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THE EFFECT OF LEADERSHIP STYLE ALIGNED TO ORGANIZATION
CULTURE ON EMPLOYEE PERFORMANCE , IN THE CASE OF
SELECTED ARCHITECTURAL FIRMS IN ADDIS ABABA

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**The Effect of Leadership style and organizational culture
on employee performance**

In the case of selected architectural firms in Addis Abeba

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Statement of Declaration

I Winta Hailu Birbo, declare that this project work entitled “The Effect of Leadership style aligned to organizational culture on employee performance In the case of selected architectural firms in Addis Abeba” is outcome of my own effort and that all source of materials used for the study have been duly acknowledged. I have produced it independently except the guidance and suggestion of the research advisor. This study has not been submitted for any degree in this University or any other University. It is offered for the partial fulfillment of the degree of Masters of Art in Project Management.

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Abstract

This study investigates the relationship between leadership style and organizational culture and how they influence worker performance. Leadership is about providing direction and vision for a team to work toward common goals, and then to encourage and assist each team member in achieving those goals. Organizational cultures, on the other hand, refer to the shared attitudes, values, and beliefs that influence how business is conducted within a company. Both have the potential to have a substantial impact on employee performance and, consequently, the success of any business. In the fast-paced world of architecture success of an organization usually depends on employee performance. This study examines the relationship between employee performance, organizational culture, and leadership styles at architecture firms in Addis Abeba. The study used secondary data (books, papers, literature, publications, and journals) as well as primary data obtained from employees of architecture companies using regular questionnaires. The researcher used convenience sampling to identify eight architectural firms for the case study because of time constraints. The survey was distributed and collected from different professionals working in design departments in the selected eight firms. Out of the 60 surveys distributed, 49 were correctly completed, yielding an 82% response rate. The questionnaires were analyzed using IBM SPSS statistics version 29.02, through inferential and descriptive analysis. The study's findings indicate that there is no single, well-defined leadership style within these companies. Nonetheless, the researcher was able to recognize the most prominent or related kind of leadership style by observing specific trends in companies. The inferential study revealed a positive correlation between organizational culture and employee performance in transformational and democratic leadership styles. According to the study's findings, the importance of having suitable leadership and organizational behavior is obvious because it has a significant impact on employee performance. The research of these eight organizations found that the majority of them do not have an organized or planned leadership system. As a result, it is recommended that a leader or manager open their mind to learning about different types of leadership and organizational cultures, and then adopt the one that is most fit for their company. Furthermore, based on the study's findings, it is recommended that a company adopt a transformational leadership style in order to develop an innovative organizational culture and thereby improve employee performance.

Keywords: *Leadership style, organizational culture, employee performance, transformational leadership style, architectural firms in Addis Abeba*

Contents

Abstract.....	IV
Chapter 1.....	1
1.1 Background and overview of study.....	1
1.2 Problem statement	3
1.3 Research question.....	3
1.4 Objective of the study.....	4
1.4.1 The Main Objective	4
1.4.2 The specific objective	4
1.5 Significance / Justification of study.....	4
1.6 Scope of the study	5
Chapter Two.....	6
2. Theoretical review	6
2.1 Leadership concept and Style	6
2.2 Organizational culture.....	8
2.3 Factors affecting employee performance.....	9
2.4 Relationship between Leadership and organization culture relationship.....	12
2.5 Relationship between Leadership Style and employee performance	14
2.6 Relationship between organization culture and employee performance.....	16
2.7 Empirical review.....	17
2.8 Conceptual frame work.....	18
2.9 Limitation	19
Chapter 3.....	20
3. Research methodology	20
3.1 Research Design.....	20
3.2 Research Population and sampling design	20
3.3 Data Collection.....	21
3.4 Data analysis	21
Chapter 4.....	22
4. DATA ANALYSIS AND INTERPRETATION.....	22
4.1 Introduction.....	22
4.2 Sample and response rate.....	22
4.3 Demographic observation	23
4.4 Descriptive Statistics on Dependent and Independent variables.....	24

4.5	Descriptive Analysis of Leadership Styles	24
4.6	Descriptive Analysis of organizational culture	26
4.7	Descriptive Analysis of Employee performance.....	28
4.8	Inferential Analysis.....	29
4.8.1	Normality Test.....	29
4.8.2	Correlation Analysis	29
Chapter 5.....		32
5.	SUMMARY OF MAIN FINDINGS, CONCLUSIONS AND RECOMMENDATIONS	32
5.1	Introduction	32
5.2	Summary of Main Findings of the Study.....	32
5.3	Conclusion.....	33
5.4	Recommendation	34
References		36
APPENDICES		38

List of tables

Table 4.1 Questioners Response Rate	22
Table 4.2 Demographic feature summary	23
Table 4.3 Descriptive Analysis of leadership styles Transformational, Transactional and Laissez-Faire leadership	25
Table 4.4 Descriptive Analysis of leadership styles Autocratic and democratic	25
Table 4.5 Descriptive Analysis of organizational culture	27
Table 4. 6 Descriptive Analysis of employee performance.....	28
Table 4.7 correlation test.....	30

List of Figures

Figure 2. 1 : Conceptual Framework Source: Developed by the researcher	18
Figure 4.1 Linearity Test.....	29

Chapter 1

1.1 Background and overview of study

Employee performance is critical to every organization's growth and financial success. Employees' performance is a combination of skills and motivations, and the work environment that a company creates for motivations. Both management and leaderships styles are requires for work executions, teamwork, and the developments of a suitable organizational cultures. Leaderships is about establishes a visions and directions for a teams to work toward a commons objectives, and then supporting and assists each teams member in achievements that goals. Organizational cultures, on the other hands, referrers to the shared attitudes, values, and believes that governs how things are done in a company. Both have the potentials to significantly impacts on any organizations practices and success. There is a close relationship between leadership's styles, organizational cultures, and employee's performances. In the dynamic field of architecture, success often depends on how their employee performs. Leadership style and the culture of organizations are vital elements that could greatly impact the performance of employees. This research aims to investigate the relationship between leadership styles aligned with a suitable organizational culture, and employee performance in the setting of chosen architecture businesses in Addis Ababa.

The success of any company is dependent upon its leadership. It is significant because it is the engine that propels an organization's management procedure. The acts of exercising influence over others and inspiring, motivating, and guiding their behavior toward the accomplishment of organizational or group goals is known as leadership. According to Lewin, Lippitt, and White (1939), there are three types of leadership styles that demonstrate how a leader's actions can impact group dynamics: authoritarian, democratic, and laissez-faire. Burns' transformational theory of leadership has recently been more and more well-liked among modern scholars studying this subject. This viewpoint holds that the greatest way to lead others effectively is to be able to motivate them to go beyond their original goals. Conversely, transactional type uses rewards and penalization for improving employee performance without necessarily altering people's views toward work.

Organizational culture and leadership are important elements of an organization that goes hand in hand in aiding organization's success. An organization's culture is formed and

developed in large part by its leadership. Furthermore, they build strong organizational cultures that inspire employees to perform to the best of their abilities by ensuring that all staff members share a common understanding of the organization's goal, purpose, and vision (Cote Catherine, 2023). The method in which organizational culture and leadership interact with one another determines their relationship. A robust and uplifting organizational culture can improve leadership effectiveness and boost employee satisfaction (Tsai, 2011). Similarly, good leadership techniques can support a positive organizational culture that makes it possible to achieve organizational objectives. Tsai (2011) Leaders generate win-win scenarios when they understand cultural dimensions and strive to align them with their firms'. Maintaining an environment of innovation and success for organizations requires this balance.

To achieve organizational goals, it is crucial to have the right leadership style that aligns with the suitable organizational culture. According to Cote Catherin (2023), each type of leadership style results in a specific form of corporate culture. Catherin (2023) links authoritarian leadership to hierarchical organizational culture, democratic leadership to participative culture, laissez-faire leadership to flexible culture, transformational leadership to innovative culture, and transactional leadership to performance-oriented culture. Each style of leadership has advantages and disadvantages; what makes a person effective inside an organization is heavily influenced by both their surroundings and the general customs that exist there. Understanding the relationship between leadership and organizational culture is critical for understanding its impact on employee performance.

The architectural sector in Addis Ababa is currently at a cross road caused by the clash of traditional with modern ones. Employee performance heavily leans on organizational culture and management in this field. To succeed architectural firms must have an environment that fosters innovation, creativity and efficiency. Researchers have observed that an efficient organizational culture and a successful leadership style have a positive relationship that can maximize employee performance. However, this has not been explored well in different settings such as architecture firms in Addis Ababa which can provide an ideal setting for studying how culture and leadership in the architectural sector impact professionals' productivity. Hence, this study aims to address this gap through analyzing the effect of various organizational culture and leadership style on employee performance specifically focusing on architectural firms in Addis Ababa. The finding of the study can then provide a

valuable insight in managing these firms and can assist in making strategies to enhance employee performance.

1.2 Problem statement

The architecture industry in Addis Abeba can be characterized by diverse leadership styles and organizational culture, which highly influences employee performance. In most design firms, leader usually focuses on the accomplishment of projects and the financial gain it brings. Although this is also vital for running any business it is also very necessary to make sure workers are effectively engaged in the organization through leadership. One of the reasons why employees in these architectural firms experience high turnover, low satisfaction, and less commitment are lack of suitable organizational culture and leadership style.

The relationship between leadership style and organizational culture is widely recognizes as one of the main factors affecting employee performance. However, there is a lack of study on how these variables affect employee performance within the architecture sector. This research aim to bridge this gap by study different leadership styles and organizational culture dimensions such as shared values and believes affecting the performance of workers in selected design firms in Addis Ababa. The study will explore how different leadership styles aligned with a suitable organizational cultural aids and hinder worker commitment, satisfaction, and productivity, which in turn highly impacting the success and competitiveness of the firm.

1.3 Research question

This study aims to answer the following research questions: -

- What is the impact of different leadership styles (transformational, transactional, laissez-faire, autocratic and democratic) on employee performance in architectural firms in Addis Abeba?
- Is there predominant leadership style that correlates with higher employee performance in the selected firms?
- How does leadership style and organizational culture influence employee performance in the architectural industry in Addis Abeba?

1.4 Objective of the study

1.4.1 The Main Objective

The main goal of the paper is to examine how leadership style linked with a suitable organizational culture affect worker performance, particularly in an architecture firm.

1.4.2 The specific objective

Specific objectives of the paper are

- To understand the relationship between leadership style and organizational culture and how their combination affects the employee performance.
- To identify the common leadership style and organizational culture in the architectural industry and explore whether certain styles are more effective in architectural firms in Addis Ababa for improvement of employee performance and creativity.
- To identify the suitable type of organizational culture in the architectural industry and a suitable organizational culture that can bring positive impacts on the employee performance in that industry.

1.5 Significance / Justification of study

The findings of this study sheds insight on the significant impact of organizational culture and leadership style on employee performance which also impacts the success of the architectural firm. This paper addresses operational issues by investigating how leadership and organizational culture in the architectural industry influence employee performance. This can offer meaningful insights to companies seeking to improve their performance and productivity. The study contributes to the body of knowledge by providing actual data from a specific context of chosen Addis Ababa architecture firms. It can offer a deeper understanding of the unique cultural dynamics that exist within Addis Ababa architecture firms, which can inform management procedures and organizational guidelines. The research can also be used in developing architectural industry specific leadership programs geared towards producing competent leaders who can effectively steer and create an organizational culture that enhances a firms performance. The findings can influence general enterprise performance; strategic decisions made on leadership alternatives, organizational cultures, and human resource management. For individuals working as managers, architects, engineers

among others with an interest in performance in relation to organizational culture and leadership within architectural firms; the study can have wide theoretical and practical implications.

1.6 Scope of the study

This study investigates the many types of leadership styles such as; transformational leadership, transactional leadership, laissez-faire, democratic, and authoritarian leadership, as well as their prevalence in Addis Abeba's architectural businesses. To obtain better accuracy as well as oversight over the randomness of sample selection, the study focused on a select group of firms operating in Addis Abeba varying in sizes, types of projects they deal with, and their organizational structure. This research was carried out with these firms throughout certain time periods, providing information on the present state of leadership and organizational culture, as well as their impact on organizational performance. The research approach would include surveys, case studies, and data collection methods.

Chapter Two

2. Theoretical review

2.1 Leadership concept and Style

Over the years, leadership is a topic of cross-disciplinary importance that has been studied in numerous fields. The concept of leadership also has evolved throughout the years affecting organizational structure. Leadership is not just about having power but also motivating and inspiring employees to achieve the organization's goals. It is a skill that can be learned and improved with time.

Early beliefs including the Great Man Theory implied that leadership comes naturally to certain individuals. However, this view has since given way to newer theories, which place greater emphasis on education, setting and behavior for leadership. For example, trait theorists have suggested intelligence, determination and integrity as some of the qualities frequently exhibited by successful leaders (Stogdill, 1974). However, these characteristics are not considered innate but rather acquired over time. Similarly, behavioral approaches also moved from fixed attributes towards leaders' decisions and conduct. Lewin identified autocratic, democratic, and laissez-faire styles of leadership that show how a leader's behavior can affect group dynamics (Lewin, Lippitt & White, 1939). In the recent past transformational theory of leadership proposed by Burns has gained popularity among contemporary researchers in this area. According to this perspective effectiveness in leading others is best achieved through being able to inspire them so that they can achieve more than what was initially intended. On the contrary transactional type is viewed as more managerial since it relies on rewarding good performance while punishing failure without necessarily changing people's attitudes towards work; it thus focuses mainly on supervision, organization, and overall productivity of work groups.

Leadership style

There have been many studies on leadership styles in the field of organizational behavior. Team dynamics and organizational performance can be significantly affected by a leader's application of leadership style. The way a leader gives direction, implements plans, and motivates others is what leadership style entails. It is a reflection of the leader's thoughts, character, and background. Leadership styles that can be identified broadly are Autocratic, democratic, laissez-faire, Transformation and transactional leadership.

Autocratic Leadership: Is characterized by a strict and centralized managerial approach. It has been linked with higher levels of efficiency and productivity where fast decision-making is necessary (Khan et al., 2016). However, this kind of leadership can result in reduced employee satisfaction and limited creativity (Samad, 2012)

Democratic Leadership: This style takes place when the manager involves one or more of his staff in decision-making. It is said to be related to higher levels of job satisfaction where different members bring their ideas while finding solutions creatively (Ryan & Tipu, 2013). In addition, it creates the feeling that each employee is accountable and owns their work but this might lead to slow decision-making process.

Laissez-Faire Leadership: This type can be seen as where no strict rules are given out by those in authority hence all powers given to subordinates or followers. For example, team leaders may only offer general instructions leaving others to decide how things should run. Uncontrolled freedom within a group fosters independence among individuals but may bring about disunity if not well coordinated (Dess & Picken, 2000).

Transformational Leadership: Leaders who motivate their followers into putting their own self-interests aside for the sake of the organization. Associated with increased participation of employees, heightened levels of creativity and better performance (Bass, 1985) transformational leaders can be seen as people who are capable of making things change so that the company may grow.

Transactional Leadership: In this style, leaders focus on exchanges with employees. A leader sets clear objectives and offers rewards or punishment based on how well a follower meets them. Though it is likely to result in consistent outcomes and an orderly environment, it might not foster inner drive or individual growth among employees (Bass, 1985)

It is important for any leader that wishes to become more effective to know what kind of leadership style they use. They should also know what strengths and weaknesses each style has so that leaders can adjust their methods according to the demands of the organization or the team. The way in which a leader within an organization uses his/her leadership style greatly affects organizational culture. For example, authoritarian leaders may breed dependency cultures characterized by a lack creativity while democratic ones may enhance collaboration thus fostering creativity among members.

In addition, organizational goals, work environment, leader's personality, and team characteristics determine if a leadership style is effective or not. This means that no leadership style can be said to be universally effective. According to Amabile et al. (2004), the context in which leadership is exercised determines the most suitable leadership style. Those leaders who can change their styles depending on the needs of their followers as well as situational demands are considered effective. A successful leader should be able to adjust his or her approaches towards different circumstances and situations

In conclusion, the complexity of leadership can be seen from the different literatures available on the topic. It's a dynamic process that keeps on changing. It's more than just certain qualities or traits but rather involves a complicated interplay between leaders, employees as well as situations.

2.2 Organizational culture

Organizational culture refers to set of beliefs, values, standards and practices that shape the environment in an organization. It's what makes employees act and interact in certain ways without even knowing it affecting everything from decision making processes to interpersonal relations between colleagues. This has been defined as an unwritten code by which people live within organizations (Schein, 1992). The basic assumptions underlying employee behavior toward one another or the organization itself are influenced by this set of shared norms. Understanding complex nature of organizational culture would not be complete without mention about Schein's model which is considered to be one of the most important frameworks for analyzing organizational culture.

An organization's culture refers to the combination of shared assumptions, values, and beliefs that control behaviors of people taking place in the organization (Watkins, M. D. ,2013). These shared values significantly influence the individuals in the organization such that they determine how they dress, act and execute their duties. The reason behind the significance of the organization culture is that it affects the success of the organization as well as job satisfaction among employees. A positive culture will facilitate higher performance levels, encourage innovation and enhance competitiveness (Watkins, M. D. ,2013). Conversely, a bad culture may lead to low morale among workers, high rates of employee turnover and decreased organizational performance. Moreover, elements constituting organizational culture include:

- Values: Core principles or standards that guide behavior.

- Norms: Unwritten rules and expectations that regulate employee behavior.
- Symbols: Logos, dress codes, and other visual representations conveying essence of the organization.
- Language: Jargon, slogans, and other forms of verbal expression that creates a sense of shared identity.

Organizational culture research examines a variety of cultural factors such as innovation, teamwork, result orientation, and power distance. These aspects have been associated with good outcomes such as job satisfaction, commitment, innovation, productivity, and financial performance. The Advantages of Organization Culture Studies have indicated a variety of benefits linked to a strong organizational culture. Chapman et al. (1991), for example, discovered that an established organization culture play a major role in the successful implementation of comprehensive quality management. Similarly, vein, Bhuiyan et al. (2020) stressed how crucial organizational culture is to supporting changes in an organization and influencing workers willingness to accept changes.

Leaders can significantly impact organization culture. Their action, communication abilities and strategies of decision-making all play a part in setting organizational culture. Cultivating a culture that matches with the goals and values of the organization needs careful actions together with strategic thinking (Watkins, 2013). Managing subcultures in organizational culture is among the hardest things to do because they might have conflicting norms and values. Also, cultural change becomes even more complicated when the company's environment, strategies, markets or external pressures shift (Watkins, 2013).

In conclusion, organizational culture is a dynamic and complex idea that has a significant impact on how people behave and perform. For leaders to build a thriving and resilient organization, they must understand and regulate organizational culture successfully.

2.3 Factors affecting employee performance

Employer performance is a critical aspect of the success of any company and has been subjected to extensive study. An employee's performance depends on several factors such as their individual ability, personal traits, knowledge level and skills they possess which are the basis of what they can do. Similarly, what an employee wants in terms of goals or objectives

should also be taken into consideration as well his expectations towards the job. Motivation can either drive or demoralize someone therefore it is very important for one's performance at work; this could come from within themselves or be influenced by others within the organization like colleagues and supervisors among others. In addition, the method that organizations use to reward employees may affect their performance either positively or negatively since different people have different needs which should all be met if maximum productivity is to be achieved.

Ability and Personal Traits: The physical and mental abilities of an employee significantly influence their performance at work. High productivity and engagement among staff can be achieved through ensuring a good job fit whereby the strengths and capabilities of individuals match with job requirements.

Knowledge and Skill: Employees must possess appropriate knowledge and skills for executing their duties efficiently. Knowledge entails the comprehension of factual information as well as principles while skills involve applying such knowledge in practice. These can be improved through training and coaching.

Employee abilities and skills are the foundation that supports their performance. It is important to have the competence for particular duties and the general capability to do a job (Atatsi, Stoffers, & Kil, 2019). Personnel with required skills and knowledge will be able to perform better in their work hence improving organizational efficiency (Atatsi et al., 2019).

Clear Goals and Expectations: Employees work better when they know what they should do as well as the objectives they have to meet. Measurable progress is achieved when expectations are clear and the guideline is focused to help employees.

Motivation: Another factor that drives the performance of employees is motivation. Both intrinsic motivation which comes from within an individual and extrinsic one that is influenced by external rewards contribute to improving work output (Atatsi et al., 2019). The more motivated workers are, the more involved, productive and committed they are likely to be with their duties

Job Satisfaction: This also greatly affects how well an employee performs in his/her job. In most cases, people who are satisfied tend to work harder while those who feel dissatisfied may have lower productivity levels or even quit altogether (Atatsi et al., 2019).

Incentives: both financial or non-financial can greatly affect how willing employees are to work hard enough for high performance achievement

Tools and Resources: Being provided with the necessary resources and tools is crucial if one is to be able to perform their job. Lack of these can lead to inability to deliver thereby causing frustrations.

Morale and Culture: Employee performance can be influenced by the overall morale and culture of an organization. A strong positive organizational culture aligns employee behavior with the mission leading to higher levels of job satisfaction (Atatsi et al., 2019). Besides, a supportive inclusive work environment fosters better performance among workers.

Recognition: Acknowledging employee for their work and effort is an effective way of boosting morale and improving their performance. It acts as an incentive that makes them continue the good work and even do better (Kumari & Dave, 2017).

Workload: It is important to have a manageable workload so as to prevent burnout among staff members while at the same time sustaining their productivity levels. When workers are given too much work they may become stressed hence leading to underperformance but if they have insufficient tasks it can result in boredom and lack of engagement.

Training: Employee development should be continuous if their performance is to be improved. This is because it keeps them posted with necessary skills and knowledge for carrying out different duties within their respective positions in an organization (Atatsi et al., 2019). Again it aids in adapting continuous development training for purposes of maintaining current employee performance where various jobs change over time regarding technology or methods associated with them.

Technology: The utilization of contemporary technology can simplify processes and enhance productivity. Employees who have the newest tools of technology tend to be more efficient.

Communication: Good communication in an organization ensures that employees know what is required of them in line with the company's goals. On the other hand, lack of proper communication may result into mistakes due to misunderstanding

Work Environment: The work environment is everything; that is, the physical as well as psychological condition affects our performance levels as employees or individuals.

Performance will be high where there are support systems while it will be low if they are totally absent. (Atatsi et al.,2019).

Leadership : Effective management and leadership practices have a direct effect on the employees' performance. Staff performance can be influenced by different leadership styles, communication channels used by a leader and quality of relationship between them and their members (Atatsi et al., 2019).

In conclusion, it is shown that there are variety of factors which affect employee performance as discussed in various literature. While ability and motivation stand out among individuals aspects, organizational culture together with work environment among others should not be underestimated since they too have their part to play towards enhancing employee productivity levels within any given company setting thereby realizing overall success.

2.4 Relationship between Leadership and organization culture relationship

The relationship between leadership and organizational culture is both intricate and mutually influential. The way a company operates can be affected by its organizational culture interacting with leadership. As a result, leadership should not to just direct people but shape a culture within an organization which will lead to the achievement of the organizations goals.

Leadership has significant role in creating and developing an organization's culture. The organizational values, beliefs and norms that guide employee's behavior are determined by leaders. Leaders are able to nurture a culture of innovation, teamwork and integrity through what they do and say. Additionally, by making sure there is agreement on mission, purpose and vision among all employees; they create a basis for strong organizational cultures where people are motivated to do their best (Cote Catherine, 2023). Some may argue that transformational leaders foster environments where creativity thrives best. In fact it is them who should be credited with such results because they not only communicate well but also inspire others while at the same time shaping conditions for organizational performance improvement through innovation (Golden, 2016). Such kind of an individual possesses great skills in painting pictures regarding what he/she want achieved within his/her company thereby leading teams into working towards the realization of these dreams besides creating a culture of diversity and innovation.

However, the prevailing organizational culture can have a profound influence on leadership style and effectiveness. It determines if leadership can be empowering or restricting. When leaders are in a setting where they are free to communicate and take risks they can be more innovative and flexible. Tsai (2011) conducted a research on this and found out that organizational cultures which are supportive had positive effects on job satisfaction as well as leadership behavior. This therefore means that for effective leadership to thrive there should be a culture that supports it. Conversely, if the culture is not open to change then it might be difficult for leaders to implement new strategies and ideas into their organizations.

The relationship between leadership and organizational culture lies in the way each one affects the other. A strong and positive organizational culture can increase the efficiency of leadership making employees more satisfied. Similarly, effective leadership practices may encourage a healthy organizational culture that enables the attainment of organizational goal. (Tsai, 2011) When leaders understand cultural dimensions and work towards aligning them with those of their businesses, they create win-win situations. This symbiosis is necessary for fostering creativity climate and achieving continuous success for organizations.

This has been thoroughly studied in organizational behavior, the relationship between various leadership styles and organizational culture. The culture of an organization can be significantly influenced by the choice of leadership style employed. Here is an overview on how different types of leaders interact with different organizational cultures.

- **Autocratic Leadership and Hierarchical Culture** - This style can lead to a culture that is hierarchical and controlled where innovation takes a backseat while established procedures are followed strictly because decisions in these organizations are made by one person without much input from subordinates (Catherine, 2023).
- **Democratic Leadership** - This leadership style often has a culture that values employee engagement and inclusivity since members of the group are allowed to contribute towards decision making thereby fostering consensus within organizations (Catherine, 2023).
- **Laissez-Faire Leadership and Flexible Culture Laissez-faire** - According to Cote Catherine (2023) Laissez-faire leadership provides little guidance as leaders let group members decide thus leading to a flexible and autonomous culture where employees can take their own initiative as well as work without being supervised.

- **Transformational Leadership and Innovative Culture** - Transformational leadership inspires followers to do more than was expected of them in order to achieve certain goals while at the same time fostering creativity and innovative thinking within an organization or institution. This is according to Cote Catherin(2023) work on different types of leadership and their effects on organizational culture.
- **Transactional Leadership and Performance-Oriented Culture** - Transactional leaders concentrate on the exchange that is taking place between them and their followers, whereby if there is compliance it is rewarded and if there is no compliance it is punished. This style normally leads to a culture which puts more emphasis on performance metrics and efficiency (Cote Catherine, 2023).

Each style of leading has its pros and cons; what makes any one effective within an organization depends greatly upon both the environment around them as well as general customs found there too. They should therefore take into account these two factors when trying be most successful at doing their job.

To sum up, according to the literature review the relationship between leadership and organizational culture is very complicated as well as interdependent. Leaders are able to form different cultures while at the same time these cultures can help or limit leadership. Good leaders drive for positive organizational cultures that can improve general performance and satisfaction of its members. Therefore, organizations need to have such kind of leaders who understand their values so that they may achieve their mission goals in future. For any leader wishing to build strong businesses needs to understand these relationships.

2.5 Relationship between Leadership Style and employee performance

The relationship of leadership with employee performance has been widely researched in different industries. In enhancing employee performance, one of the most important components of leadership is the style adopted. A leader's attitudes and behaviors arrangement can significantly affect their staff members' overall performance, motivation levels, and commitment among other things. Employee performance is either facilitated or impeded by the styles leaders choose to employ.

The relationship between leadership styles and employee performance is complex and many-layered. For instance, even though transformational leadership may usually be linked with

greater levels of employee engagement and performance, there are situations in which transactional leadership can also prove to be effective. This suggests that a combination of both styles might be needed to meet the diverse needs of employees as well as different demands in various organizational contexts (Tamimi & Sopiah, 2022).

Transformational Leadership: transformational leadership is a type of leadership which is described as inspiring and motivating followers beyond their personal interests for the sake of the organization. These leaders cultivate an atmosphere of trust where creativity and innovation are encouraged. According to research, this style can greatly improve employee performance through support and empowerment creation among other things (Northouse, 2018).

Transactional Leadership: In Contrary to transformational leaders, transactional rely on a system that uses rewards or punishment for motivating employees towards achieving specific objectives. In addition, tasks have been clarified as well so goal setting becomes easier under this kind of approach too. It should however be noted that although employee performance tends to consistently increase with such management styles; sometimes it may only do so marginally (Bass et al., 2012).

Autocratic Leadership: This is a style of leadership that involves direct orders and full control; it may bring about efficiency at the expense of low employee morale.

Democratic leadership: Darstane (2020) points out that in democratic leadership, employees participate in decision-making processes which can heighten their commitment towards realization of goals over time.

Laissez-Faire Leadership Laissez-faire, it denotes a hands-off approach where employees are allowed to direct their own work activities. Though this can promote creativity among staff, it might lead to inconsistent performance if there is no clear guidance given, (Dastane, 2020).

Summing up, all kinds of leadership have their pros in affecting the output of workers. Transformational guidance although mostly results into good consequences, there are other forms such as transactional, autocratic, democratic and laissez-faire which also have their place to play in different situations. Every style comes with its strong points as well as limitations and what strategy to employ largely depends on the organizational climate and

individual worker needs. For leaders to achieve this, they need to be flexible enough so that they can use any style when necessary. It depends with how these methods work regarding the context under consideration or what that particular company's employees require. Generally driving results will work better if you can change your approach based on teams and circumstances you find yourself dealing with most frequently.

2.6 Relationship between organization culture and employee performance

Organizational culture significantly affects workers performance. Research has always found a direct connection between the two. A positive culture causes good communication and clear values among employees who trust each other; this has been found to increase performances. According to Denison (1990), not only does it elevate the performance of an average person but also brings down that of exceptional workers if negative and weak while positive and strong respectively. On the other hand, studies show that when employees can freely express themselves in their jobs teams become more effective as well efficient (Admin 2023).

Organizational culture might also provide a competitive advantage. Companies which have cultures that prioritize customer service, innovation, and flexibility tend to outperform their rivals. These cultures inspire people to do more than what is expected of them professionally which leads to high performance outcomes. Moreover, research shown that the link between an employee's values and those of the organization's culture significantly affects performance. Employees who strongly believe in their companies cultures are usually more committed to them and perform better.

In summary, literature implies a strong relationship between organizational cultures and employee performances. A positive one can improve while a mismatched or negative one may impede it. Therefore leaders/managers should understand this and should strive towards making sure that they create such working environments which would enable every worker realize their full potential thus achieving high results as far as business success is concerned.

2.7 Empirical review

The relationship of leadership style and organizational culture on employee performance has been extensively studied due to its significant effect.

According to a fundamental research carried out by Klein, Wallis & Cooke (2013), the link between these two is explored through a model that directly connects types of leadership with types of cultures and eventually organizational performance. This data was collected from 300 companies with over 2600 respondents. The study establishes that organization effectiveness depends on cultures while they are influenced by different leadership styles. It was thus concluded that using organizational culture to enhance quality can be very rewarding. (Klein, A. S., Wallis, J., & Cooke, R. A. 2013)

Ogbonna and Harris (2000), explored this even more, they presented empirical evidence of British companies that demonstrate the relationship between leadership style and performance being mediated by the kind of organizational culture. According to them understanding a culture is imperative for effective leadership while pointing out the fact that leaders have to create and maintain the norms within any given society. Additionally this research establishes the fact that leadership is associated with performance only indirectly; however participative types such as competitive or innovative directly relate (Ogbonna, E., & Harris, L. C. 2000).

Kargas and Varoutas (2015) conducted a research study on the relationship between organizational culture and leadership. According to them, a business needs to align its leadership style with its organizational culture if it wants to gain sustainable competitive advantage. The study showed a relationship with significant association between these two operational parameters when organizations had similar types of cultures and styles of leadership that were complementary. Additionally, the researchers investigated whether market conditions like strength in competition or “operational age and size” could affect the strength or directionality of this relation. The direction of relationships is influenced by competitiveness within markets while extents are determined by operational ages and sizes.

According to Carvalho, Riana, and Soares' (2020) literature review, employee performance is also modeled using motivation alongside leadership style with organizational culture. This model underscores the heterogeneous nature of employee performance, which is brought about by complex interplay among motivational factors, methods of leadership and the

current organization culture. From this paper, we conclude that employee performance can be improved through motivation, leadership styles as well as organizational culture.

In summary, many types of research have been done to show that there is a significant relationship between leadership style and organizational culture which greatly influences the performance of employees. According to Klein, Wallis, & Cooke (2013), one way to do this is through linking leadership styles with types of cultures where they found out that quality can be improved by organizational culture. Ogbonna and Harris (2000) also say that indirect impact on performance mediated through company's culture is seen when certain types are adopted over others; however competitiveness or innovation directly affects performance while communalism/bureaucratic features don't positively do so . In their study, Kargas & Varoutas (2015) found out that for a competitive advantage firms need to match leadership styles against cultures. Carvalho et al., (2020) realized that motivation among other factors like leadership style and organizational culture plays a very big role in determining employee performance.

2.8 Conceptual frame work

The conceptual framework is based on the study's research questions and literature review examined. Leadership styles (transformational, transactional, Laissez-Faire, Autocratic, and Democratic) and organizational culture are thought to be independent variables, with employee performance as the dependent variable.

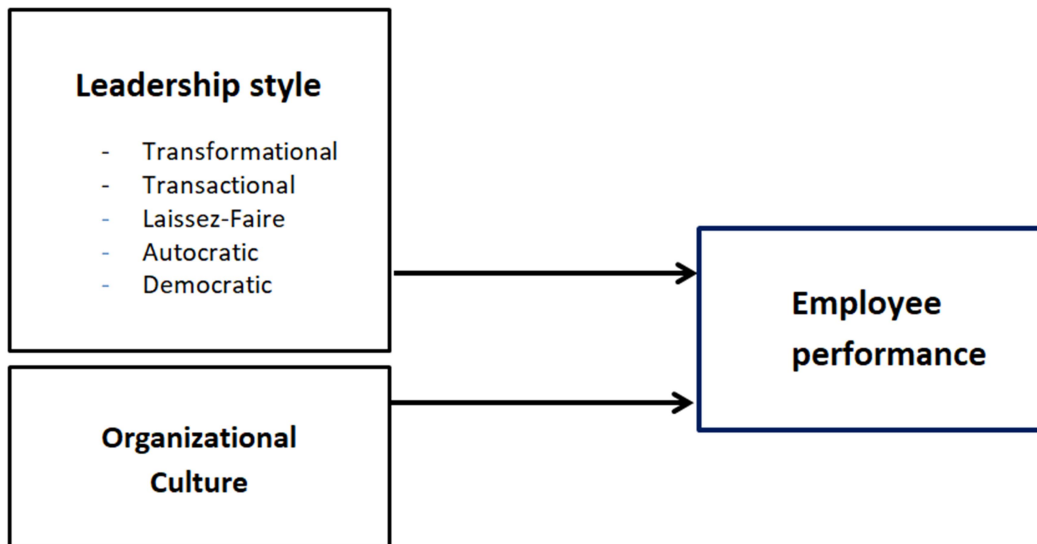


Figure 2. 1 : Conceptual Framework Source: Developed by the researcher

2.9 Limitation

Due to the time limitation of the research program, the research was not able to widen the sample population which has limited the research results. Due to this the research was not able to generalize on the result and give a more detailed recommendation.

Chapter 3

3. Research methodology

This chapter goes into great depth on the specific research approach that has been applied. It covers the research technique, population and sampling size, data gathering methods, validity and reliability, and ethical considerations during data collection.

3.1 Research Design

This study examined how leadership style and organizational culture affect employee performance in architecture businesses in Addis Ababa. The researcher used quantitative research designs to investigate the relationship between all three variables. In accordance to the conceptual framework, leadership styles and organizational culture are considered independent factors, with employee performance as the dependent variable. Using statistical techniques, the relationship between these variables was assessed and examined.

Through the use of a questionnaire, a cross-sectional analysis was employed. Each research participant was given five possible answers on a scale of 1 to 5, with the options being "strongly disagree" to "strongly agree." The relationship between these variables was then assessed and examined using statistical methods.

3.2 Research Population and sampling design

Non- Probability sampling was used in selecting case studies for the research. Given the special focus on architectural companies, the population will be defined as those working in a variety of capacities inside these firms, ranging from junior staff to senior management. The researcher had to choose several case studies because there aren't sufficient staff members in Addis Abeba's architecture firms to work on just one case study. Firms chosen by the researcher have at least been working for the past five years. In Addis Ababa, there are 112 consulting architecture firms that were established five years ago. Given the time constraints of the research, the researcher chose eight architectural companies for the case study through convenience sampling. From the selected eight firms the study tried to involves all of the employees in the design department. In total out of the 60 employees in the design department 49 responded. To ensure that the analysis is comprehensive, the firms that would

be selected would range in size from small to large, from newly founded to operating for over 20 years, from having clients internationally to having clients locally, and from being involved with construction to just doing design.

3.3 Data Collection

The study was conducted using both primary and secondary data sources. Various data collection tools were used to obtain quantitative data. Primary data was gathered from architecture firm employees using regular questionnaires. Secondary data sources for this research included books, articles, literature, publications, and journals.

Questionnaires are the primary mode of data collecting in this study. The questionnaire contains four sections. The demographic inquiry is the first section of the questionnaire, and it provides general information about the responder, such as gender, educational background, and job experience. The second, third, and fourth parts contain ten questions that help to comprehend the respondent's perspectives on leadership, organizational culture, and employee performance.

3.4 Data analysis

To facilitate analysis, data will be prepared (checked, edited, and coded) and entered into SPSS version 27 after collecting questionnaires from respondents. The quantitative data will be analyzed mostly using the Statistical Package for Social Scientists (SPSS). Data is analyzed using mean, frequency, percentage, and standard deviation. Results are displayed in tabular and bar charts.

Chapter 4

4. DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter describes the analysis and interpretation of the gathered questionnaires. The questionnaires were used to investigate the relationship between leadership style, organizational culture, and employee performance in the eight organizations chosen for the case study. 49 questionnaires were collected from eight organizations and analyzed using IBM SPSS statistics version 29.02. The data was obtained through a Google form and coded in SPSS for analysis. The questionnaire consists of four sections. The first section hold the demographic inquiry, the second determines each company's leadership style; the third section assesses the existing organizational culture; and the fourth section analyzes employee performance. This chapter analyzes and describes the relationship between these three variables using descriptive and inferential analysis.

4.2 Sample and response rate

The questionnaire was distributed and collected from different professionals working in the design department of the selected eight companies. As shown on the table below a total of 49 questioners were properly filled, out of the 60 questionnaires administered making the response rate 82%. This is a sufficient response to proceed with the analysis.

	Frequency	Percent
Company 1	7	12
Company 2	6	10
Company 3	6	10
Company 4	6	10
Company 5	5	8
Company 6	6	10
Company 7	6	10
Company 8	7	12
Total	49	82

Table 4.1 Questioners Response Rate

4.3 Demographic observation

The table below describes the demographic character of the respondents in terms of gender, job experience, working place, job position, education background and level.

		Count	Column N %
Gender	Male	26	53.1%
	Female	23	46.9%
Education background	Architecture	29	59.2%
	Civil engineer	9	18.4%
	COTM	6	12.2%
	Other engineering	5	10.2%
Level of Educational experience	BSc Degree	38	77.6%
	Masters Degree	11	22.4%
	0-5	16	32.7%
	5-10	21	42.9%
	10-20	11	22.4%
Working place	Above 20	1	2.0%
	Design Office	27	55.1%
	Construction site	3	6.1%
	Both	19	38.8%
Working Position	Junior	11	22.4%
	Mid-senior level	15	30.6%
	Senior level	18	36.7%
	Top management level	5	10.2%

Table 4.2 Demographic feature summary

As shown in the table above, 53% of respondents are male and 47% are female, resulting in a gender balance. Regarding educational background, 59% of responders are architects, 18% are civil engineers, 12% are construction managers, and the remaining 10% are other engineers such as electrical and sanitary engineers. This demonstrates that architects account for the vast majority of respondents. The majority of responders (78%) have a bachelor's degree, with the remaining 22% having a master's. As previously stated, the selected respondents are from the design department, with 55% working in the design office, 6% working on construction sites, and 39% working in both the design office and the construction site. 37% of responders are senior, 31% are mid-senior, 11% are junior, and the remaining 5% are top management. The diversity of the demographics suggests that the collected questioners are legitimate.

4.4 Descriptive Statistics on Dependent and Independent variables

Descriptive analysis refers to statistically describing, aggregating, and presenting the constructs of interest or associations between these construct (Anol B. 2012). Descriptive statistics were utilized to determine each company's leadership style, understand their organizational culture, and assess the level of employee performance. This analysis will assist us in understanding each organization independently and enable us to compare them.

A total of fifty questions were distributed to each company's design department staff. The respondents' ratings on a five-point Likert scale are examined using descriptive statistics such as mean and standard deviation. The indicators were rated using a 5-point Likert scale: 1 for "Strongly disagree," 2 for "Disagree," 3 for "Neutral," 4 for "Agree," and 5 for "Strongly agree". The researcher was able to determine each company's three variance's mean and standard deviation using this scale. Zaidation and Bagheri (2009) state that a mean score of less than 3.39 is seen as low, a mean score of 3.40 to 3.79 is regarded as moderate, and a mean score of more than 3.8 is regarded as high. Furthermore, standard deviation value provides insight on the consistency of responses meaning lower standard deviation indicates that the employee's perception of the 3 variable is more aligned. This was used to analyze and interpret the data's.

4.5 Descriptive Analysis of Leadership Styles

Using the information gathered from the literature research, questions were developed for each type of leadership in order to examine the leadership styles of the selected firms. Using SPSS, the researcher was able to produce the descriptive analysis based on the questionnaires, as shown in the table below.

	Transformational				Transactional				Laissez-Faire			
	Mean	Min	Max	Standard Deviation	Mean	Min	Max	Standard Deviation	Mean	Min	Max	Standard Deviation
Company 1	3.52	2.67	3.83	.41	2.93	2.50	3.33	.33	3.40	3.00	3.83	.32
Company 2	3.19	2.50	4.33	.73	3.25	2.67	4.00	.55	3.50	3.17	3.83	.24
Company 3	3.03	2.33	3.50	.41	3.14	2.50	3.67	.44	3.39	2.83	3.83	.42
Company 4	3.39	2.17	4.00	.73	2.89	2.50	3.17	.27	3.61	3.00	4.17	.43
Company 5	3.80	3.67	4.17	.22	3.77	3.17	4.67	.55	3.53	3.17	3.83	.34
Company 6	2.78	2.50	3.17	.25	3.03	2.67	3.33	.27	3.25	2.83	4.00	.40
Company 7	1.94	1.50	2.33	.33	3.56	3.00	4.33	.59	3.19	2.50	4.33	.89
Company 8	3.76	2.67	4.83	.66	3.64	3.17	4.17	.39	3.32	2.75	3.83	.43

Table 4.3 Descriptive Analysis of leadership styles Transformational, Transactional and Laissez-Faire leadership

	Autocratic				Democratic			
	Mean	Maximum	Minimum	Standard Deviation	Mean	Maximum	Minimum	Standard Deviation
Company 1	3.52	5.00	2.67	.78	3.83	4.33	2.83	.52
Company 2	2.81	3.33	2.00	.56	3.28	4.50	2.67	.72
Company 3	3.00	4.17	2.67	.58	3.11	4.00	2.17	.68
Company 4	2.39	3.33	1.83	.56	3.61	4.17	2.67	.54
Company 5	2.90	3.33	1.50	.79	3.87	4.67	3.50	.46
Company 6	3.31	4.17	2.00	.71	2.89	4.00	2.33	.61
Company 7	3.31	4.00	2.17	.68	3.08	4.00	2.50	.62
Company 8	3.17	3.67	2.17	.53	3.83	4.67	3.00	.59

Table 4.4 Descriptive Analysis of leadership styles Autocratic and democratic

Employee data was collected to assess and understand the prevailing leadership style in the selected eight firms in Addis Abeba. The descriptive analysis given in tables 4.3 and 4.4 is explained below.

- Employees at company 1 rated the following leadership styles: Laissez-Faire leadership at 3.4 (SD 0.32), autocratic leadership at 3.52 (SD 0.78), democratic leadership at 3.83 (SD = 0.52), transformational leadership at 3.52 (SD = 0.41), and transactional leadership at 2.93 (SD = 2.93). This indicates that Company 1 leans more toward a democratic leadership style, with a higher mean score of 3.83 (SD=0.52).
- Company 2 employees rated transformational leadership as 3.19 (SD=0.73), transactional leadership as 3.25 (SD=0.55), laissez-faire leadership as 3.5 (SD 0.24), autocratic leadership as 2.81 (SD=0.56), and democratic leadership as 3.28 (SD = 0.72). This shows that, with a moderate mean value of 3.5 (SD=0.24), Company 2 leans toward laissez-faire leadership and the low standard deviation indicates that the employee perceptions of their leadership style are more aligned.
- Employees at Company 3 rated transformational leadership as 3.03 (SD=0.41), transactional leadership as 3.14 (SD=0.44), laissez-faire leadership as 3.39 (SD 0.42), autocratic leadership as 3.00 (SD=0.58), and democratic leadership as 3.11(SD = 0.68). Since all of the mean leadership styles are low, the researcher was unable to recognize which leadership attributes the organization employs.

- Employees at Company 4 rated transformational leadership as 3.39 (SD=0.73), transactional leadership as 2.89 (SD=0.27), laissez-faire leadership as 3.61 (SD 0.43), autocratic leadership as 2.90 (SD=0.79), and democratic leadership as 3.61(SD = 0.54). This shows that with a moderate mean of 3.61 laissez-faire leadership and democratic leadership style traits are prevalent in company 4.
- Employees of Company 5 gave the following ratings: 3.80 (SD=0.22) for transformational leadership, 3.77 (SD=0.55) for transactional leadership, 3.53 (SD 0.34) for laissez-faire leadership, 2.90 (SD=0.79) for authoritarian leadership and 3.87 (SD = 0.46) for democratic leadership. Based on this data, Company 5 has a high mean range from 3.87 to 3.77, indicating democratic, transformative, and transactional leadership styles.
- Company 6 employee rated: 2.78 (SD=0.25) for transformational leadership, 3.03 (SD=0.27) for transactional leadership, 3.25 (SD 0.40) for laissez-faire leadership, 3.31 (SD=0.68) for authoritarian leadership and 3.08 (SD = 0.61) for democratic leadership. With a low mean score of 3.31 (SD=0.68) suggests some degree of laissez-faire leadership at company6.
- Company 7 employees rated transformational leadership as 1.94 (SD=0.33), transactional leadership as 3.56 (SD=0.59), laissez-faire leadership as 3.19 (SD 0.89), autocratic leadership as 3.31 (SD=0.68), and democratic leadership as 3.08 (SD = 0.62). This implies that, with a moderate mean of 3.56 (SD=0.59), company 7 demonstrates some transactional leadership characteristics.
- Employees at company 8 rated transformational leadership as 3.76 (SD=0.66), transactional leadership as 3.64 (SD=0.39), laissez-faire leadership as 3.32 (SD 0.43), autocratic leadership as 3.17 (SD=0.53), and democratic leadership as 3.83(SD = 0.59). With a high mean of 3.83(SD = 0.59) and moderate mean of 3.76 (SD=0.66), Company 8 exhibits the characteristics of democratic and transformational leadership style.

The data suggests that the firms don't have single defined leadership styles. However, some trends can be observed in the companies that allowed the researcher to define the prevalent or most associated type of leadership style.

4.6 Descriptive Analysis of organizational culture

Using the information acquired from the literature research, ten questions were developed to assess employees' perceptions of the existing organizational culture. The researcher used SPSS to create a descriptive analysis based on the questionnaire data, as indicated in the table

below. The questioners were used to compare organizational cultures between the companies by interpreting the response as per positive or negative organizational culture

	Organizational culture			
	Mean	Maximum	Minimum	Standard Deviation
Company 1	3.36	3.60	2.90	.27
Company 2	3.22	4.10	1.80	.87
Company 3	2.97	3.30	2.70	.24
Company 4	3.25	3.70	2.90	.34
Company 5	4.00	4.20	3.70	.21
Company 6	2.70	3.10	2.60	.20
Company 7	2.28	3.00	1.90	.38
Company 8	3.38	4.90	2.00	.89

Table 4.5 Descriptive Analysis of organizational culture

As shown in the table above, employees' perceptions of organizational culture varied across the selected eight organizations. On Company 1 employees have a generally good and consistent impression of organizational culture, as evidenced by a mean of 3.36 and a low standard deviation of 0.27. On the other hand, employees' perceptions of Company two have a mean of 3.22 and a high standard deviation of 0.87. This suggests that employee' perceptions vary greatly, ranging from 4.01 highly positive to 1.8 poor perceptions. This may also imply that a specific organizational culture does not exist in the company. Company 3 has a slightly lower mean of 2.97 and a low standard deviation of 0.24, indicating a slightly negative organizational culture with consistent perceptions among its employees. Similar to company 1, employee perception Company 4 has a fairly positive and consistent organizational culture with a mean of 3.25 and a standard deviation of 0.24. With the highest mean of 4.00 and low standard deviation of 0.21, company 5 employees' perception reveals a very positive and uniform perception of the company's organizational culture. Company 6 has the lowest mean of 2.70 but low standard deviations of 0.20, reflecting a uniform perception of a slightly negative organizational culture. Similarly, company 7 has the lowest mean of 2.28 and a moderate standard deviation of 0.38, indicating a slightly poor organizational culture perception. Lastly, company 8 has a moderate mean of 3.38 and a high standard deviation of 0.89, showing a wide range of perceptions of organizational culture, from a very positive 4.90 mean to a relatively negative 2.00 mean.

In summary, company 5 seems to have the most positive organizational culture perception while company 6 and company 7 shows a slightly negative perception. The observed high standard deviation on company 2 and company 8 suggests that there is no common and specific organizational culture in the companies.

4.7 Descriptive Analysis of Employee performance

Ten questions were created to investigate how employees perceived their own performance based on the findings from the literature. The questionnaire data were analyzed with a descriptive analysis by the researcher using SPSS, as shown on the table below.

Employee performance				
	Mean	Minimum	Maximum	Standard Deviation
Company 1	3.67	2.85	4.45	.55
Company 2	3.46	2.70	4.35	.66
Company 3	3.20	2.85	3.45	.22
Company 4	3.16	2.50	3.55	.41
Company 5	3.84	3.31	4.60	.53
Company 6	2.71	2.15	3.30	.45
Company 7	2.34	2.00	2.90	.32
Company 8	3.64	2.20	5.00	.83

Table 4. 6 Descriptive Analysis of employee performance

Table 4.6 indicates that employee performance perceptions differ between firms. Company 1 has a moderate degree of employee performance, with a mean of 3.67 and a standard deviation of 0.55, indicating a moderate spread around mean. Similarly, company 2 has a moderate level of employee performance with a somewhat greater standard deviation of 0.66. Company 3 has a low score of 3.20 for employee performance and a low standard deviation of 0.22, indicating consistency in evaluation of performance. Similar to company 3, company 4 has a low mean score of 0.41 and slightly larger standard deviations of 0.41. Company 5 has the highest rating for perception of employee performance, with a mean of 3.84 and a moderate standard deviation of 0.53. Company 6 and 7 had the lowest ratings for employee performance, with a mean of 2.71 (SD=0.45) and 2.34 (SD=0.32), consecutively. Company 8 has the second-highest rating for employee performance, with a moderate mean of 3.64 and a high standard deviation of 0.83, indicating a highly varied employee performance perception.

In conclusion, employee performance ratings differ among organizations, similar to the descriptive study of leadership style and organizational culture. Company 5 has the best employee performance, while Company 7 has the lowest. This analysis can provide insight into the relationship between leadership styles, organizational culture, and employee performance.

4.8 Inferential Analysis

4.8.1 Normality Test

A normality test determines whether sample data was collected from a normally distributed population. As shown on the linearity test below (figure 4.1) the relationship between the dependent-variable and independent variable is linear hence indicating a normal population distribution.

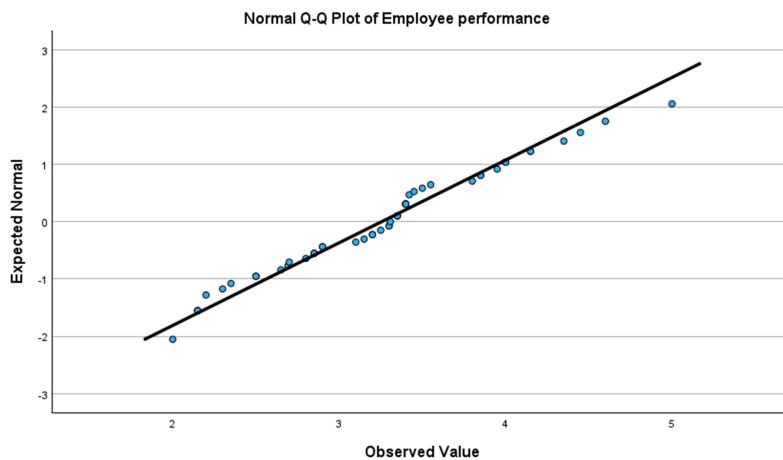


Figure 4.1 Linearity Test

4.8.2 Correlation Analysis

Correlation analysis measures the relationship between two variables. The bivariate correlation (also known as "correlation") is a value ranging from -1 to +1 that indicates the strength of a relationship between two variables (Anol B. 2012). As shown in the table below, correlation analysis was performed to examine the relationship between the three variables based on the questioner's findings on the selected eight architectural firms.

		Transfor mational	Transact ional	Laissez- Faire	Autoc ratic	Democ ratic	Organizational culture	Employee performance
Transformational	Pearson Correlation	1						
	Sig. (2-tailed)							
	N	49						
Transactional	Pearson Correlation	.154	1					
	Sig. (2-tailed)	.291						
	N	49	49					
Laissez-Faire	Pearson Correlation	.288*	.136	1				
	Sig. (2-tailed)	.045	.351					
	N	49	49	49				
Autocratic	Pearson Correlation	-.196	-.028	-.584**	1			
	Sig. (2-tailed)	.178	.848	<.001				
	N	49	49	49	49			
Democratic	Pearson Correlation	.710**	.321*	.543**	-.329*	1		
	Sig. (2-tailed)	<.001	.024	<.001	.021			
	N	49	49	49	49	49		
Organizational culture	Pearson Correlation	.794**	.185	.206	-.065	.646**	1	
	Sig. (2-tailed)	<.001	.203	.157	.658	<.001		
	N	49	49	49	49	49	49	
Employee performance	Pearson Correlation	.844**	.161	.260	-.092	.704**	.855**	1
	Sig. (2-tailed)	<.001	.270	.072	.528	<.001	<.001	
	N	49	49	49	49	49	49	49

Correlation of **±.90 to ±.99** indicates very high positive/ negative correlation, **±.70 to ±.90** indicates high positive/ negative correlation, **±.50 to ±.70** indicates moderate positive / negative correlation, **±.30 to ±.50** indicates a low positive/negative correlation, **±.10 to ±.30** very low positive / negative correlation, **±.0 to ±.10** markedly low and negligible positive / negative

Table 4.7 correlation test

Transformational leadership style The Pearson product correlation between transformational leadership and organizational culture was found to be high, with a correlation coefficient of 0.794. This implies that transformational leadership can contribute to the development of a positive organizational culture. Similarly, the Pearson product correlation between transformational leadership and employee performance yields a strong positive result, demonstrating that transformational leadership improves worker performance.

Transactional leadership style: - The Pearson product correlation between transactional leadership and organizational culture was found to be quite low, with a value of 0.185 person correlation. This suggests the study revealed a very weak positive association between the two variables. Similarly, the correlation coefficient between transactional leadership and employee performance is 0.161, indicating a very weak positive association.

Laissez-Faire leadership style: - Pearson product correlation of laissez-fire leadership and organizational culture was found to be very low with a result of 0.157 correlation coefficient. The relationship between laissez-faire and employee performance also indicates a very low positive interaction with employee performance with a correlation coefficient of 0.260.

Autocratic leadership style: - The Pearson product correlation between autocratic leadership style and organizational culture was found to be negative and very low, with a value of -0.065 correlation coefficient. Similarly, the correlation coefficient of -0.082 between autocratic leadership style and employee performance indicates a very weak negative association.

Democratic leadership style: - Pearson product correlation of democratic leadership style and organizational culture shows a high positive correlation with a correlation coefficient of 0.646. The relationship between democratic leadership style and employee performance also shows a high positive correlation with a correlation coefficient of 0.704.

The researcher was able to discover the prevailing leadership style and the relationship between the three variables within the eight architectural firms selected for the study.

Through this study, the researcher discovered that transformational and democratic leadership styles have a high positive relationship with organizational culture and employee performance.

Chapter 5

5. SUMMARY OF MAIN FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the main findings of the study, gives conclusion on the data collected and analyzed, and provide recommendation based on the finding of the study.

5.2 Summary of Main Findings of the Study

This study randomly selected eight architecture firms in Addis Abeba to investigate how different leadership styles and organizational cultures impact employee performance. The researcher employed quantitative research designs to look into the relationship between all three of these variables. The study utilized both primary and secondary data sources. Primary data was collected from architecture company employees via standard questionnaires. Secondary data sources for this study included books, articles, literature, publications, and journals.

The researcher was able to collect 49 questionnaires from the selected eight companies and analyzed the data with IBM SPSS. The researcher used SPSS to conduct both descriptive and inferential analyses. The findings of the Descriptive Analysis of Leadership Styles indicate that organizations do not have a single defined leadership style. However, some trends can be identified in the firms, allowing the researcher to identify the most common or associated type of leadership style. It demonstrated that the researcher was able to associate the trends of company 1 with democratic leadership, company 2 with laissez-faire leadership, company 4 with laissez-faire & democratic leadership, company 5 with democratic & transformational leadership, company 6 with laissez-faire leadership, company 7 with transactional leadership, and company 8 with democratic and transformational leadership style.

The results of the Descriptive Analysis of Organizational Culture were able to determine whether the firms had positive or negative organizational cultures. company 5 appears to have the most positive organizational culture perception, whilst companies 6 and 7 have a slightly negative perception. The observed large standard deviation on company 2 and company 8 shows that there is no common and specific organizational culture in the

organizations. Furthermore, the descriptive Analysis on employee performance was undertaken in order to analysis the perception of employees on performance. The analysis concluded that employee performance ratings differ among organizations, similar to the descriptive study of leadership style and organizational culture. Company 5 has the best employee performance, while Company 7 has the lowest. This analysis can provide insight into the relationship between leadership styles, organizational culture, and employee performance.

Inferential analysis included a normality test, correlation analysis, and regression analysis. The normality test illustrated in Figure 4.1 determined that the relationship between the dependent and independent variables is linear, indicating a normal population distribution. Correlation Analysis examines the relationship between two variables. Using correlation analysis, the researcher was able to identify the prominent leadership style and the relationship between the three variables at the eight architectural firms selected for the study. This study revealed that transformational and democratic leadership styles had a high positive relationship with organizational culture and employee performance.

5.3 Conclusion

The primary objective of this research is to investigate how organizational culture and leadership style affect worker performance, particularly in an architecture companies. As a result, the research aimed to investigate the relationship between leadership styles, organizational culture, and employee performance in the context of eight selected architecture firms in Addis Ababa. The findings of this study aims to give light on how organizational culture and leadership styles affect employee performance, which in turn influences the performance of architecture firms.

Through a Primary data collected from architecture companies employees via standard questionnaires and a secondary data sources collected through books, articles, literature, publications, and journals a statically analysis was conducted in order to understand the relationship between the 3 variable. The study explores various leadership styles such as transformational, transactional, and laissez-faire, and their predominance among architectural firms in Addis Abeba. Furthermore the research explores the relationship of this leadership styles to organizational culture and employee performance.

The study's findings indicate that organizations does not have a single defined leadership style. However, certain trends can be found in the companies, allowing the researcher to determine the most common or associated type of leadership style. The researcher was able to associate the trends of company 1 with democratic leadership, company 2 with laissez-faire leadership, company 4 with laissez-faire and democratic leadership, company 5 with democratic and transformational leadership, company 6 with laissez-faire leadership, company 7 with transactional leadership, and company 8 with democratic and transformational leadership style. The results of the Descriptive Analysis of Organizational Culture revealed whether the organizations had positive or unfavorable organizational cultures. It revealed that firm 5 appears to have the most positive organizational culture perception, while companies 6 and 7 have a slightly negative perception. Furthermore, the researcher was able to determine that employee performance ratings differ among firms, as was the case with the descriptive study of leadership style and organizational culture. It demonstrates that Company 5 has the highest employee performance, while Company 7 has the lowest.

The findings of the inferential analysis showed that transformational and democratic leadership styles had a strong positive link with organizational culture and employee performance. The relationship between two variables is investigated using correlation analysis. The prevalent leadership style and the relationship between the three variables at the eight architectural firms chosen for the study were determined by the researcher through correlation analysis. The results of this study showed that employee performance and organizational culture were highly positively correlated with transformational and democratic leadership styles.

5.4 Recommendation

According to the study's findings, the importance of having a suitable style of leadership and organizational behavior is easy to recognize since it has a significant connection to employee performance. Leaders of any architecture company should have an adequate understanding of the type of leadership style and organizational culture required to improve employees' performance. The analysis of these eight companies revealed that the majority of

them lack an organized or planned system of leadership. It is evident that this has impacted employees' performance. As a result, it is recommended that a leader or manager open their mind to learning about different leadership styles along with organizational culture and embrace one that is most appropriate for their firm.

According to the study's findings, it is recommended that a firm adopt a transformational leadership style to foster an innovative organizational culture and, as a result, improve employee performance. This approach should focus on encouraging professional development, promoting open communication, creating a collaborative environment, creating a creative and innovative work environment. As observed from the analysis and literature review transformational leadership style have a positive correlation with architectural firms.

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APPENDICES

1. Research questioners

ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS
SCHOOL OF COMMERCE

Part A : Introduction

Dear Respondent,

The purpose of this questionnaire is to collect information for the research study titled "the effect of leadership style and organizational culture on employee performance." as part of the requirement for the award of a Masters of Project Management at the Addis Abeba University, School of Commerce. The information you submit will be kept totally confidential and will be used solely for this research purpose. As a result, I respectfully ask for your cooperation and honest replies to the enclosed few questions, which will take no more than 15 minutes of your valuable time. I once again thank you for your kind cooperation, and if you have any query, clarification, or concern regarding the questions, you may directly contact me through my e-mail address provided below.

Sincerely Yours,

Winta Hailu,

Winta.hailu2@gmail.com

Section A : Demographic

Gender	Female	
	Male	
Level of education	Diplom	
	BSc Degree	
	Master's Degree	
	Phd Degree	
Educational background	Architecture	
	Civil engineer	
	COTM	

	Other engineering	
Years of experience	0-5	
	5-10	
	10-20	
	Over 20	
Working place	Design office	
	Construction site	
	both	
Working Position	Top management level	
	Senior level	
	Mid-senior level	
	Junior	
Company		

Section B : Leadership styles

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree

Transformational leadership style		1	2	3	4	5
1	Leaders at my organization motivate me to focus on the team's interest more than my own self-interest.					
2	Leaders at my organization communicate vision of the company future					
3	Leaders at my organization creates a creative and innovative work environment					
4	Leaders at my organization provide trainings and mentoring that helps in developing new skills					
5	Leaders at my organization interact with each employee individually as per their needs and ability.					
6	Leaders at my organization encourage me to have an open mind and creative mind when encountering any problem					
7	Leaders at my organization encourage feedback from					

	employees and are open to applying them.					
8	Leaders at my organization display high ethical standards and try to lead by example					
9	Leaders at my organization are communicate effectively the goals of the team					
10	Leaders at my organization recognize and reward my contributions as per the success of my team					

Transactional Leadership Styles		1	2	3	4	5
1	Leaders at my organization clearly define goals and objectives					
2	Leaders at my organization provide feedback regularly about my work performance					
3	Leaders at my organization provides rewards and penalties to enhance employee performance					
4	Leaders at my organization are more focused on results than following work progress					
5	Leaders at my organization monitor work closely to ensure compliance with standards					
6	Leaders at my organization prefers order and structure more than flexibility and adaptability					
7	Leaders at my organization focuses mostly on meeting deadlines and attaining goals					
8	Leaders at my organization provide clear instructions to be followed exactly as provided.					
9	Leaders at my organization get involved only when there are problems					
10	Leaders at my organization believes effective management shall include a well-structured rewards and punishments system in order to achieve success					

Laissez-Faire Leadership Styles		1	2	3	4	5
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1	Leaders at my organization involves employees in setting their own deadlines and objectives					
2	Leaders at my organization provides minimal supervision over daily tasks					
3	Leaders at my organization encourage and trust employees to solve problems by them self's					
4	Leaders at my organization rarely intervene in the work process unless it is necessary					
5	Leaders at my organization encourage employees to be involved in decision-making					
6	Leaders at my organization are provides support up on the requested of the employees					
7	Leaders at my organization tries to avoid direct involvement in the planning and execution of projects					
8	Leaders at my organization do not give feedback on employee performance regularly					
9	Leaders at my organization don't constantly monitor work progress					
10	Leaders at my organization believe self-motivation can be achieved without the need for recognition and reward.					

Autocratic Leadership Styles		1	2	3	4	5
1	Leaders at my organization make most of the decisions and don't involve or consulting team members					
2	Leaders at my organization strictly expect team members to follow all commands and rules					
3	Leaders at my organization closely monitor every progress of employee work					
4	Leaders at my organization provide clear instructions and expect team members to follow the instructions without questions					
5	Leaders at my organization rarely delegate or involve					

	important tasks to employees.					
6	Leaders at my organization don't encourage employee to be involved in decision-making process					
7	Leaders at my organization believe that maintaining a strong control is necessary for success					
8	Leaders at my organization are the primary source of authority and information					
9	Leaders at my organization discourage creating an open dialogue and debate regarding decisions					
10	Leaders at my organization take corrective action when their authority is challenged or not respected					
Democratic Leadership Styles		1	2	3	4	5
1	Leaders at my organization involve employees in decision-making					
2	Leaders at my organization encourages the input and ideas of all team members					
3	Leaders at my organization encourage open and transparent communication					
4	Leaders at my organization have group discussions for solving problems					
5	Leaders at my organization make sure all team members have access to important information					
6	Leaders at my organization support an environment that creates equality among all employees					
7	Leaders at my organization accept team feedbacks from client and are open to changing plans based on the feedback					
8	Leaders at my organization delegate tasks while maintaining accountability					
9	Leaders at my organization create a work environment that allows employees to feel empowered					
10	Leaders at my organization shape agreement through participation					

Section C : Organizational culture

Organizational culture		1	2	3	4	5
1	Organization's mission and vision is clearly communicated to all employees					
2	The organization creates a culture of innovation and creativity					
3	Strong sense of teamwork and collaboration are observed across all employees					
4	The organization values and practices open and transparent communication					
5	Employees are encouraged to take initiative and are supported when doing their tasks					
6	The organization give recognition and rewards as per the contributions and achievements of employees					
7	The organization's culture encourages a work-life balance and employee well-being					
8	Diversity and inclusion are encouraged and celebrated in the organization					
9	Leadership is open to feedback from all levels of staff					
10	The organization's culture positively impacts my overall job satisfaction					

Section D : Employee performance

Employee performance (employees' self-perceptions)		1	2	3	4	5
1	I clearly understand the goals and objectives of the tasks assigned to me.					
2	I have all the necessary resources and tools to accomplish my job effectively					
3	I receive constructive feedback that helps me improve my performance					
4	I feel motivated to go above and beyond my assigned tasks					
5	My performance is fairly evaluated during performance					

	reviews					
6	I am given the opportunities for professional growth and development					
7	I understand how I contribute to the overall success of the organization through my tasks					
8	I am satisfied with the recognition I get for good performance					
9	I can manage my workload effectively without too much stress					
10	The feedback I receive is timely and relevant to my work					

Employee performance (Leader's perceptions)		1	2	3	4	5
1	Employees at my organization clearly understand the goals and objectives of their jobs					
2	Employees at my organization have the necessary resources to perform their jobs effectively.					
3	Employees at my organization are provided with regular and constructive performance feedback					
4	Employees at my organization show initiative and are proactive in their duties					
5	The performance evaluation process at my organization is fair and unbiased					
6	Employees at my organization are given opportunities for professional development					
7	Employees at my organization understand how their work contributes to the organization's success					
8	Employees at my organization are recognized appropriately for their achievements					
9	Employees at my organization manage their workload effectively without excessive stress					
10	The feedback provided to employees is timely and relevant to their work					