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ADDIS ABABA UNIVERSITY
SCHOOL OF GRADUATE STUDIES
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT
EXECUTIVE MASTERS OF BUSINESS ADMINISTRATION
(EMBA)

AN ASSESSMENT OF THE LEADERSHIP PRACTICE OF
BUNNA BANK LEADERS

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JUNE, 2023

ADDIS ABABA, ETHIOPIA

**AN ASSESSMENT OF THE LEADERSHIP PRACTICE OF
BUNNA BANK LEADERS**

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THE DEGREE OF EXECUTIVE MASTERS IN BUSINESS
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BY: MEDHANIT FEKADE

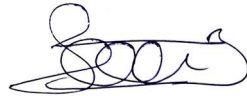
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COLLEGE OF BUSINESS AND ECONOMICS
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EMBA PROGRAM**

JUNE, 2023

DECLARATION

I hereby declare that this thesis entitled “An assessment of the leadership style on Bunna Bank Leaders”, is my own work that was undertaken under close supervision of my advisor. Accordingly, I would like to rationalize that this substantial is my own effort and not offered or defer to by someone else for any degree, diploma or camaraderie in any work, other university and all the resources used for developing this thesis have been duly acknowledged.



Medhanit Fekade Signature _____ Date 10/07/2023

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JUNE, 2023

ADDIS ABABA, ETHIOPIA

ENDORSEMENT

I, the undersigned, have been supervising this thesis. I state that this paper is original and has not been offered for a degree in any other academy. All source of materials used have been properly recognized.

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Approval by Examining Board

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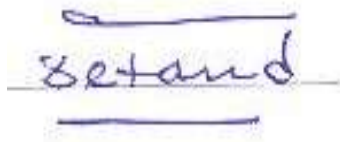
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Abbreviations

LF:	Laissez-Faire Leadership
LSP:	Leadership style
M:	Mean
SD:	Standard Deviation
TF:	Transformational Leadership
TS:	Transactional Leadership
SPSS:	Statistical Package for Social Scientists

Abstract

Leadership regulates whether an association, a country or a collection will accomplish its goals and also gratify the admirers' desires. Consequently, the objective of this investigation was "to assess of the Leadership Style of Bunna Bank leaders". In order to encounter the purposes of this research, the examination was undertaken using qualitative technique and the associations planned in the outline was analyzed using descriptive statistics research technique. The intended population of this research was employees of Bunna Bank S.C headquarter and selected branches, with 278 populations. Stratified random sampling technique was used to select 260 employees' respondents. The primary data was collected from the sampled population of the Bank by using Likert scale type questioner as measuring instrument. The collected data was analyzed using descriptive statistics, by Statistical Package for Social Sciences (SPSS) 22 version. The major variable of the investigation is the exercise of management style i.e., transformational leadership, transactional leadership, and laissez Faire leadership in the Bank. The examination found that the leadership style in place by leaders of Bunna bank inclines to be a combination of the aforementioned three major leadership styles. The leadership approach has significant contribution for employees' performance. Leader using the transactional leadership style the leadership approach applied by Bunna Bank incline to be further of transformational though there is a sentimentality of a laissez-faire and transactional at periods. Furthermore, the study has also exposed that there is a combination of supplementary leadership styles detected.

Keywords: *Leadership, Transformational leadership style, Transactional leadership style, Laissez Faire leadership style.*

CHAPTER ONE

INTRODUCTION

This chapter's introduction covered the study's background, the problem statement, the research questions, the aims, the significance, the delimitation, the organization, and the definitions of key terminology.

1.1 Background of the Study

The world has gotten bigger, more competitive, and more volatile in the current global context. Organizational design, structure, and leadership are just a few of the fundamental changes that must be made for them to survive and succeed in a company.

Leadership has recently emerged as one of the key determinants of organizational performance among organizational development concerns (Bertocci, 2009). This demonstrates how crucial human resources management is to the effective management of a company and how effective leaders and subordinates help the latter achieve its objectives. Success is unattainable without managerial work and dedication. Since organizations are social systems, human resources are the most important element in determining organizational efficiency and success.

In the business world, it is commonly accepted that the key ingredient in the formula for corporate success is leadership. In the worlds of sports, politics, civic societies, governments, families, and educational institutions, among other things, leadership is also necessary. According to Huczynski (2001) and Hakala (2008), leadership is a key factor in determining an organization's effectiveness.

The ability to inspire people to work willingly and enthusiastically toward the achievement of a team goals can be summed up as leadership. It can be explained simply as "getting people to follow you or make decisions voluntarily" (Mullins, 2007). Therefore, leadership is a relationship in which one person has an impact on the conduct or activities of others.

According to Hackman (2004) makes the case that leadership may be categorized into three themes: the exercise of authority, the capacity to affect individual or group behavior, and mutual cooperation towards the accomplishment of a common objective. When leaders and followers collaborate, success can be attained. Therefore, it may be argued that being in a leadership

position does not necessarily make one a leader. This is so because group members must gain the respect and acceptance of their leaders.

Halcomb *et al.*, (2000) contend that people's motivation to exercise leadership results from an awareness of a need to be filled—a chasm between the actual situation and the ideal one. Leaders' natural instinct is to come up with solutions to change conditions that do not reflect what is right, fair, or truthful rather than accepting them as facts of life and excluding people who are impacted by them.

In this research leadership views as the ability of persuading followers to attain a team goal, including their capacity to develop and be content. The ability to persuade followers to voluntarily collaborate with the leader to accomplish collective goals is referred to in this study as leadership.

According to James and Jimmie (2005), the one thing that clearly distinguishes leaders from non-leaders is having eager followers. Leaders must involve others in their cause if they are serious about doing anything significant.

The subject of most studies is leadership. Numerous studies have been conducted, and various leadership theories have been developed. However, the majority of these studies concentrate on businesses in industrialized nations that operate in fully established environments. Although in developing states there have been many research in leadership area, more study is still required to close the skill gap and gain a deeper understanding of leadership. Additionally, the majority of studies undertaken are not focused on the Banking sector. As a result, the researcher undertook this study in an effort to reduce the leadership.

Transformational leadership enhances the motivation, morale, and performance of followers through a variety of mechanisms (Manzoor et al., 2019). These include connecting follower's sense of identity and self to the project and the collective identity of the organization; being a role model for followers that inspires them and makes them interested; challenging followers to take greater ownership for their work, and understanding the strengths and weaknesses of followers, so the leader can align followers with tasks that enhance their performance (Kuhnert, Karl W., Lewis, 1987).

Most of the literature reviewed for this study were somehow consistent in suggesting that both transformational and transactional leadership styles are significantly positively related to employee performance (Jing & Avery, 2008; Ojokuku et al., 2012) And, more over the effect of transformational style is more pronounced than that of the transactional leadership style (Rasool et al., 2015; Tsigu and Rao, 2015). Hence, this study tries to probe, between these two styles out of which style is the most impactful leadership style among managers in the Bunna Bank.

Accordingly, the researcher evaluated the dominant leadership style used by Bunna Bank CEOs and different levels of managers who employ each of the three leadership philosophies, namely transactional, transformational & laissez-faire. Additionally, the study clarified how each of the three leadership styles differs in practice. As a result, the leadership style of Bunna Bank officials was evaluated.

1.2.1 Background of the Organization Under Study

In accordance with Proclamation No. 59 on the licensing and supervision of banking activities, Bunna Bank, also known as the bank of visionaries, is a private bank that has been active in the financial sector since gaining its license from the National Bank of Ethiopia on June 25, 2009. In Ethiopian banking history, the bank is a third-generation banking organization that is rapidly expanding.

It was established with a paid-up capital of 156 million Birr and a subscribed capital of 308 million Birr. But the paid-up capital has expanded to about Birr 3.3 billion, and there are now more than 13,024 shareholders, making the bank one of Ethiopia's most powerful and widely traded private banks.

There are currently more than 13,000 shareholders. The chairperson and vice chairperson of the board of directors have decades of combined expertise, and the board is structured according to a formula. They are also accompanied by numerous directors who have earned graduate degrees in accounting and finance. The organizational and structural effectiveness of the Bank leaders improves this.

1.2 Statement of the Problem

Leadership is a set of manners used to help persons align their collective direction, to perform strategic plans, and to continually renew an organization. Both a science and an art go into being

a leader. This place a focus on leadership as a subject of academic study and stresses features of leadership practice. Scholars may not be necessary for effective leadership, but knowledge of some research on the subject might aid in better situational analysis from a range of viewpoints. Leaders may then gain insight into how to be more effective as a result (Minja, 2010).

Leadership enhances output and profitability, but the degree of success depends on the leadership style used by the leader and the framework in place to make sure worker productivity (Ukaidi, 2016). Businesses rely on their leaders to champion the innovations and reforms required to maintain competitive advantage in an aggressive industry (Yukl, 2010).

Leaders are viewed as those who can create strength out of weakness, order from chaos, lead organizations through inconceivable environmental upheaval, and flourish where lesser mortals will certainly perish. The demands for change in the relationship between a leader and his subordinates have led to changes in leadership through time as a result of changing employee expectations. According to research, leaders can sway followers in a variety of ways, such as by organizing, communicating, instructing, inspiring, and rewarding them (Yukl, 2010).

Although the policies and processes used by the bank's branches are the same across the board, each branch's actual performance differs. According to the assessment of the bank's leadership style, only part of the bank's branches meets their objectives by the close of the budget year. Only 100 of Addis Abeba city branch locations' branches (almost 50%) met their annual goals in the year 2021/22, according to data gathered from the bank's strategic planning office. The remaining 100 branches (50%) did not.

This finding makes it very evident that the leadership styles used by bank leaders throughout the bank's branches varies significantly. Although there are numerous variables that affect how a leader behaves, including motivation, and organizational culture, no prior research has been done on the use of leadership style at Bunna Bank,

What seeks a solution to the question, "Which leadership style are the leaders at Bunna Bank actually using?" Additionally, the study aims to fill in the gaps left by earlier research on bank leaders' leadership practices. As a result, it significantly adds in part of literature and knowledge that is expanding in the field this research in banking.

Without ever having participated in a leadership course or training program, some managers may be effective leaders, and some leadership academics may also be relatively ineffective leaders. This study took a follower-centered approach to leadership research, assuming that followers are aware of what makes for good leadership.

Rapid growth in business sectors predominantly in bank industry as well as the developing of private bank industries in Ethiopia increases the challenges and struggle to be profitable. External and internal context of business are increasingly fragmented, equivocal and changing which necessitate modification of conformist concepts of leadership and followership. Salary differences and other advantages coupled with different managerial and leadership style disturbs the efficiency of employee in bank industry and increases staff turnover (Ekong et al., 2013).

The spirit of leadership in organizations is that leadership must be for the accommodation of the factions. Leadership is about drawing persons together to get the tasks gifted which support the organizational mission. Effective leadership in organization generates vision of the future that considers the sincere long-term interest of the parties complicated in the organization to develop a strategy for moving advancing towards that vision enlists the support of employees to produce the movement and motivates employees to implement the plan (Ojokuku et al., 2012).

There is an interest to explore more in the nature of the associations that exists between leadership style and its application in Buna banks due to the paucity of study on bank leader application of leadership style.

The main drive of this study was to evaluate the leaders at Bunna Bank in terms of their leadership styles. The aim of the research was to examine whether or not CEOs and managers exercise effective leadership by analyzing their philosophies and methods. The respondents, who were also followers, were asked to evaluate the Buna Bank's leadership practices and to suggest other elements they believed were crucial to bank leaders' ability to lead effectively.

1.3 Research Question

In light of the aforementioned goals, the under listed research questions were investigated in this study:

1. How much do Bunna bank leaders use transformational leadership techniques?
2. How much do Bunna bank leaders use transactional leadership styles?

3. To what extent do Bunna bank officials employ a laissez-faire leadership style?

1.4 The Objective of the Study

1.4.1 The general objective

The study's goal was to evaluate the leadership practices used by Bunna Bank executives.

1.4.2 The specific objective

The following goals led the study's research:

- To assess how transactional leadership styles have been used by bank leaders by the Buna bank Sc.
- To examine how transformational leadership has been practiced on bank leaders by the Buna bank.
- To determine how Buna Bank Sc.'s bank officials have applied the laissez-faire leadership style.

1.5 Scope of the Study

The research is restricted in the use of leadership style by bank leaders in Bunna Bank Sc. in order to fulfill the study's purpose. Descriptive statistics were utilized in the research to measure the practice of leadership style, and descriptive analysis was employed in the research to evaluate the practice of leadership style using primary data. The study's geographic focus is on the banking sector, namely Bunna Bank S.C., and all of the respondents are from the bank's Addis Abeba, Ethiopia, branches. The bank's headquarters and various branches, where management and operational staff are integrated, are the subjects of the research. The information used in this study was derived from the bank's annual report for the fiscal year 2021–2022.

1.6 Significance of the Study

The following ways the study can be advantageous to various stakeholders include:

The study's conclusions can assist Buna Bank management in realizing the importance of leadership style in achieving the organization's strategic objectives. This could serve as the foundation for developing the leadership tactics in order to guarantee that Buna Bank attracts, hires, and retains the best possible workers.

The report can be used as a starting point by the Buna bank to assess its own leadership practices and the impact they have on business operations. The study's conclusions can be used by

subsequent researchers for literature reviews and surveys, as well as a starting point for those who wish to conduct additional research on the subject.

1.7 Operational Explanation of Terms

Following are definitions of the important terms and terminology used in this study:

Leader- The term "leader" in this study refers to the person chosen by the organization or owner to oversee all or some portions of the company's activities as well as its subordinates.

Leadership - Through this approach, one person can persuade a group of people to work toward a single objective. This demonstrates how leadership plays a key role in providing direction and purpose toward accomplishing organizational goals, which distinguishes successful from unsuccessful businesses and governments.

Leadership Style-This is described as a personality trait exhibited by leaders that motivates followership. On the other hand, it can also be described as a specific set of actions taken by a leader to encourage followers to fulfill organizational goals. The way a leader supports, motivates, and guides subordinates in making decisions and accomplishing corporate goals is referred to as their leadership style.

Transformational leadership style -This focuses on the leader as the source of inspiration for followers to go above and beyond expectations.

Laissez-faire Leadership style -This defines a total absence of leadership, in which there is little to no interaction between the leader and the followers or support from the leader.

Transactional leadership style -This focuses solely on the interaction between leaders and followers, particularly how each party benefits from achieving the goal.

1.8 Limitation of the study

This study research has the under listed drawbacks:

This research was conducted based on the opinions of Bunna Bank management. Therefore, the leaders' comments reflected and were limited to their individual experiences in Bunna Bank.

Due to time restrictions, only a quantitative technique was used in the investigation. To gain a thorough understanding of the study issues, the researcher would have employed both a

quantitative approach and a qualitative approach (mixed method). However, employing the mixed technique was not possible due to time constraints.

The study's singularity inside a particular environment might make it challenging to repeat identically in another one.

1.9 Organization of the paper

There are five primary chapters in this thesis report. As a result, there are five chapters, each of which is explained below.

Chapter One (introduction): The background research, problem statement, study objective, research questions, significance of the study, study scope, study limits, and study organization were all included in this chapter.

Chapter Two (Literature Review): This chapter includes conceptual framework relating to the thesis's title as well as theoretical and empirical literature studies. The notion of leadership, different varieties of leadership, the essence of leadership, theories and background information about leadership, instruments of leadership styles, and factors influencing style of leadership are all covered in this chapter. In the banking sector, influence of leadership style on employee performance is also examined.

The research design, research approach, target population, sampling size and methodologies, data collection methods and data analysis methods, validity and reliability tests, and ethical considerations are all covered in Chapter Three (Research Methodology).

The focus of Chapter Four (Data Analysis and Result Presentations) is on the data analysis and result presentations of the findings of the thesis's specific objectives. The results are presented in tables and graphs with the mean and standard deviation, and discussion and data interpretation are based on the research's conclusions.

The thesis paper's conclusions and recommendations are delivered in Chapter Five (Conclusions and Recommendations).

CHAPTER TWO

Review of Related Literature

2.1 Introduction

In today's organizations, where change is a constant part of life, leadership practice is becoming more and more crucial. According to (Vinger, 2006), the issue is not change per se but rather the organization's capacity for effective leadership in a changing environment. Three sections are covered in this chapter. In order to identify gaps that remain and how the current study proposes to fill them, Section 1 surveys pertinent works on leadership styles and organizational performance in statutory institutions in Uganda. In order to create best practices, section two reviews models and operational issues that have been used in the areas of leadership styles and organizational performance, particularly in the statutory context in other nations. Presenting the conceptual framework is section three.

2.2 The concept of leadership

Since the beginning of time, the word "leadership" has aroused excitement and curiosity. It may not be noteworthy that, despite more than seventy-five years of empirical research on the topic of leadership, it is still unknown exactly what separates effective leaders from ineffective leaders or what divides leaders from non-leaders (Jago, 2015). A leader must use non-coercive influence in order to direct and organize the actions of participants of an organized team towards the attainment of common objectives.

Leadership is a collection of traits attributed to people who are thought to use such influence successfully. Leadership, in the opinion of (Mullins J., 2005), is the process through which one person affects the conduct of others. Leadership is motivating others to work toward your goals within the constraints you establish to the point where it becomes a joint effort, a shared success. Leadership is a social influence technique that maximizes other people's efforts in the pursuit of a goal (Kruse, 2013).

An elusive concept with numerous definitions is leadership. According to (Northouse P. G., 2016), leadership is the act of influencing a group of individuals to work toward a common objective. Leadership literature has evolved from simple list of duty or responsibilities to interest theories. According to some, effective leadership is essential to the success of any company, including a university (Snodgrass, 2008).

These organizations must have strong leadership in order to accomplish their specific organizational objectives given the increasingly dynamic and complicated environment in which they operate.

In regard to employee effort, their workplace and motivation, the origins of leadership and the study of this phenomenon can be traced in the early phases of civilization. Leaders, leadership ideologies, and myriad other facets of the workplace have been studied since around two centuries before. Through time, organizations transitioned from being autocratic to having a more enjoyable work environment to becoming settings where people are empowered, supported, and encouraged in their personal and professional development (Gregory & Patterson, 2005).

2.3 Framework for understanding leadership

Due to the interest in leadership as a practice and study area, numerous theories and explanations of leadership have been created. This framework focuses on the main groups of factors that affect a leader's performance. The framework's fundamental premise can be represented in terms of a brief formula that has a deep significance:

$$L = f(l, gm, s)$$

According to the formula, the leadership process depends on the leader, the group's (or followers') members, and other environmental factors. Leadership functions both the leader and the complexity of the context (setting and environment), according to Avolio (2007), leadership is not something that can be defined in the abstract but rather considers the leader, the person or people being led, as well as a number of external circumstances. The situational perspective is expanded by the model offered.

The essential variables that make up leadership, according to this model, are leader qualities and characteristics, leader conduct and style, team member traits, and the internal and external environment. The fact that leadership is a multilayered phenomenon is a fundamental tenet of this approach. The group as well as each individual group member are engaged in conversation by the leader. Leadership occurs simultaneously in the context of the organization and the surrounding environment. (Yammarino, 2011) asserts that moving from a lower level (person level) to a higher one (leader-follower group level) is a key component of leadership.

2.4 Essence of Leadership

Change those results in the achievement of particular goals is at the heart of leadership (Chung & Lo, 2007). Because planning entails creating order for the current situation, it is not a good representation of leadership. Strategic (long-term) planning is an example of leadership since it inspires action in the future (Kotter, 2006).

A company's success depends on having effective leaders, and strong leaders are developed through effective leadership. Since leadership is a paradigm that involves interpersonal relationships, the development process is not the main focus of leadership (Hernez-Broome, 2004). Successful leaders must have the ability to influence followers' attitudes and behaviors. One of the key elements of leadership is how the followers see the leader (Fisher et al., 2005). Using stories to connect with your audience and share your vision can be effective (Sample, 2002). Leaders are expected to execute at a higher level than others (Marinca, 2005).

Leaders have a variety of qualities, including intelligence, ethics, dependability, and trustworthiness. In order to accomplish desired tasks and build relationships with people, leaders use a variety of styles (Spohn, 2005). In a leader and follower relationship, the capacity to manipulate others through the use of power can result in power abuse. The results of the leader's objectives, the followers' actions, and their combined relationship will determine whether or not authority is abused (Whittington, 2004). Therefore, Whittington contended, the more dependent a follower is on a leader, the more control that leader will have over the follower.

In order to lead without magic and achieve assigned duties in emergency situations, (Infantino, 2004) created 15 general leadership principles.

2.5 Theories and Background of Leadership

In their efforts to understand leadership, academics and theorists have generated a wide range of theories and methodologies. Prior to the 20th century, leadership research was not grounded on scientific study, as has been stated (Chemers, 2004). The most common leadership ideas and methods are discussed in the sections that follow.

2.5.1 The Great Man Theory

Early leadership researches intended to identify the traits that distinguished brilliant people from average people (Stogdill, 2005). In the 18th and 19th centuries, philosophers were more of

interested in great persons than in external conditions (Spotts, 1964). The Great Man Theory claims that leaders have unique qualities that set them apart from other people. Furthermore, it assumes that leaders are made, not born. This theoretical perspective on effective leadership is recognized as the most fundamental, conventional, and widely accepted one. The idea exaggerates the prominence of an organization's executives while downplaying its past achievements. In other words, the idea implies that the effectiveness of an organization depends entirely on the capability of its executives.

This idea proposes that only great persons, such as Moses, Churchill, and Lenin, were responsible for shaping history (Bass, 1981).

2.5.2 Trait Theory

The main leadership theory during the first half of the 20th century was thought to be trait theory (Chemers, 2004). The trait method tried to identify the psychological, physical, and personal characteristics of effective leaders. According to the notion, if leaders have superior features or characteristics that set them apart from their followers, it should be easy to isolate those traits or characteristics (Bass, 1990).

2.5.3 Situational Management Style Theories

Behavioral theories were discovered to be inadequate methods for analyzing leadership in the 1960s (Ivancevich, 2016). By this time, academics had realized that the study of leadership effectiveness needed to take into account situational aspects such the traits of leaders and followers, the nature of the work, and group characteristics (Ansari, 2010). The inference was that the context would determine what constitutes effective leadership behavior (Schermerhorn, 2005). According to situational or contingency theories, there is no one universal leadership style that can be used in all circumstances.

2.5.4 Fiedler's Contingency Theory

Fred Fiedler created the original complete theory of contingency leadership. The fundamental principle of the idea is that group efficiency depends on how well the personality or leadership style of the leader matches the demands of the circumstance. The model also highlighted that the two primary leadership philosophies were task- and employee-oriented. The Least-Preferred Co-

worker (LPC) Questionnaire was created by Fiedler to assess whether the leader was task- or employee-oriented (Fiedler, 2005).

A series of bipolar words, such as friendly-unfriendly and pleasant-unpleasant, are scored on an 8-point scale, and the leader is asked to think about the person with whom they have collaborated least successfully to complete a task in order to determine their LPC score. A high LPC leader who uses largely positive concepts to describe his least favorite coworker is motivated by other people. Task motivation is present in a low LPC leader who employs mostly unfavorable notions (Siegel & Lane, 1982). Task-oriented leaders will be successful in both favorable and adverse circumstances, claims Fiedler.

2.6 Leadership styles

It alludes to a leader's predictable pattern of behavior as observed by those around him. Every leader forms a pattern for how he responds to his followers and subordinates in various circumstances. The ideology, personality, and experience of the leader all contribute to their leadership style. Additionally, it depends on the followers' characteristics and the environment of the organization. According to (Mosadeghrad, 2006), a leader's thoughts, behavior, and organizational environment all influence their leadership style. It can be seen as a collection of managerial attitudes, actions, traits, and abilities based on corporate and personal values, leadership interests, and the dependability of employees in various contexts.

According to (Newstrom, 2007), a leader's style is the overall pattern of his or her overt and covert behavior as perceived by subordinates. It demonstrates consistency because each style also reflects a manager's assumptions about a subordinate's aptitudes (Theory X or Theory Y), whether directly or implicitly. The exercise of power by a leader determines his leadership style, which can be autocratic, delegative, or participative. Autocratic rulers concentrate authority and decision-making within themselves. They design the entire working environment for their staff members, who are supposed to follow instructions and not think for themselves.

The group is functioning as a social unit under the leadership. Workers are encouraged to share their opinions, offer solutions, and take action after being informed about circumstances that may influence their jobs.

In their analysis, Rao and Raju (2012), discovered that the developmental style of leadership is the most ideal. It is linked to the development of employee empowerment, growth, learning, high morale, and satisfaction. According to Goleman, this manner produces resonance, whereas the hostile environment produced dissonance. In addition to reliance, benevolent or relationship-dominant styles run the risk of fostering anger and task avoidance. They strongly advise putting more emphasis on the developmental style of leadership as a desired style in the future.

Finlay (2000), identified two leadership philosophies as "autocratic" (very task-oriented and lowly people-oriented) and "human resource oriented" (lowly task-oriented and highly people-oriented), which focused on the task and interaction of the leader with its subordinates. Some scholars made an effort to construct and analyze leadership styles solely from the viewpoint of the corporate world, concentrating on the service sector. The effectiveness of several leadership philosophies, particularly in service sector organizations, was evaluated by (Wilderom C.P.M., 2004). The researchers identified four leadership philosophies: "transactional," which is high on tasks and low on people; "transformational," which is high on people and low on tasks; "human relations," which is high on people and low on tasks; and "laissez faire," which is low on people and low on tasks.

Laissez-faire was found to be the least common leadership style, and it was more frequently used by leaders with low educational backgrounds, little prior managerial experience, and employee leaders (As-Sadeq, 2005). Laissez-faire leadership identified as employed the least frequently, whereas transformational leadership and transactional leadership were both found to be regularly used.

2.7 Types of Leadership Approach

Many leadership theories have been developed by different management researchers, taking into account elements like behavior, attributes, nature, etc. Authoritarian, laissez-faire, transactional, transformational, paternalistic, and democratic leadership styles are the most common. The study primarily focuses on the leadership philosophies of transformational, transactional, and laissez-faire among them.

2.7.1 Transformational Leadership

James MacGregor Burns initially described the leadership style known as transformational leadership in 1978. According to As to (Northouse P., 2013), transformational leadership is "the process whereby a person engages with others and creates a connection that raises the level of motivation and morality in both the leader and the followers." In order for their subordinates to perform to their full potential, transformational leaders pay attention to and support their followers' needs. By increasing their followers' knowledge of the organization's ideals, leaders can inspire and transform their followers. This process is known as transformational leadership.

According to Arci and Forebode (2014), transformational leadership entails an effort on the part of the leader to sway the followers in the right path. The followers of a transformational leader are inspired to perform at a higher level than was originally planned. Instead of just following the rules as they are, the leader makes an effort to change the followers' views, attitudes, and values.

Transformative leadership can be seen as an extension of transactional leadership, claim Bass and Riggio (2006). Transformative leaders encourage their followers to dedicate themselves to the organization's common vision and goals by assigning them tough work, developing followers' leadership ability, as opposed to the straightforward trade that may occur between the leader and followers in transactional leadership.

These leaders advance the practice of leadership. Such leaders inspire their followers to put the good of the group or organization ahead of their own self-interest (Metwally, El-Bishbishy, & Nawaz, 2014; Jacobsen, 2013).

According to Bass and Riggio (2006), charismatic leadership and transformational leadership share many characteristics, although charisma is simply one aspect of transformational leadership. The negative aspects of charisma have been pointed out by detractors of both charisma and transformational leadership. That is to say, certain leaders inspire and guide their people toward destruction and negative outcomes through their charm. Such leaders were dubbed pseudo-transformational leaders by academics. Thus, charisma can have both positive and negative effects.

According to research findings, transformational leaders inspire their followers to see beyond their own self-interest. In addition, according to Antonakis (2012), Bushra, Usman, & Naveed

(2011), Money (2011), and Northouse (2013), the transformational leader sets high expectations, works to achieve organizational goals, and establishes clear goals. According to Northouse and Antonakis, transactional leadership and transformational leadership are more alike than the laissez-faire leadership style.

It is important to consider the benefits and drawbacks of each leadership style. However, there must also be a firm conviction in the "rightness" of the goal being pursued, even though transformational leaders do tend to generate greater levels of respect and trust. If a transformational leader starts to lose faith, the rest of the team will follow suit. (Brandon,2018).

2.7.1.1 Advantage of transformational leadership

Bass and Riggio (2006) defined transformational leadership style into five benefits.

Transformational leaders initiate and oversee change first. Organizations and brands must be willing to adapt throughout time in order to develop into competent entities. The ideal leadership approach to use when new initiatives are in place to get people on board with the organizational vision being introduced is transformational leadership. They can advertise the required modifications, improvements or growth as long as they already have confidence in the process. They carry out the upgrades in themselves, motivate others to do the same.

Similarly, according to researcher Brandon (2018), if used effectively, the transformational leadership style enables the followers, the leader and the organization to sooner or later recognize their full capacity.

Second, fresh corporate visions may be developed fast; transformational executives excel at integrating a new vision into their existing organizational structure. They are adept at spotting gaps or issues that arise when the vision is being implemented, which enables them to rapidly provide revisions or suggestions to fix the problem. The adoption of the new vision swiftly spreads down the organizational hierarchy to have everyone on the same page since their charisma helps to sell the morality of the vision to their followers.

Third, transformational leaders are good communicators. Poor team communication is one of the major problems businesses have when trying to increase productivity. Without appropriate communication of group members' responsibilities, expectations, or project requirements, the team cannot be fully productive. Transformational leaders are required to communicate

effectively because of their position, and they must provide feedback to their followers frequently to keep them focused on the vision or objective being pursued. This leadership style cannot function without effective communication (Brandon, 2018).

Fourth, transformational leaders want to stay away from coercion; they don't want to abuse their power to rule over others. They don't compel obedience by intimidation or influence. Instead of using fear to drive change, this leadership approach favors inspiration. Because they reintroduce the idea of optimism into the larger picture, these leaders use humanistic concerns to alter internal cultures. Because of this, the followers of transformational leaders are frequently devoted to a fault. In their own life, they acquire the morals and ethics of the transformative leader (Brandon, 2018).

Fifth, they make an effort to treat each person as an individual; transformative leaders respect the importance of viewpoint. Every follower is considered as a person with special requirements and capacities. Because it treats followers equally, this strategy maintains a casual and welcoming work environment. Rather than giving them directly, helping, counseling, encouraging and role modeling are used to urge others to follow directions. Even more so, transformational leaders will assign specific tasks based on the goals, aptitudes, and motivations of each person.

2.7.1.2 Disadvantage of transformational leadership

Despite the advantages of transformational leadership, some features of this leadership approach are unappealing.

Although transformative leadership does offer many chances for beneficial outcomes, it can also create negative outcomes. Every advantageous situation has the potential for a disadvantage as well. There is a "dark side" that transformative leaders must stay away from, to borrow a phrase from the Star Wars world. Adolf Hitler is probably the worst example of a terrible transformative leader. He showed a strong sense of charisma, articulated a vision, and appealed to the values of his people. But in the outcome, he ultimately obtained dissuaded his people from advancing morally.

If a transformative leader does not think that accomplishing an objective is morally right, they will not pursue it. Therefore, the followers of transformative leaders must agree with them. This is due to the fact that the leader must have to continually sell the vision and inspire their team to

strive toward it. If any one of the followers believe the leader's assessment, the work being completed, or the realization of the vision to be unethical, they will not participate. In some other cases, followers may even rebel against the leader if they feel like they are being led in an immoral way.

Third Transformational leaders practice their charismatic style to serve as an example for their organization and followers, even when the risks they take can be disruptive. They use their energy to teach others how to do works or achieve their objectives. People that adopt this leadership style frequently take some risks in order to find innovation or bring about change. The team members and the organization suffer as a result of a leader's actions when they take risks that are excessive or believed unnecessary.

Fourth, it might result in employee burnout; yet, transformational leaders can inspire their followers to succeed in the greater heights.

In order to achieve important goals, they do a great job by inspiring their followers to collaborate with them. A transformational leader's positivity instills confidence in the team. Burnout among the followers is a possibility if the goal in question necessitates high levels of sustained effort and impossibly tight timelines.

Fifth, because more perspectives and experiences foster innovation, transformational leaders frequently pay attention to the requirements of the person. In order to promote diversity, transformational leaders urge followers to pursue possibilities for professional advancement. This incorporate seminars, even formal seminars, focus groups, or workshops. One group member tends to receive more attention than others in this area because leaders frequently put the needs of individuals' followers before the needs of the team as a whole. This causes a lack of trust among team members, which eventually has an impact on the intended level of production.

Rachlle Smith (2015), stated that in addition to the aforementioned drawbacks, transformational leadership also has other drawbacks. Continuous feedback is necessary for transformational leadership, as is ongoing communication. Communications might not always pay attention to details or follow particular protocols.

2.7.2 Transactional Leadership

Max Weber and Bernard Bass were the first thinkers to advocate for this management approach. respectively in 1947 and 1981. It is a leadership style in which the goals and objectives are predetermined, and the leader uses praise and reprimand to incentivize his followers. By outlining the procedures and managing organizational operations, it works to improving the organization's current status. The main goals of this kind of leadership are to improve present rules and procedures and reform the business culture as it currently exists.

This leadership style has a formal approach and the leader uses his authority and responsibility as his power. When a worker meets the goal within the allotted time, he is given initiative for his work, whereas if the task is not finished within the allotted time, he will be penalized for the same. These are the two main tools used by the leader to motivate his subordinates.

The focus of transactional leaders is on leadership-follower interactions and includes task completion and assignment, with rewards and penalties as results (Long and Thean, 2011).

This management approach is reliant on organizational authenticity and bureaucratic authority. It emphasizes work standards, assignments, and undertaking certain goals. Additional instances of the three elements of transactional leadership were offered by (Pihie *et al.*, 2011).

First, contingent rewards are when a leader bases rewards on the efforts of followers to achieve organizational objectives.

Second, management-by-exception (active) is displayed when a manager closely monitors subordinates to ascertain whether errors or rule violations had place.

Third, management-by-exception (also known as passive management) occurs when a manager waits for mistakes and faults to occur before taking corrective action. By clearly defining performance standards, the three transactional leadership components assist transactional leaders reduce risk and increase efficiency (Epitropaki and Martin, 2013).

2.7.2.1 Advantage of Transactional Leadership

In accordance with Mugisha (2017), the following are a few noteworthy benefits of this leadership approach out of many others.

Based on reward and punishment, this leadership style is successful in inspiring people to become productive and efficient team members. First, it may successfully encourage employees to optimize production. These exist for two causes.

First, the employee is motivated to work even harder to meet deadlines, reach, or even surpass quota by the incentive that awaits them if they contribute to the organization because they are aware that their efforts won't go unnoticed.

Second, using this leadership strategy acts as a reminder to employees that management is paying attention to them, is serious about getting the best output possible from them, and that any mistakes made or performance that falls short of expectations will result in discipline. With short-term planning as a component of this leadership style, management assures that its ambitions for the firm or organization will be accomplished by setting attainable targets for people at all levels. Only a shorter time frame is needed for the goals and objectives to materialize. These are therefore simpler to implement and less discouraging for workers. Members of the team are more motivated to perform and also feel more confidence when accomplishments are more readily available in a short amount of time. This is partially due to the liberty granted to subordinates, who are able to complete their tasks without being aware that someone is watching them closely (Mugisha, 2017).

Third, it has a precise and unambiguous framework, which is also a feature of transactional leadership. Employees of a corporation with this kind of leadership style are made aware of what is expected of them in advance. Additionally, they receive detailed instructions that they are all required to abide by. It is simpler for employees to know the right channels to use when there is a clear chain of command. This also makes them aware from the start that they will be rewarded for adhering to goals and successfully completing their jobs, but they will also face consequences if they do not follow the organization's policies and procedures (Mugisha, 2017).

Fourth, it lowers costs while raising productivity levels; transactional leadership is successful in raising output while lowering costs. These result from the fact that this leadership approach offers short-term objectives that make it simple for team members to complete tasks. Additionally, the incentives provided by this style of leadership assist to encourage team members to complete their jobs as quickly as possible in exchange for their benefits, whether monetary or psychological.

2.7.2.2 Disadvantage of Transactional leadership

Despite its advantages, the transactional leadership style has drawbacks as well. (Mugisha, 2017) lists a few drawbacks as follows:

First, it is uncompromising leadership, which implies that transactional leadership is a type of leadership that includes unyielding principles and guidelines in addition to a defined framework. Employees must follow the management's rules and regulations even though they receive the benefits they deserve for their success and some degree of independence in carrying out their duties. The consequences of breaking these rules or the directives of superiors might include suspension and even termination. This is due to the fact that a transactional leader directs subordinates and never tolerates any sort of protest from them. This leadership style perhaps inhibits innovation because the leader will find it difficult to adapt to specific situations due to this inflexibility.

Second, it discourages creativity. Because this leadership style is rigid in its principles and rules and doesn't listen to suggestions from those who report to it, it prevents team members from being creative even when they might have good and useful suggestions for improving the organization. It is more difficult for transactional leaders to make adjustments and be receptive to suggestions from others that conflict with their present aims due to the short-term objectives and defined policies of the organization. Since most employees are given the opportunity to be leaders but instead choose to be followers and the organization heavily depends on the transactional leader, their departure could have a significant impact on the firm's overall success.

Employee accountability is yet another drawback of transactional leadership. Each employee under this leadership style is given a specific assignment to complete along with organizational rules and guidelines that must be rigorously adhered to. Employees are to blame and accountable for the results if and when something goes wrong while they are performing their duties. This, according to critics, is the main cause of the discontent and dissatisfaction of those who work for transactional leaders. Employees feel that the company does not truly prioritize their wellbeing, and this style of management gives them the impression that they are merely paid employees rather than actual members of the company.

Fourthly, transactional leaders are insensitive since they work within unchangeable rules, thus as long as duties are completed, they don't truly care the feelings of their subordinates. Although

employees are given precise instructions, they are also expected to complete these jobs quickly and accurately. Transactional supervisors tend to have more temporary working ties than emotional ones with their subordinates. Employees thus stop showing concern for the firm and start acting more like performers who are driven by rewards.

Because its use of rewards and penalties to encourage employees to be productive, transactional leadership is still a favorite among leadership philosophies. However, it also receives criticism for the way it manages employee performance and undermines the workforce's ability to lead and be creative.

2.8 Factors Affecting Style of Leadership

According to Mullins J., (2005), a better awareness of the requirements and expectations of employees at work has led to a focus on the manager's leadership style. It has also been influenced by elements like: heightened business competition and recognition of effective human resource management; modifications to society's value system; higher standards for education and training; advances in scientific and technical knowledge; modifications to the way work is organized; and the advancing age of leaders.

2.9 Effect of leadership style on employee's performance on banking industry

In practically every civilization, the banking industry is a crucial part of the economy (Belias, 2014). Strong leaders must encourage and push their staff to be inventive and creative because it appears that leadership teams at financial institutions lack the bravery and/or capacity to embrace change. Technology, consumer behavior, and market competitiveness are all advancing quickly. Therefore, bank executives must be prepared for the difficulties they will encounter in this cutthroat business environment. Like other sectors, banks should begin to see change as the rule rather than the exception (Pilcher, 2015).

Chris Skinner (2015), one of the most important figures in the financial sector at the moment, concurs that banks place an undue emphasis on status and shareholder profit while ignoring the need for innovation and transformation. Leaders in the banking sector are urged by Skinner to "give people the culture to create innovation."

The annual Banking Forum event is held by Brand Finance, a business valuation and strategy consultant. In 2013, one of their events was primarily focused on leadership in banking. The

seminar covered topics such as the importance of excellent leadership in the banking sector and how it can be recognized and measured.

Evidently, the banking industry as a whole is aware of the need for transformation and a creative mindset. According to several experts, transformational leadership is the best and most appropriate approach since it has a good impact on staff commitment and performance (Belias, 2014). Employees are aware that banks and other financial organizations are already adopting an innovative mindset by moving away from a rigid, traditional, and hierarchical structure and toward one that is more flexible and communicative, in addition to reviewing the need for change.

2.11 Empirical Literature Review

Numerous studies have examined leadership philosophies from various angles and in various social, political, and economic contexts. The following are extremely relevant to matches and helpful for this study: According to the current definition of leadership (Bass, 1998), leadership is an interaction between one or more group members. A other, more current definition of leadership states that it is a relationship between leaders and followers in which they have an impact on one another and intend to bring about genuine changes and results that represent their shared goals (Daft, 2005).

It means that a variety of circumstances, contexts, cultures, work environments, new laws and regulations, information overload, organizational complexities, and psycho-social advancements have a significant impact on the leadership concept and as a result, affect how well it aligns with shifting organizational dynamics (Kramer, 2004). Numerous academics have extensively examined the impact of leadership style on business profitability (Nicholls, 1988; Simms, 1997). Leadership can be roughly defined as "the art of mobilizing others to want to struggle for shared aspirations" (Kouzes & Posner, 1995), presuming that "the essence of leadership is influence." According to Burns (1978), transformational leaders urge their followers to go above and beyond what they had previously anticipated.

The topic of individual performance must be covered because the effectiveness of a company depends on the caliber of its employees at all levels (Temple, 2002). Employee performance is defined by Malkovich & Bondream (1997) as the degree to which employees meet job criteria.

They contend that an organization's effectiveness is actually reflected in the performance of its employees. People are an organization's most valuable resource; both individuals and groups have come to understand the significance of their place within it and how crucial they are to its success (Bartlett & Ghoshal, 1995).

In order to improve performance inside a business, human resources play a crucial role (Armstrong & Baron, 1998). The overall functioning of an organization and the accomplishment of goals and objectives are ultimately the results of the efforts of many individuals. (1998; Armstrong and Baron).

According to (Amos, et al. 2004), "The execution of strategy and the organization achieving its strategic objectives is critical to the effective management of individual performance." Despite the employee's inherent motivation to work hard and earn rewards, performance cannot be ignored in the hope that it will emerge on its own. This desire must be supported, encouraged, and nurtured (Amos et al. 2004, 2004). Organizations extend themselves in a variety of acknowledgements as payment for this performance (Foot & Hook, 1999).

In today's corporate environment, managing individual performance has become such a pressing concern that firms go to tremendous efforts to assess it (Armstrong & Baron, 1998). According to (Whetten & Cameron, 1998), individual performance is the sum of motivation times ability.

(Further, Cummings & Schwab, 1973) support the idea that performance is ultimately a personal phenomenon. Environmental factors that have the greatest impact on performance are those that the organization has little or no control over, such as requirements for job grading systems (Hell Riegel, et al., 1999).

The topic of individual performance must be covered because the effectiveness of a company depends on the caliber of its employees at all levels (Temple, 2002). Employee performance is defined by (Millcorvich & Bondream, 1997) as the degree to which employees meet job criteria. According to them, an employee's performance actually reflects the effectiveness of the company. People are an organization's most valuable resource; both individuals and groups of people have come to understand how crucial people are to its success and how much it depends on them. (1995; Bartlett & Ghoshal).

The ability of the leader to maximize human resources is essential for an organization to succeed. A strong leader recognizes the role that employees play in helping the firm achieve its objectives and knows that keeping these individuals motivated is crucial to success. In order for an organization to be effective, its members must be motivated to dedicate themselves to achieving its goals. In order for employees to be productive, they must be stimulated. As a result, good leadership is necessary for effective organizations (Wall, Solum & Sobol, et al., 1996). According to (Fiedler & House, 1988), ignoring this will negatively affect organizational effectiveness. In the end, it is the specific employee who either completes or fails to complete a task.

An individual must, at least in part, give up his or her own objectives in order to work toward the group objectives of the organization for it to be successful (Cummings & Schwab, 1973).

According to Cummings and Schwab (1973), the organization itself defines the very essence of performance in an organizational environment. The accomplishment of all organizational goals and objectives depends critically on the contribution of the workforce. As a result, good leadership encourages more employee participation, which in turn affects both individual and organizational performance (Bass, 1997; Mullins, 1999).

According to a study by M. Ahmad Sofi, K. Devanadhen, and Augustine N. Beakana (2015) and Augustine N. Beakana (2017), financial firms choose transformational leadership above other leadership philosophies. Combining transformational and transactional leadership demonstrates a good association between organizational performance and increased bank performance (O. Abimbola; O. & A. O. Dele, 2015). According to another study (Peris M. & G.S. Namusonge, 2012), transactional leadership has an average positive association with performance, whereas transformational leadership has a substantial positive link with performance.

In conclusion, as we have seen in this chapter, there is a wealth of literature that discusses leadership styles and worker performance from a variety of perspectives. The author included it merely to demonstrate that the findings are similar but from a variety of disciplines, as articles frequently rehash the same issues and findings. According to certain studies in the literature, there is a link between leadership philosophies and employee loyalty (Lo, M., Ramayah, T., & Min, 2009). These studies were typically carried out in organizations, but there haven't been

many studies done in Ethiopian banks. The purpose of this study is to evaluate the leadership philosophies used by bank executives at Ethiopia's Bunna bank.

2.10 Conceptual Framework

The literature and research findings from various researchers served as the foundation for this conceptual framework. This model demonstrates how three leadership philosophies are connected to the way bank executives exercise their leadership. Transformational, transactional, and laissez-faire are the three styles. The theoretical or conceptual framework demonstrates the important procedure in which it is useful to indicate the study's direction. To make sure that all work is accomplished in accordance with the fundamentals of the developed science, the leader must actively collaborate with the team.

As a result, although workers are accountable for carrying out work and inspiring employees, the leader is responsible for creating work procedures based on scientific principles. This study evaluated the relationship between leadership styles and how they were applied by Bank Leader at Bunna Banks Sc of Ethiopia based on the aforementioned theoretical leadership viewpoint.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter primarily covers the research methodology that was used for the study in question, including the research design, research approach, target population, sampling design, sampling size, and sampling technique, as well as the source of the data, data collection methods, reliability and validity of the research, and method of data analysis. At the end, some ethical issues have also been covered and explained. Data for this study were gathered using a questionnaire.

3.2 Research Design

To make the assessment of Transactional Leadership Style, Laissez Faire Leadership Style, and Transformational Leadership Styles of Bunna bank leaders, this researcher employed an explanatory study design. Because the study's main focus was to make an assessment from the selected three leadership style (Transformational, Transactional and Faire Leadership) which one of is the most predominant style of leadership between Bunna bank leaders. Additionally, the researcher employed descriptive study design techniques including tabulation. In order to turn the data into a form that can be handled, descriptive statistics are crucial.

3.3 Research Approach

There are two general research methodology approaches when collecting and analyzing data; these approaches are inductive and abductive. An abductive research approach seemed most suitable for the nature of this research objective. It is flexible for both qualitative and quantitative research methods. Unlike inductive and deductive reasoning, abductive research can explain, develop or change the theoretical framework before, during or after the research process (Dubois, A. and Gadde, L.E., 2002).

3.4 Sampling Design

3.4.1 Target Population

All Buna Bank workers that worked in Addis Ababa city, in both the main office and districts, were the study's target group. The front, middle, and back offices are the three business lines into

which the personnel are structurally divided. According to the human resource director's report as of June 21, 2023, there are 2,885 people who fall into the target demographic, which includes senior management, district managers, middle managers, line managers, and Clerical staffs.

Table - 3. 1 Intended Population of the study

Position	Total Number of employee	Line of business employees assigned		
		Front office	Middle office	Back office
Senior Management	35	9	12	14
Middle Management	275	215	35	25
Line Management	295	207	58	30
Clerical staff	2,280	1,860	240	180
Total number of employees	2,885	2,291	345	249

Source: Human Resource Department Buna Bank S.C (June 21, 2022)

3.4.2 Sample Size and Sampling Determination

To minimize the variation between values obtained from the sample and the population, a sampling design involves selecting an appropriate sample (Dahlan, 2009). As a result, the sampling size is established using a modified of Stovin's method from Stephanie (2020). The sample size with a 0.05 level of precision and a 95% level of confidence is calculated as follows:

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

Where

N - The population size,

e - The level of precision (5%).

n - The sample size,

$$n = \frac{2,885}{1 + 2,885(0.05^2)} = 278$$

3.4.3 Sampling Technique

The researcher employed probability sampling technique in this investigation. A stratified random sample method was employed in this investigation. According to Saunders et al. (2009),

stratified random sampling is a variation on random sampling in which research units are randomly chosen after the population is split into two or more pertinent and meaningful strata based on one or more attributes.

With this technique, the entire heterogeneous population is split up into a number of homogeneous groupings, sometimes referred to as strata, each of which is homogeneous within itself. Units are then randomly selected from each of these strata. According to the company's departments, the target population for this study was divided into four strata. The researcher made the assumption that these management groups had a direct relationship with the SC of the organization.

The sample was then chosen from each stratum based on how much of the overall population each one represented. To ensure that each department was represented in the proper way, stratified random sampling was performed. The senior manager, middle manager, line manager, and Clerical staffs' departments were the stratum from which data was gathered.

3.5 Source and Methods of Data Collection

The necessary data for this qualitative research has been collected utilizing primary sources, mostly questionnaire surveys. A questionnaire was utilized to collect sufficient and trustworthy primary data from Bunna bank workers in Addis Abeba. This study's data came from both primary and secondary sources. Respondents were surveyed for the main data using questionnaires like the demographic and questionnaire. The secondary data came from books, periodicals, journals, annual reports, and other public and unpublished materials from Bunna Bank.

3.6 Measurement Scale

Variables	Total Number of Items	Scale
Transactional Leadership	7	Five-point Likert Scale
Transformational Leadership	8	Five-point Likert Scale
Laissez-fair Leadership	7	Five-point Likert Scale

3.7 Method of Analysis

By using SPSS software descriptive statistics data analysis were used in this investigation. With the aid of the statistical package software SPSS, data analysis was carried out. In addition, the

method of descriptive data analysis was used to analyze the data collected from the questionnaire. To turn raw data into a format that will be simple to use, comprehend, plan, and interpret, descriptive data analytics are chosen. After the data collection was finished, the acquired data were examined in accordance with the order of relevance. The analysis was then computed using the proper tabulation, percentages, frequencies, means, standard deviations, graphs, and other diagrams to display the analysis of the results.

3.8 Validity and Reliability

3.8.1 Validity

Validity is the propensity for consistency shown in repeated measurements. The instruments would be created and given to the supervisors and senior management at the Buna Bank for face validity verification. After that, they will be amended in response to their feedback. Additionally, a content validity will be sought by asking two subject-matter authorities for their input on the applicability and relevance of the items on the instruments. The content validity index will be used to examine the results of their indications in order to determine the percentage representation.

3.8.2 Reliability

Reliability analysis, according to (Bryman, 2007), is focused on the research instrument's internal consistency. The internal consistency and reliability of Bunna Bank's leadership style practices were evaluated using Cronbach's Alpha because numerous items were utilized in each construct. The reliability values for all constructs were found to be greater than 0.7, which is regarded as satisfactory (Nunnally, 1978).

The degree of dependability of the items in the research instrument and the consistency with which the research instruments collect data from multiple respondents are referred to as reliability. The consistency of the items' responses to queries was tested during a pilot study utilizing the pilot study Bunna Bank. The Cronbach-Alpha Coefficient was used to gauge reliability. Various techniques, such as the Cronbach's alpha reliability test conducted using SPSS (Statistical Package for the Social Sciences V 22), have been used to assess the reliability of qualitative data. According to the Cronbach's alpha test results, an indicator between 0.7 and

0.8 is good, between 0.8 and 0.9 is very good, and above 0.9 is more reliable data but doesn't demonstrate diversity.

Table - 3. 2 Cronbach’s Alpha (reliability test)

No.	Variable	No. of Items	Cronbach’s Alpha
1	Transformational leadership 0	15	0.961
2	Transactional leadership	7	0.977
3	Laissez Faire leadership	12	0.982

Source: SPSS output of 2023

Table 3.2 displays the Cronbach's alpha values, which vary from 0.961 to 0.982. The result for each subscale used in the study has sufficient internal consistency and is therefore reliable to measure what was intended to be measured when the alpha coefficient value is more than 0.7.

3.9 Ethical issues

For this investigation, ethical considerations have been made. These problems include; informed consent and voluntary involvement, anonymity, deceiving respondents, and the analysis and reporting of research findings.

In general, ideas about what is good or evil, suitable or improper, or right or wrong are regarded to be the subject of ethics. According to (Kimmel, 1998), it is the duty of every researcher to make sure that ethical norms are followed or upheld. The following precautions were taken during the preparation and execution of the study to guarantee that each subject's rights and welfare would be protected and that no one would suffer any harm as a result of the research procedures.

Respondents were never deceitful during the study, and the researcher had to be open and honest with them. Information gathered from responders stayed confidential and will do so going forward. Data collection was confidential (done in secret) and anonymous (no names).

Additionally, the researcher would guarantee that none of the study participants would experience any bodily or psychological distress. The researcher had to take action during the release of the findings, finally. The study also adheres to maintaining the ethical standards of the Ethiopian Bunna Bank Sc.

CHAPTER FOUR

DATA PRESENTATIONS, ANALYSIS AND DISCUSSION

4.1. Introduction

The study made an effort to evaluate Bunna Bank leaders' use of leadership styles in this chapter. As a result, this chapter reported and evaluated the study's findings. The questionnaire was designed with five scales that ranged from strongly agree to strongly disagree, with five representing strong agreement, four agree, three agree, two disagree, and one strongly disagree. Information was gathered from clerical staffs of

Bunna bank employees and the bank senior officials by the Addis Abeba city authority. These respondents were chosen specifically because they are in control of the branches, exhibit leadership behaviors and are observant of different leadership philosophies in each bank branch, and possess extensive knowledge of the bank. Analysis was also performed to evaluate the leadership practices of Bunna Bank leaders. The study included descriptive and qualitative statistics. The SPSS 22 software version was used to show and analyze the data that had been gathered.

4.2. Response Rate on the Questionnaire

A total of 278 questionnaires were sent out to bank managers and staff members now employed by Bunna Bank S.C. in Addis Abeba in order to gather primary data regarding the leadership style the bank under study is employing. 260 of them had correctly completed and returned surveys. The response rate for the initial data collection was 93.5%.

Table - 4. 1 response rate

Stakeholders	Questionnaire		
	Distributed No.	Returned No.	Rate of response (%)
Senior Management	5	4	80%
Middle Management	25	22	88%
Line Management	28	24	86%
Clerical staffs	220	210	95%
Total	278	260	

Source: Own survey, 2023

To four different groups of respondents in the Bunna Bank, 278 questionnaires in all were sent. Four surveys from senior management, 22 from middle management, 24 from line management, and 210 from clerical personnel were returned out of a total of 278.

4.3 Demographic Background of the Respondents

The study's demographic profile of the respondents is shown in this section. The respondents' individual profiles were examined in terms of their gender, age, levels of educational attainment, and organizational position. The respondents were described using descriptive frequency on the demographic factors.

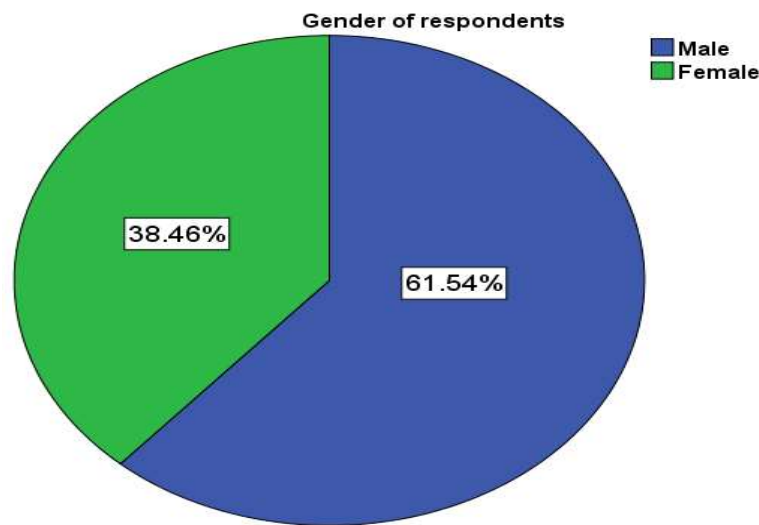


Figure - 4. 1 Gender of respondents

According to figure 4.1, there were 61.54% men and 38.46% women among the respondents. The result in the above graph demonstrates that men made up the majority of the respondents who participated in answering questions.

Table - 4. 2 Age Grouping of the respondents

Age category of the respondents				
Age Category	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 20 – 30 years	110	42.3	42.3	42.3
31 – 40 years	80	30.8	30.8	73.1
41 – 50 years	40	15.4	15.4	88.5
51 – 60 years	20	7.7	7.7	96.2
Over 60 years	10	3.8	3.8	100.0

Total	260	100.0	100.0
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Source: SPSS output from survey data, 2023

According to the results shown in table 4.2 above, 42.3% of the study's participants were employed in the 20–30 age range, 30.8% of respondents were between the ages of 31 and 40, 15.4% of respondents were between the ages of 41 and 50, 7.7% of respondents were between the ages of 51 and 60, and 3.8% of respondents were over the age of 60. According to the aforementioned finding, the majority of respondents were between the ages of 20 and 30. This shows that the majority of bank employees are currently engaged in productive work.

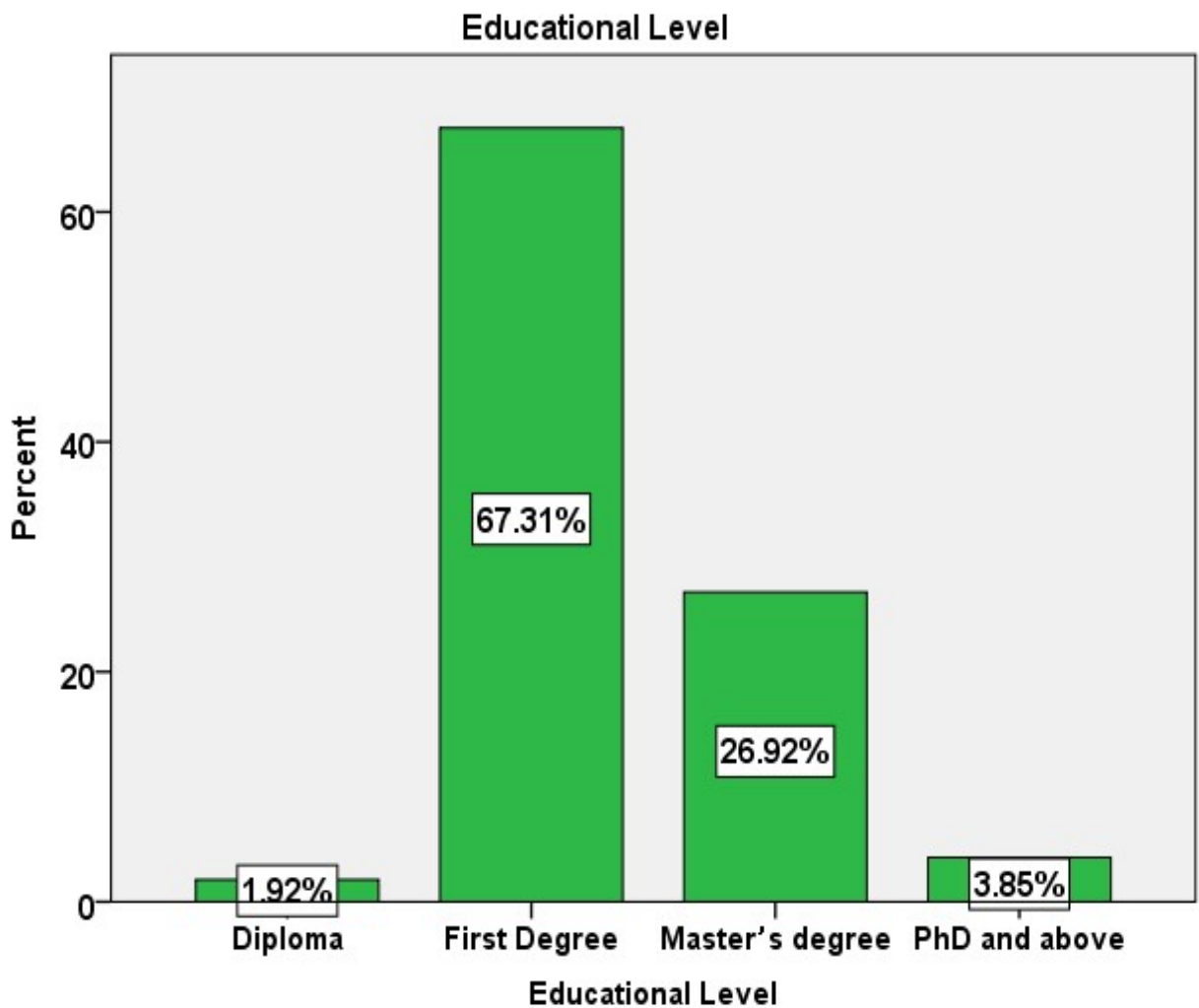


Figure - 4. 2 Educational level of the respondents

The degree of education of the respondents is also taken into account when gathering this data, as seen in the chart above. 1.92% of respondents have a diploma, which is a rather low ratio. 67.31% of respondents have a first degree, 26.26% have a master's degree, and the remaining 3.85% of respondents have a PhD or a higher degree.

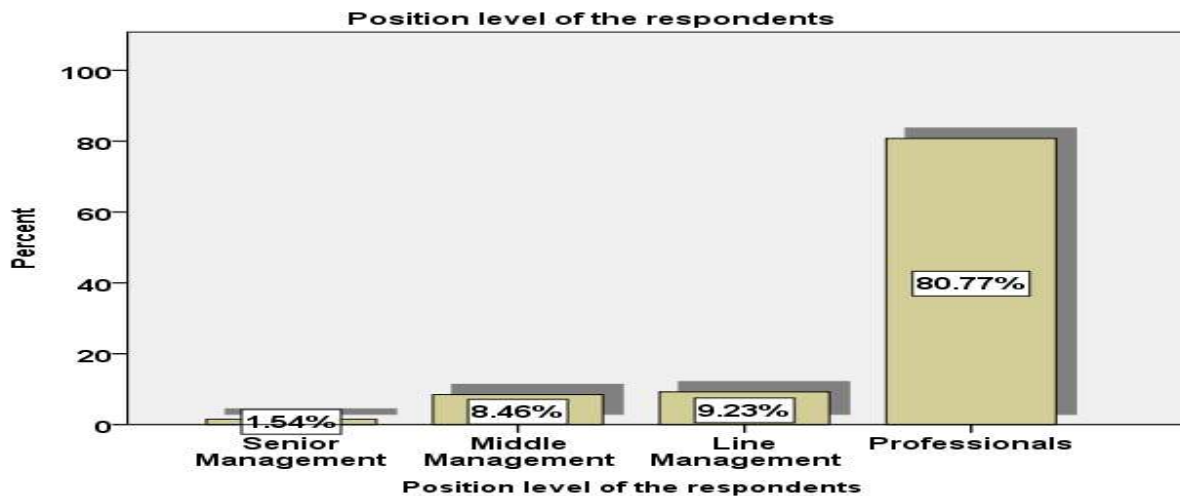


Figure - 4. 3 position level of the respondents

In terms of the current position in the bank, the results showed that 80.77% of respondents were Clerical staffs, 9.23% were in line management, 8.46% were Middle management, and 1.54% were senior management.

4.4 Descriptive Analysis of Practices of leadership style

The purpose of this study is to evaluate three contemporary leadership philosophies in order to present the results, describe, and analyze the evaluation of transformational leadership style with fifteen statements, and then compare it to transactional leadership style with seven assertions. The other twelve were examples of leadership with a lax approach.

The questionnaire was constructed using five scales, spanning from strongly agree to strongly disagree, with the values of 5 signifying strongly agree, 4 agree, 3 neutral, 2 disagree, and 1 severely disagree. A descriptive study was used to determine the type of leadership used by the bank's manager and staff in Bunna Bank Share Company.

4.4.1 Leadership Approach: Transformational Leadership

Table - 4. 3 The practice of Transformational Leadership

Questions/items	N	Mean	Std. deviation
1. My supervisor builds team sprites	260	3.03	.952
2. My supervisor treats all subordinate employees like brother/sister	260	3.16	.980
3. Consider the moral and ethical consequences of decisions in the making of your organization	260	3.18	.883
4. The employer has care and concern for individuals work as well as his personal issues	260	3.22	.896
5. My supervisor used the world WE instead of I	260	3.25	2.709
6. My supervisor is quite open and receptive to new ideas	260	3.26	.921
7. My supervisor gets people involvement in decisions making	260	3.72	.987
8. Emphasize the importance of having a collective sense of mission	260	3.84	1.140
9. Articulate a compelling vision of the organization	260	3.92	.897
10. Talk enthusiastically about the needs of the organization to be accomplished	260	4.01	1.017
11. Display a sense of power and confidence	260	4.05	.823
12. Express confidence that the goals of the organization will be achieved	260	4.07	.887
13. Specify the importance of having a strong sense of purpose to your colleagues or employees	260	4.10	.975
14. Suggest a new way of looking at how to complete an assignment	260	4.17	.969
15. Go beyond self-interest for the benefit of the group	260	4.18	.819
Valid N (listwise)	260		

Source: SPSS output from survey data, 2023

As seen in the table above, question 4.3, participants in the survey were asked to rate how much they agreed with the assertion that the company cares about the employee's work as well as his personal concerns regarding transformational leadership. A statement asking respondents to rate their level of agreement with the statement "My supervisor builds team sprites" resulted in a mean of 3.03 respondents who were neutral.

A statement requesting respondents' degree of agreement on the extent to which the respondent the relevant question of "My supervisor treats all subordinate employees like brother/sister" 3.16 mean of the respondents have remained neutral. As can be seen in the same table above, when asked to rate how much they agreed with the statement, the respondents to the question "Consider the moral and ethical consequences of decisions in the making of your organization" remained uncommitted. Additionally, when asked to rate their level of agreement with the claim that their supervisor used the pronoun, WE rather than I, the study's participants responded with a mean score of 3.25, remaining neutral. When asked to rate how much they agreed with the statement "My supervisor is quite open and receptive to new ideas," respondents were also given the option of remaining neutral, with a mean score of 3.26. As a result, the respondents don't know the degree of agreement with the statement on the four topics covered above.

According to the studies conducted on the relationship between leadership style and employee performance, it was found that transformational leadership behaviors, positively related to followers' job performance (Bono & Judge, 2004). Furthermore, Nemanich and Keller (2007) concluded that transformational leadership behaviors had a significantly positive relationship with goal clarity, creative thinking, and follower performance.

In addition, respondents were asked to rate how much they agreed with eight statements about the transformational leadership style made by their supervisors, including "My supervisor gets people involved in decision-making," "Emphasize the importance of having a collective sense of mission," and "My supervisor emphasizes the importance of having a sense of mission." Create a compelling organizational vision, Talk vivaciously about the organization's needs that must be met, Show off your strength and confidence, Express your belief that the organization's objectives will be met. Explain to your coworkers or employees the value of having a strong sense of purpose,

Offer a fresh perspective on how to complete a project, and Go beyond self-interest for the good of the group; on average, 3.72, 3.84, 3.92, 4.01, 4.05, 4.07, 4.10, 4.17, and 4.18 of the respondents, respectively, have agreed with the statement. at conclusion, all Bunna banks respondents concurred with the key points of the transformational leadership style used at the bank. Therefore, it can be argued that the vast majority of leaders in the relevant work units also possess a transformational leadership style.

4.4.2 Leadership Style: Transactional leadership Style

Table - 4. 4 The practice of Transactional Leadership

Questions	N	Mean	Std. deviation
16. Concentrate while dealing with your mistakes, complaints, and failures	260	2.48	1.187
17. I also provide punishments or demotion to subordinate workers when they are doing	260	3.03	.893
18. My supervisor content to tell other continue working in same way as always	260	3.07	.885
19. Self-mistakes in the work condition	260	3.50	.887
20. I provide recognition rewards when others reach their goals	260	3.65	.892
21. Express satisfaction when others meet expectations	260	3.75	.984
22. My supervisor clearly clarifies the responsibility for achieving targets	260	4.05	.968
Valid N (listwise)	260		

Source: SPSS output from survey data, 2023

The survey participants were asked to rate their level of agreement with the employer's statement on transactional leadership, as seen in the table above - 4.4. When asked to rate their level of agreement with a statement like "Concentrate while dealing with your mistakes, complaints, and failures," respondents were asked. The results showed that 2.48 of them disagreed with the statement.

The question, "I also punish or demote subordinate employees when they do," was answered by the responder. The median respondent response was 3.03, remaining neutral. The reply to the question, "My supervisor is happy to advise others to carry on working in the same manner as always," 3.07 median respondents have expressed no opinion.

Additionally, respondents were asked to rate how much they agreed with the assertion that each supervisor was given eight questions to answer. When asked to rate how much they agreed with statements like "My supervisor clearly clarifies the responsibility for achieving targets," "Self-mistakes in the work condition," "I provide recognition rewards when others reach their goals," and "Express satisfaction when others meet expectations," the respondents gave an average mean of 3.50, 3.65, 3.75, and 4.05, respectively. In light of this, some bank leaders also employ a transactional style of leadership. Transactional leaders use an exchange model, with rewards being given for good work or positive outcomes. Conversely, people with this leadership style can also punish poor work or negative outcomes until the problem is corrected (Tahir, 2015). Transactional leaders are effective in getting specific tasks completed by managing each portion individually (Yaslioglu & Selenay Erden, 2018).

4.4.3 Leadership Approach: Laissez Faire Style

Table - 4. 5 The practice of Laissez faire leadership style

Questions	N	Mean	Std. Deviation
23. My leader gives work group members honest and fair answers	260	2.67	1.372
24. My department performs without any leadership barriers or obstacle	260	2.70	.927
25. When performance requirements designed my supervisor relies only on his/her own judgment	260	2.80	1.042
26. I encourage others to do things on my way	260	2.91	.965
27. There is leadership freedom in my department	260	3.08	.965
28. My supervisor does not impose policies on me	260	3.10	.941
29. My supervisor allows me to express my point of view openly	260	3.26	1.267
30. The manger attends to my problems	260	3.41	.742

31. My leader gives all work group members a chance to voice their opinions	260	3.51	1.184
32. My leader encourages work group members to solve problems together	260	3.56	1.156
33. My leader makes suggestions about how to solve problems	260	3.62	1.079
34. My leader teaches work group members how to solve problems on their own	260	3.63	.963
Valid N (listwise)	260		

Source: SPSS output from survey data, 2023

The survey participants were asked to rate their level of agreement with the statement that the boss has care and concern for each employee's work as well as his personal difficulties about the laissez faire leadership style, as shown in the table above, column 4.5. Additionally, respondents were asked to rate how much they agreed with the following eight statements made by their individual supervisors: My department performs without any leadership walls or obstacles, When performance requirements are created, my supervisor simply uses his/her own judgment, I urge others to do things my way, and my leader provides honest and fair answers to work group members. In my department, there is independence in leadership. In general, 2.67, 2.70, 2.80, 2.91, 4.08, 3.07, 3.10, 3.26, and 4.41, correspondingly, of the respondents hold neutral views on the statement. My supervisor does not force policies on me. My supervisor allows me to voice my point of view openly.

In four questions about the transformational leadership style, respondents were asked to rate how much they agreed or disagreed with statements made by their respective supervisors. Examples of the statements asked respondents to rate their level of agreement with include: On average, 3.51, 3.56, 3.62, and 3.63 respondents—respectively—agreed with the statement: "My leader gives all work group members a chance to voice their opinions, my leader encourages work group members to solve problems together, My leader makes suggestions about how to solve problems, and My leader teaches work group members how to solve problems on their own."

The information above suggests that at some time, leadership tends to take a more laissez-faire stance. As a result, the leadership as it is practiced by the majority of work units lacks oversight, and the employees behave independently with little to no oversight and control.

To summarize the three different leadership philosophies used by Bunna banks, it can be said that while some of the measures describing laissez-faire have indicated a tendency in the leadership style used by the bank, the transformational parameters and features have demonstrated that the bank actually experiences transformational leadership.

Additionally, the outcome revealed specific transactional leadership parameters, and the leadership style used by the bank incorporates some of these parameters. Additionally, as can be seen from the study, the leadership style tends to be more like laissez-faire at times.

Table-4.6: - Overall average of the three types of leadership styles

	N	Mean	Std. Deviation
Transformational Leadership Styles Practices	260	3.19	1.044
Transactional Leadership Styles Practices	260	3.18	1.014
Laissez-faire Leadership Style Practice	260	3.08	0.996

Source: - Survey result, 2023

Scale: < 1.80 Strongly Disagree, between 1.81 and 2.60 Disagree, between 2.61 to 3.40 Neutral, between 3.41 to 4.20 Agree and > 4.21 Strongly Agree)

As demonstrated above in table 4.6 All the three types of leadership practices have neutral results which lies between 2.61 to 3.43.

Table-4.7: - Correlation coefficient of the three variables

Model		Transformational	Transactional	Laissez-faire
Transformational	Pearson Correlation	1	.958**	.960**
	Sig. (2-tailed)		.000	.000
	N	260	260	260
Transactional	Pearson Correlation	.958**	1	.980**
	Sig. (2-tailed)	.000		.000
	N	260	260	260
Laissez-faire	Pearson Correlation	.960**	.980**	1
	Sig. (2-tailed)	.000	.000	
	N	260	260	260

Source: -Survey result, 2023

1. Relationship between Transformational and Transactional Leaderships

The association among the two variables have positive relationship at $r= 0.958^{**}$. The above Pearson correlation shows that transformational leadership has significant influence on transactional and vice versa.

2. Relationship between Transformational and Laissez-faire Leaderships

The association among the two variables have positive relationship at $r= 0.960^{**}$. The above Pearson correlation shows that transformational leadership has significant influence on **Laissez-faire** and vice versa.

4.5 Discussion

In the study, the assessment of the leadership style of bunna bank leaders resulted in finding out the dominant leadership style of the Bank is transformational leadership.

In accordance with the responses generated from the analysis of data of this survey using SPSS to determine leadership styles, the researcher find out transformational Leadership is the dominant style of leadership in Bunna Bank. Highest mean value has been responded to transformational Leaders questions. These results indicate that most officials are transformational leaders and subjected to the manifestation of the transformational leadership characteristics.

The analysis shows that there is good contribution of transformational leadership in Bunna bank leadership than the transactional leadership.

The results of the research are in line with the research of Bass and Avolio (1994). Transformational Leadership Styles are highly positively correlated with extra effort, effectiveness and satisfaction. According to Limsila and Ogunlana (2008) Transformational Leadership creates effectiveness, satisfaction and extra effort more than Transactional Leadership and passive avoidant Leadership. Literatures have also indicated and confirmed Transformational Leadership style is essential for leaders to achieve organizational goals. Transformational leaders support staff to work harder, enhances staff effectiveness and increases staff satisfaction in organizations (Bass & Avolio 1994).

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATION

5.1 Summary of Major Findings

This study has provided useful insight into how Bunna Bank leaders actually practice their leadership styles, and the conclusions of this study can be summed up in the following words.

- The majority of the study participants are first-degree graduates, the survey has found.
- Given that the majority of study respondents have worked for the bank for less than ten years, it is reasonable to assume that they can describe the current leadership style more accurately.
- As it is detected in this research, at some point weighed the leadership approach tends to be transformational.
- Regardless of some of the measures describing that there is tendency that the laissez-faire leadership practice experienced by the bank, the transformational parameters and the features describing transformational leadership have proved that the bank experiences transformational leadership.
- As a result of the study, some transactional leadership metrics have been offered, and the leadership style used by the bank incorporates some of these parameters.
- The respondents are adamant that it is worthwhile for an employee to use the proper leadership approach in order to the attainment of the organizational objectives.
- As per the survey, the bank practices more contextual leadership approach in its leadership.

5.2 Conclusion

The study's primary goal was to evaluate the leadership styles used by Bunna Bank executives. Data was gathered from current Bunna abnk employees using a standardized questionnaire and Likert scale. We used descriptive statistics and the Statistical Package for Social Sciences (SPSS) version 22 to assess the respondents' demographic data.

- Leaders that use the transactional leadership style are given specific tasks to complete and provide group members rewards or penalties based on their performance outcomes. While others use intensive management communication to achieve goals. Through communication and constant visibility, leaders may improve productivity and efficiency among their workforce. Although there is occasionally a sense of laxness and transnationalism, Bunna Bank's leadership style leans more toward transformation.
- Employees frequently give diverse descriptions of their individual supervisors and the leadership philosophies they use. Employees currently perceive their leaders as favoring transactional and transformative leadership philosophies.
- In conclusion, the transformational leader is cerebral, spiritual, and communal. According to this study, transformational leadership is more suitable than transactional leadership. In Bunna Bank, transformational leadership is regarded as one of the most successful leadership styles

5.3 Recommendation

- The leadership style employed by Bunna bank leaders frequently combines elements of the two other three primary leadership philosophies discussed in this study. The promotion of transformational leadership should take precedence over the other two leadership philosophies—transactional and laissez-faire—and should not be encouraged. Considering the susceptible nature of the financial sector, the unsettled financial industry environment that the country is fronting and the industry itself is young in the country, it is a key time to reconsider the type of leadership styles to follow in considering the best leadership styles that can bring the banking industry a far better step than currently it is being managed.
- According to the employees' assessments, all three leadership philosophies are present in the environment of the bank. Leaders, however, have sway and are expected to act on their words. As a result, their activities are given an idealized influence, and leadership qualities are valued. In behavioral influence, the leader's behaviors are taken into account. In inspirational motivation, leaders adopt a positive outlook and demand a lot from their followers.
- The current study has demonstrated that, when compared to bank leaders' actual practices, the two prominent leadership philosophies—transactional leadership and transformational leadership—have a significant and favorable association. However, the bank must make transformational leadership style is more pervasive in the culture of the bank's by identifying the values and rewards to be gained.
- Bunna Bank managements and branch managers, had better commonly use transformational and transactional leadership styles to maintain balance between the work have to be done and employee engagement using financial rewards.
- Employee performance is a result of the institutions' leadership practices. Leaders frequently receive credit and punishment for specific failures or successes. Therefore, if a leader does not execute to the appropriate degree, his or her leadership abilities are frequently questioned. Employee performance is favorably correlated with leadership style as revealed in this particular study, and employees believe that the leadership style is directly related to success elements. However, Bunna Bank should take into account

how well the bank is performing by basing its current operations on the kind of leadership it hopes to achieve.

5.4 Limitations and Future Research Direction

The results of this study were laying the groundwork for subsequent investigations. The study's primary flaw is that only Bunna Bank S.C., particularly, was considered in the banking industry. Another obstacle that results in a partial conclusion is the bank's inability to service its remote branches, which are located outside of Addis Abeba. This study was also restricted to evaluating the success of the bank practice in terms of employee happiness, innovation and technology, learning and development, and staff turnover without accounting for financial factors. Therefore, in order to provide more reliable results, future researchers must consider these restrictions.

1. The researcher suggests examining the impact of organizational performances with cause-and-effect links and practiced leadership styles for additional research on the same title.
2. It is also advisable to research how practice performance correlates with various leadership philosophies, such as democratic and autocratic leadership.

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Appendices

Questionnaire

ADDIS ABABA UNIVERSITY
COLLEGE OF GRADUATE STUDIES
EXECUTIVE MASTERS OF BUSINESS ADMINISTRATION

Questionnaire for employees in Bunna Bank

Dear Survey Participant,

Directions

The main purpose of this Questionnaire is to gather information on assessing the practice of leadership style of Bunna Bank leaders. Thus, your responses will have much contribution to the success of the intended research. Therefore, the outcome of this study depends on your honest response.

The Questionnaire has four parts. The first part touches Questions to your Demographic characteristics. The second part is Questions regarding the practice of transformational Leadership Styles and the third part is Questions regarding to Practice of Transactional leadership styles and the final part is Questions regarding to Practice of Laissez-faire Leadership Style.

Remember:

- Please make sure that you have answered all the questions.
- When you fill in the questionnaire, there is no need to consult others please fill it by yourself
- You do not need to write your name

Thank you for your cooperation in advance!

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PART A – DEMOGRAPHIC QUESTIONS

Direction: The following questions are concerned with your demographic aspects. Completion of this questionnaire is voluntary and confidentiality of information is assured. Here you are requested to answer the following questions by putting (√) or (x) mark in the box, and write your response for open-ended questions on the space provided.

1. Gender

Male

Female

2. Age

20 – 30 years

31 – 40 years

41 – 50 years

51 – 60 years

Over 60 years

3. Education Level:

Diploma

Master's degree

First Degree

PhD and above

4. Position:

Senior Management

Middle Management

Line Management

Clerical staffs

PART B: MLQ LEADER FORM

This questionnaire is to describe your leadership style as you perceive it. Please answer all items on this answer sheet. If an item is irrelevant, or if you are unsure of do not know the answer, leave the answer blank. Forty-five descriptive statements are listed on the following pages. Judge how frequently each statement fits you.

Strong Disagree	Disagree	Neutral	Agree	Strong agree
1	2	3	4	5

Practice of Transformational leadership styles of the senior management

No.	Statement of Transformational leadership styles practices	1	2	3	4	5
1	The employer has care and concern for individuals work as well as his personal issues					
2	My supervisor is quite open and receptive to new ideas					
3	My supervisor treats all subordinate employees like brother/sister					
4	My supervisor used the world WE instead of I					
5	My supervisor builds team sprites					
6	My supervisor gets people involvement in decisions making					
7	Consider the moral and ethical consequences of decisions in the making of your organization					
8	Go beyond self-interest for the benefit of the group					
9	Specify the importance of having a strong sense of purpose to your colleagues or employees					
10	Emphasize the importance of having a collective sense of mission					
11	Talk enthusiastically about the needs of the organization to be accomplished					
12	Articulate a compelling vision of the organization					
13	Display a sense of power and confidence					
14	Express confidence that the goals of the organization will be achieved					
15	Suggest a new way of looking at how to complete an assignment					
16	Seek differing perspectives from others when solving problems of the					

organization					
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Practice of Transactional leadership styles

No.	Statement of Transactional leadership styles practices	1	2	3	4	5
1	Express satisfaction when others meet expectations					
2	Self-mistakes in the work condition					
3	Concentrate while dealing with your mistakes, complaints, and failures					
4	My supervisor clearly clarifies the responsibility for achieving targets					
5	I provide recognition rewards when others reach their goals					
6	I also provide punishments or demotion to subordinate workers when they are doing					
7	My supervisor content to tell other continue working in same way as always					

Practice of Laissez-faire Leadership Style

No.	Statement of Laissez-faire Leadership Style practice	1	2	3	4	5
1	My leader encourages work group members to solve problems together					
2	My leader gives all work group members a chance to voice their opinions					
3	My leader gives work group members honest and fair answers					
4	My leader makes suggestions about how to solve problems					
5	My leader teaches work group members how to solve problems on their own					
6	When performance requirements designed my supervisor relies only on his/her own judgment					
7	My supervisor does not impose policies on me					
8	There is leadership freedom in my department					
9	My department performs without any leadership barriers or obstacle					
10	I encourage others to do things on my way					
11	The manger attends to my problems					
12	My supervisor allows me to express my point of view openly					

