Annals of The Royal College of Surgeons of England, 95(1), pp. 5–7. DOI: 10.1308/003588413X13511609956372.
- Krepia, V. et al. (2018) 'Transformational Leadership and Its Evolution in Nursing'. Progress in Health Sciences, 8(1), pp. 189–194. DOI: 10.5604/01.3001.0012.1114.
- Latheef, A.A. (2019) 'Understanding Bottled Water Consumption: A Survey on Public Perception of Drinking Water'. The Maldives National Journal of Research, 7(1), pp. 43–65.
- Lei, K.Y., Basit, A. and Hassan, Z. (2018) (1) 'The Impact of Talent Management on Job Satisfaction: A Study among the Employees of a Travel Agency in Malaysia'.

- Indonesian Journal of Applied Business and Economic Research, 1(1), pp. 1–19. DOI: 10.32456/v1i1.6.
- Lor, W. and Hassan, Z. (2017) ‘The Influence of Leadership on Employee Performance Among Jewellery Artisans in Malaysia’. *International Journal of Accounting & Business Management*, 5(1).
- Luthans, F. and Doh, J. (2018) *International Management Culture, Strategy, and Behavior*. 10th edition. New York: MC Graw Hill Education Available at: [https://www.academia.edu/41257578/International\\_Management\\_Culture\\_Strategy\\_and\\_Behavior](https://www.academia.edu/41257578/International_Management_Culture_Strategy_and_Behavior) (Accessed: 21 August 2020).
- Malcalm, E. and Tamatey, S. (2017) ‘EXAMINING LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE IN THE PUBLIC SECTOR OF GHANA’. *International Journal of Scientific and Research Publications*, 7(11), p. 19.
- Malsa, M. (2020) ‘MWSC, MTCC Switch Heads’. The Edition. Available at: <http://edition.mv/news/14568> (Accessed: 6 August 2020).
- Mangiafico, S.S. (2016) *Summary and Analysis of Extension Program Evaluation in R*. New Brunswick, NJ: Rutgers Cooperative Extension Available at: [http://rcompanion.org/handbook/I\\_10.html](http://rcompanion.org/handbook/I_10.html) (Accessed: 23 August 2020).
- Mansoor, F. and Hassan, Z. (2016) ‘Factors Influencing Employee Engagement: A Study on a Telecommunication Network Provider in Maldives’. *International Journal of Accounting & Business Management*, 4(1). DOI: 10.24924/ijabm/2016.04/v4.iss1/50.64.
- Martin, S.L., Liao, H. and Campbell, E.M. (2013) ‘Directive versus Empowering Leadership: A Field Experiment Comparing Impacts on Task Proficiency and Proactivity’. *Academy of Management Journal*, 56(5), pp. 1372–1395. DOI: 10.5465/amj.2011.0113.
- Masa’deh, R., Obeidat, B.Y. and Tarhini, A. (2016a) ‘A Jordanian Empirical Study of the Associations among Transformational Leadership, Transactional Leadership, Knowledge Sharing, Job Performance, and Firm Performance’. *Journal of Management Development*, 35(5), pp. 681–705. DOI: 10.1108/JMD-09-2015-0134.
- Masa’deh, R., Obeidat, B.Y. and Tarhini, A. (2016b) ‘A Jordanian Empirical Study of the Associations among Transformational Leadership, Transactional Leadership, Knowledge Sharing, Job Performance, and Firm Performance’. *Journal of Management Development*, 35(5), pp. 681–705. DOI: 10.1108/JMD-09-2015-0134.

- Mathis, R.L. and Jackson, J.H. (2010) Human Resource Management. 13th Edition. South-Western Cengage Learning and Leadership Development | Semantic Scholar'. *Journal of Business Studies Quarterly*, 5(4).
- Maxwell (2009). *How successful people lead*. New York: Neegs Press Ltd.
- Miao, Q., Newman, A. and Huang, X. (2014a) 'The Impact of Participative Leadership on Job Performance and Organizational Citizenship Behavior: Distinguishing between the Mediating Effects of Affective and Cognitive Trust'. *The International Journal of Human Resource Management*, 25(20), pp. 2796–2810. DOI: 10.1080/09585192.2014.934890.
- Miao, Q., Newman, A. and Huang, X. (2014b) 'The Impact of Participative Leadership on Job Performance and Organizational Citizenship Behavior: Distinguishing between the Mediating Effects of Affective and Cognitive Trust'. *International Journal of Human Resource Management*, 25(20), pp. 2796–2810. DOI: 10.1080/09585192.2014.934890.
- MinistryOfFinance. (2019a) Annual Financial Review FY 2017. Available at: <https://www.finance.gov.mv/public/attachments/3b7pqKpz2Y71TcCSwnbIbiBhLZb7plJFsyN44NuD.pdf> (Accessed: 2 March 2020).
- MinistryOfFinance. (2019b) Ministry of Finance. Available at: <https://www.finance.gov.mv/public-finance/public-enterprises/board-of-directors-of-state-owned-enterprises> (Accessed: 6 August 2020).
- MWSC. (2020) MWSC - Homepage. Available at: <https://www.mwsc.com.mv/> (Accessed: 6 August 2020).
- Muzaffar Ahmad Sofi and K. Devanadhen (2015). Impact of Leadership Styles on Organizational Performance. An Empirical Assessment of Banking Sector in Jammu & Kashmir (India). *IOSR Journal of Business & Management*, Vol. 17
- Mymaldives. (2020) Maldives Economy. My Maldives. Available at: <https://mymaldives.com/maldives/economy/> (Accessed: 28 August 2020).
- Oneonline. (2020) 'MWSC and MTCC MDs Switched - One Online'. Available at: <https://oneonline.mv/en/20485> (Accessed: 6 August 2020).
- Panimalar, M., Rrofessor, A. and Kannan, K. (2013) 'A Study on Employee Perception Towards Effectiveness And Impact Of Environment Management System At Tamil Nadu Cooperative Textile Processing Mill Ltd., Erode'. *Journal of Business Management*, 2(1).

- Paracha, M. et al. (2012) “‘Impact of Leadership Style (Transformational & Transactional Leadership) On Employee Performance & Mediating Role of Job Satisfaction’” Study of Private School (Educator) In Pakistan’.
- ponto, julie. (2015) ‘Understanding and Evaluating Survey Research’. *Journal of the Advanced Practitioner in Oncology*, 6(2), pp. 168–171.
- Privatizationandcorporatizationboard. (2019) Summary of Quarterly Review Q3/19.
- PSM. (2018) ‘Government Appoints Managing Directors to 3 State-Owned Enterprises’. PSMnews.Mv. Available at: <https://psmnews.mv/en/41791> (Accessed: 6 August 2020).
- Rana, R., Ka’ol, D.G. and Kirubi, D.M. (2019) (2) ‘EFFECT OF PARTICIPATIVE LEADERSHIP STYLE ON EMPLOYEE PERFORMANCE OF COFFEE TRADING COMPANIES IN KENYA’. *Journal of Human Resource and Leadership*, 4(2), pp. 29–57.
- R.B. Behn, 1995. *The Big Questions of Public Management*. Public Administration Review (1995)
- Rao, A.S. and Kareem Abdul, W. (2015) ‘Impact of Transformational Leadership on Team Performance: An Empirical Study in UAE’. *Measuring Business Excellence*, 19(4), pp. 30–56. DOI: 10.1108/MBE-07-2014-0022.
- Riaz, A. and Haider, M.H. (2010) ‘Role of Transformational and Transactional Leadership on Job Satisfaction and Career Satisfaction’. *Business and Economic Horizons (BEH)*, 1(1), pp. 29–38.
- Robbins, S.P. and Coulter, M. (2007) *Management*. 9th Edition. London: Prentice Hall.
- Ronald, G. (2011) *Laissez Faire Leadership*. SAGE Publications DOI: 10.5923/j.mm.20150501.02.
- Sadeghi, A. and Pihie, Z.A.L. (2012) ‘Transformational Leadership and Its Predictive Effects on Leadership Effectiveness’. *International Journal of Business and Social Science*, 3(7), p. 12.
- Saleem, M.A. et al. (2019) ‘Enhancing Performance and Commitment through Leadership and Empowerment’. *International Journal of Bank Marketing*, 37(1), pp. 303–322. DOI: 10.1108/IJBM-02-2018-0037.
- Sauer, S.J. (2011) ‘Taking the Reins: The Effects of New Leader Status and Leadership Style on Team Performance’. *The Journal of Applied Psychology*, 96(3), pp. 574–587. DOI: 10.1037/a0022741.

- Saunders, M.N.K., Lewis, P. and Thornhill, A. (2015) *Research Methods for Business Students*. New York: Pearson Education.
- Saunders, M.N.K., Lewis, P. and Thornhill, A. (2009) *Research Methods for Business Students*. 5th ed. New York: Prentice Hall.
- Savovic, S. (2017) 'The Impact of Dimensions of Transformational Leadership on Post-Acquisition Performance of Acquired Company'. *Ekonomski Horizonti*, 19(2). DOI: 10.5937/ekonhor1702095S.
- Soiferman, L.K. (2010) 'Compare and Contrast Inductive and Deductive'.
- Somech, A. (2006) 'The Effects of Leadership Style and Team Process on Performance and Innovation in Functionally Heterogeneous Teams'. *Journal of Management*, 32(1), pp. 132–157. DOI: 10.1177/0149206305277799.
- Somech, A. and Wenderow, M. (2006) 'The Impact of Participative and Directive Leadership on Teachers' Performance: The Intervening Effects of Job Structuring, Decision Domain, and Leader-Member Exchange'. *Educational Administration Quarterly*, 42(5), pp. 746–772.
- Statisticsolution. (2020) Assumptions of Linear Regression. Statistics Solutions. Available at: <https://www.statisticssolutions.com/assumptions-of-linear-regression/> (Accessed: 29 August 2020).
- Stephanie, G. (2019) 'Unstandardized Coefficient: Elementary Statistics for the Rest of Us!' Available at: <https://www.statisticshowto.com/unstandardized-coefficient/> (Accessed: 23 August 2020).
- Sung-Pyo Choi (2015) 'Effect of Leadership Style of CEO at Small and Medium-Sized Enterprises on the Organizational Effectiveness
- Sunonline. (2015) 'Fazul Appointed Managing Director of MWSC | SunOnline International'. Available at: <https://en.sun.mv/27232> (Accessed: 6 August 2020).
- Tandoh, V.C. (2011) 'EFFECT OF LEADERSHIP BEHAVIOURS ON EMPLOYEE PERFORMANCE IN GUINNESS GHANA BREWERIES LIMITED'. Available at: <http://ir.knust.edu.gh/bitstream/123456789/4462/1/VERONICA%20CELATTIA%20THESIS%202011.pdf>.
- Thao, L.T.T. and Hwang, C.J. (2015) 'FACTORS AFFECTING EMPLOYEE PERFORMANCE – EVIDENCE FROM PETROVIETNAM ENGINEERING CONSULTANCY J.S.C'. p. 13.

- Theworldbank. (2020) The World Bank In Maldives. Available at: <https://www.worldbank.org/en/country/maldives/overview> (Accessed: 28 August 2020).
- Trochim, W.M. (2006) 'The Research Methods Knowledge Base'. Available at: [https://www.researchgate.net/publication/243783609\\_The\\_Research\\_Methods\\_Knowledge\\_Base](https://www.researchgate.net/publication/243783609_The_Research_Methods_Knowledge_Base) (Accessed: 27 August 2020).
- Turner, R. and Muller, R. (2005) 'The Project Manager's Leadership Style as a Success Factor on Projects: A Literature Review'. *Project Management Journal*, 36(2), pp. 49–61.
- Vosloban, R. (2012) 'The Influence of the Employee's Performance on the Company's Growth - A Managerial Perspective'. *Procedia Economics and Finance*, 3, pp. 660–665. DOI: 10.1016/S2212-5671(12)00211-0.
- Wen, T.B. et al. (2019) 'Leadership Styles in Influencing Employees' Job Performances'. *International Journal of Academic Research in Business and Social Sciences*, 9(9), p. Pages 55-65. DOI: 10.6007/IJARBSS/v9-i9/6269.
- Wiedower, K.A. (2001) 'A Shared Vision: The relationship of Management Communication and Contingent Reinforcement of the Corporate vision with Job Performance, Organizational Commitment, and Intent to Leave'.
- Wilkinson, D. and Birmingham, P. (2003) *Using Research Instruments: A Guide for Researchers*. London: RoutledgeFalmer.
- Wilson, J. (2014) *Essentials of Business Research: A Guide to Doing Your Research Project*. 2nd Edition. Los Angeles & London
- Yang, C. et al. (2020) 'Transformational Leadership, Proactive Personality and Service Performance: The Mediating Role of Organizational Embeddedness'. *International Journal of Contemporary Hospitality Management*, 32(1), pp. 267–287. DOI: 10.1108/IJCHM-03-2019-0244.
- Yukl, G.A. (2010) *Leadership in Organizations*. 7th edition. Upper Saddle River, N.J: Prentice Hall.
- Zeb, A. et al. (2015) 'Transformational and Transactional Leadership Styles and Its Impact on the Performance of the Public Sector Organizations in Pakistan'. *Abasyn University Journal of Social Sciences*, 8(1), pp. 37–46.
- <https://www.eximpedia.app/country/ethiopia-importer/kadisco-paint-and-adhesive-industry>

## Appendices

### Appendix I: Questionnaire

#### Part -1: Respondents background information

Guide: Please put a check mark (√) on the appropriate box.

1. Gender: Male  Female

2. Age: 18-30  31-40  41-50  above 50

3. Educational Status: High school  Diploma  First Degree   
Master's Degree

If other specify.....

4. How long have you served in the company?

Less than 5 years  5-10 years  10 - 15 years  15-20 years

More than 20 years

5. For how long have you been in your current position?

Less than 1 year  1- 3 years  3-5 years  More than 6 years

#### PART II: LEADERSHIP STYLE

The sets of statements aimed at helping you assess your feelings or perceptions of the leadership style of your immediate supervisor. You are requested to rating yourself against each statement to indicate you level of agreement with what the statement is suggesting, where the following ratings are:

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.

<b>Transformational Leadership</b>					
<b>Idealized Influence</b>	1	2	3	4	5
6. My supervisor instill pride in me for being associated with him/her					
7. My supervisor goes beyond self-interest for the good of the group					
8. My supervisor acts in ways that builds my respect Inspirational Motivation					
<b>Inspiration motivation</b>					
9. My supervisor talks optimistically about the future					
10. My Supervisor talks enthusiastically about what needs to be accomplished					
11. My supervisor expresses confidence that goals will be achieved					
<b>Intellectual Stimulation</b>					
12. My supervisor seeks differing perspectives when solving problems					
13. My supervisor gets me to look at problems from many different angles					
14. My supervisor suggests new ways of looking at how to complete tasks					
<b>Individual Consideration</b>					
15. My supervisor spends time teaching and coaching					
16. My supervisor considers me as having different needs, abilities, and aspirations from others					
17. My supervisor helps me to develop my strengths					
<b>Transactional Leadership</b>					
<b>Contingent Reward</b>					
18. My supervisor provides me with assistance in exchange for my efforts					
19. My supervisor makes clear what one can expect to receive when performance goals are achieved					
20. My supervisor express satisfaction when I meet expectation					
<b>Management by Exception (Active)</b>					
21. My supervisor focuses attention on irregularities, mistakes, exceptions, and deviations from standards					

22. My supervisor concentrates his/her full attention on dealing with mistakes, complaints, and failures					
23. My supervisor keeps track of all mistakes					
<b>Management by Exception (Passive)</b>					
24. My supervisor fails to interfere until problems become serious					
25. My supervisor waits for things to go wrong before acting					
26. My supervisor Shows that he/she is a firm believer in "If it isn't broke, don't fix it."					
<b>Laissez-faire Leadership</b>					
27. My supervisor avoids getting involved when important issues					
28. My supervisor is absent when needed					
29. My supervisor avoids making decisions					
30. My supervisor delays responding to urgent questions					
<b>Democratic leadership</b>					
31. My supervisor and team members always vote whenever a major decision must be made					
32. My supervisor wants to create an environment where team members are allowed to participate in the decision-making process					
33. My supervisor allows team members to determine what needs to be done and how to do it					
34. My supervisor asks team members for their vision of where they see their jobs going and then uses their vision where appropriate					
35. When there are differences in role expectation, my supervisor works with employees to resolve the differences					
36. Team members have the right to determine their own organizational objectives.					

**PART III: Employee Performance**

The sets of statements aimed at helping you assess your performance at your job in the company. You are requested to rate yourself against each statement to indicate your self-assessment of your Own performance, where the following ratings are:

**1 = very low 2 = low 3 = Average 4 = high 5 = very high** Please place a tick (√) or a mark (x) in the box (cell) that represents your appropriate level of performance rating.

<b>37.TIMELINESS:</b>					
Consider the degree to which an activity is completed, or a result produced, at the earliest time.					
<b>38.QUALITY OF WORK:</b>					
Consider neatness, accuracy and dependability of results regardless of volume.					
<b>39.QUANTITY OF WORK:</b>					
Consider the volume of work produced under normal conditions disregarding errors					
<b>40. NEED FOR SUPERVISION:</b>					
Consider the degree to which you carry out a job function without supervisory intervention					
<b>41. INTERPERSONAL IMPACT:</b>					
Consider the degree to which you promote feelings of self-esteem, goodwill and cooperativeness among co- workers and leaders.					

**Appendix II: Interview Questions**

1. What is role of leaders and employee to achieve organizational mission, vision and goals of your organization Kadisco paint?
2. How do the leaders in Kadisco paint motive/ initiate employee for enhancing employee and organizational performance?
3. Which leadership style is practiced in in Kadisco paint?
4. Does Kadisco paint give chance for employees to be a leader?
5. What is the appropriate leadership style that will improve employee performance in Kadisco paint?

### Appendix III: Skewness and Kurtosis

<b>Descriptive Statistics</b>					
	<b>N</b>	<b>Skewness</b>	<b>Std. Error of Skewness</b>	<b>Kurtosis</b>	<b>Std. Error of Kurtosis</b>
ID1	204	-0.57786	0.170255	-0.05546	0.33891
ID2	204	-0.36396	0.170255	-1.00225	0.33891
ID3	204	0.354413	0.170255	-1.08216	0.33891
INS1	204	-0.10343	0.170255	-0.50174	0.33891
INS2	204	0.236284	0.170255	-1.35758	0.33891
INS3	204	-0.68718	0.170255	-0.08918	0.33891
INT1	204	0.27392	0.170255	-0.75858	0.33891
INT2	204	0.345859	0.170255	-0.37449	0.33891
INT3	204	-0.14706	0.170255	-0.91077	0.33891
IND1	204	-0.31182	0.170255	-1.25323	0.33891
IND2	204	0.225327	0.170255	-0.81462	0.33891
IND3	204	0.129153	0.170255	-1.33945	0.33891
TRL1	204	-0.49385	0.170255	-0.92116	0.33891
TRL2	204	0.075601	0.170255	-0.89059	0.33891
TRL3	204	-0.41641	0.170255	-0.78256	0.33891
TRL4	204	0.068975	0.170255	-1.02248	0.33891
TRL5	204	-0.08782	0.170255	-0.96418	0.33891
TRL6	204	-0.43294	0.170255	-0.2013	0.33891
TRL7	204	-0.17415	0.170255	-0.99476	0.33891
TRL8	204	0.292146	0.170255	-0.78198	0.33891
TRL9	204	0.140597	0.170255	-0.94022	0.33891
LF1	204	-0.1244	0.170255	-1.00338	0.33891
LF2	204	-0.12794	0.170255	-1.11403	0.33891
LF3	204	0.738928	0.170255	0.082973	0.33891
LF4	204	0.197546	0.170255	-0.92397	0.33891
DL1	204	0.207081	0.170255	-0.85186	0.33891
DL2	204	0.50015	0.170255	-0.29663	0.33891
DL3	204	-0.22188	0.170255	-1.07761	0.33891
DL4	204	0.633689	0.170255	-0.04488	0.33891
DL5	204	0.229916	0.170255	-0.86541	0.33891
DL6	204	-0.1239	0.170255	-0.74188	0.33891