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COLLEGE OF BUSINESS AND ECONOMICS SCHOOL OF COMMERCE

**The Effects of Strategic Leadership on Employee Performance: The Case of
BGI Ethiopia**

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**A Research Paper Submitted to Addis Ababa University School of Commerce
in Partial Fulfilment of the Requirements for the Degree of Masters of Arts in
Business Leadership**

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ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE
SCHOOL OF GRADUATE STUDIES

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DECLARATION

I hereby declare that the thesis entitled: **The Effects of Strategic Leadership on Employee Performance: The Case of BGI Ethiopia** is submitted for partial fulfillment for the award of masters of business leadership at Addis Ababa university, School of commerce is my original work and has not been submitted earlier either to Addis Ababa university or any other institution for the fulfillment of the requirement for any course of study.

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This is to certify that the thesis prepared by Zewdu Mulugeta, entitled: ‘The Effect of Strategic Leadership on Employee Performance in a case of BGI Ethiopia’ and submitted impartial fulfillment of the requirements for the degree of Masters of Business Leadership (MBL) complies with the regulations of the University and meets the accepted standards concerning originality and quality.

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Abstract

Strategic leaders possess a clear vision for their organization's future and the skills necessary to effectively communicate and motivate their employees to achieve it. Success requires collaboration and problem-solving, which involves setting goals, developing plans, and executing them. The study aimed to investigate the relationship between strategic leadership and employee performance in BGI Ethiopia and provide suggestions for enhancing organizational performance in the region. The majority of the data was analyzed using quantitative techniques such as descriptive statistics like mean, percentage, and frequency tables. All 55 employees were included in this study via census techniques. The correlation was used to answer the basic research questions, and four independent variables were assessed on a five-point Likert-Scale ranging from "strongly disagree" to "strongly agree." Mean scores were used as a measure of central tendency. SPSS V26 encoded, processed, and analyzed the data. The correlation analysis demonstrated that employee performance had a positive relationship with all variables, but it was only significantly associated with the relationship between SL & EP and the effect of SL on EP. Furthermore, the regression analysis results exposed that only one variable, SLAPE, had a significant effect on employee performance, but the rest were insignificant. In conclusion, the study indicated that strategic leadership has a significant impact on employee performance at BGI Ethiopia, except for the variables that were deemed significant.

Key words: *strategic leadership, performance, employee performance*

CHAPTER ONE

INTRODUCTION OF THE STUDY

Introduction

This chapter presented background information about the study and cover the statement of the problem, research objective, research question, and significance of the study. The chapter also covered other sections including the delimitation of the study. In the background of the study, reviews of the key concepts of strategic leadership were discussed.

1.1 Background of the study

Leadership is an essential aspect of organizational success, as it plays a critical role in shaping the culture, vision, and direction of a company. Strategic leadership is a key determinant of employee performance and organizational performance. This is because leaders who adopt a strategic approach can align their actions and decisions with the organization's goals, which leads to improved performance and productivity (Korbi 2015).

Bullock, Ledford, et al's (2018) definition of strategic leadership highlights its importance in today's complex business environment. Accordingly, strategic leadership considered as a collection of skills allows a person to establish and uphold a shared vision, work with multiple stakeholders, and promote change within an organization. Strategic leadership is not just about having a vision, but also about being able to communicate that vision effectively and bring people together to achieve it. A strategic leader must have the ability to work with multiple stakeholders, including employees, customers, suppliers, and shareholders, to ensure that everyone is working towards a common goal. In addition, strategic leadership requires the ability to drive change within an organization, helping to create an environment that is agile, adaptable, and responsive to changing business conditions. The key skills associated with strategic leadership, such as the ability to think critically, communicate effectively, and lead by example, are crucial to organizational success. With the right combination of these skills, a strategic leader can guide the organization to make smart decisions, achieve its goals, and function at its highest level of performance (Bullock, Ledford, et al's 2018).

Organizational change is a complex and multifaceted process that can have far-reaching effects on a company. According to G. Dessler et al. (2004), it often begins with strategic change, which refers to changes in the strategy, mission, and vision of the organization. This type of change sets the direction for the organization and can have a ripple effect, leading to other changes in areas such as technology, structure, and culture. For example, to support a new strategic direction, the management team may choose to restructure departments, alter how work is coordinated and responsibilities are divided, or revise the company's values or work practices(G. Dessler et al. 2004).

These changes are crucial to ensuring that the organization is equipped to achieve its goals and can respond effectively to changes in the business environment. By modifying the technology, structure, and culture of the company, the management team can help create an environment that is aligned with the organization's new strategy, mission, and vision. In this way, strategic change leads to other organizational changes that help to support and enhance the company's overall performance. As Korbi (2015) notes, effective strategic change management requires a deep understanding of the interplay between the different elements of an organization and a willingness to make the necessary changes to achieve the desired outcomes(Korbi 2015).

The focus of this study was to gain a deeper understanding of the relationship between strategic leadership and employee performance, with a particular emphasis on the case of BGI Ethiopia. The study aims to explore how different leadership strategies and styles can impact employee performance, and how organizations can implement the strategies that are best suited to their specific context. Given the dynamic and rapidly changing business environment, organizations need to have leaders who can effectively navigate these challenges and drive positive outcomes for the company and its employees.

1.2 Background of the organization

BGI-Ethiopia is a large-scale brewery and beverage production wing of Castel Group operating internationally in more than 53 countries. BGI, operating in Ethiopia since 1998 as BGI Ethiopia PLC., has been engaged in the production and distribution of beer, wine, and beverage products. BGI owns Five breweries including the iconic St. George Brewery in Addis Ababa, the Kombolcha Brewery in Kombolcha city, the Hawassa Brewery in Hawassa city, Raya Brewery in Raya city, and Zebidar Brewery in Gubre city. This combined production capacity is 3.6 million hectoliters of bottled and draft beer annually. BGI Ethiopia PLC also owns and operates the Castel Winery and Vineyard located in the town of Ziway. St. George Brewery was established in 1922. It was nationalized in 1974/75 and had been operating as a state-owned enterprise. In December 1998, it became part of BGI Ethiopia through the privatization program. Its production capacity was 200 to 300 bottles per day in 1923 and has now reached 550,000 hectoliters per annum. The known brands produced are St. George, Castel, and Panach Beer brands in bottle and draught. At present, the company is providing jobs for 956 permanent and 58 contractual employees (BGI-Ethiopia, 2019). The Kombolcha Brewery, located in Kombolcha Town, Wollo, Amhara Regional State, 368 KM. from Addis Ababa, was established in November 1998. Its production capacity started at 450,000 hectoliters per annum in 2011 and grew to 780,000 hectoliters in 2013. After an additional major upgrade and the establishment of a second bottling line, the brewery is now capable of producing 1,500,000 hectoliters per annum. Currently, it is providing jobs for 449 permanent and 53 contractual employees (BGI-Ethiopia, 2019). The Hawassa Brewery, located in Hawassa Town, Southern Nations, Nationalities and Peoples' Regional State, 275 KM. from Addis Ababa, was established in June 2011. Its production capacity which started with 450,000 hectoliters per annum in 2011 grew to 780,000 hectoliters in 2013. After a major upgrade and a second bottling line, the brewery is now capable of producing 1,500,000 hectoliters per annum. Currently, the company has employed 498 permanent and 13 contractual employees (BGI-Ethiopia, 2021).

1.3 Statement of the problem

Strategic leadership is a vital aspect of organizational success as it helps to align the overall direction of the organization with the allocation of resources, enable resource optimization and utilization, and facilitate effective implementation of organizational objectives. At the heart of strategic leadership lies the need for leaders to motivate, influence and set clear directions for their employees toward achieving organizational performance (<https://www.techtarget.com/Search/definition/strategic-management>).

Ethiopia, like many other sub-Saharan countries, faces unique challenges in terms of organizational performance, including poor infrastructure, inadequate resources, lack of proper systems, and limited access to education and training. These challenges are further compounded by ineffective leadership practices. The study, therefore, plays a critical role in contributing to the existing literature on strategic leadership and employee performance by highlighting the specific challenges faced by organizations in the Ethiopian context and how they can be overcome through effective leadership practices. Through this study, key insights will emerge, including an understanding of the leadership styles and approaches that work best in the Ethiopian context. Furthermore, the study will provide practical guidance on how leaders can develop competencies such as strategic thinking, visioning, influencing, and inspiring employees to improve organizational performance.

By providing these insights and practical guidance, the study will help organizations in Ethiopia and sub-Saharan Africa to overcome their unique challenges and enhance their competitiveness in the global market. The research has the potential to inform policymakers, business leaders, and other stakeholders on how effective strategic leadership can improve employee performance, leading to greater efficiency, effectiveness, and profitability. Ultimately, this study represents a significant contribution to the existing literature on strategic leadership and employee performance and is a valuable resource for anyone interested in enhancing organizational performance in the Ethiopian context. The results of this study were useful for organizations looking to improve their leadership practices and enhance employee performance, as well as for academic researchers interested in understanding the complex interplay between strategic leadership and employee performance. Ultimately, the goal of this study is to provide practical and actionable insights that

can help organizations, including BGI Ethiopia, achieve their goals and drive positive outcomes for their employees and stakeholders.

Several studies have explored the relationship between strategic leadership and employee performance and have produced evidence-based insights into how effective strategic leadership can impact both organizational performance and employee satisfaction. (Muhammad A., et al 2017) the study entitled ‘Impact of Strategic Leadership on Employee performance’ found that strategic leadership has a significant impact on employee performance. To understand the impact of strategic leadership on employee performance, it is important to consider relevant theories and frameworks, including resource dependence theory, path-goal theory, structuration theory, expectancy-value theory, big five personality traits, and transformational/charismatic leadership (Wang, H., et al 2005).

Resource dependence theory, for example, suggests that organizations are dependent on resources from outside their boundaries, such as suppliers, customers, and other stakeholders, and that strategic leadership plays a critical role in managing these relationships to achieve desired outcomes (Pfeffer & Salancik, 1978). Path-goal theory, on the other hand, argues that effective leadership can help employees understand how their actions contribute to the achievement of organizational goals and improve their motivation and satisfaction (House & Dessler, 1974).

Structuration theory highlights the interplay between structure and agency, and how leaders can use their power and influence to shape the structures and systems within the organization to achieve desired outcomes (Giddens, 1984). Expectancy-value theory suggests that employees are motivated by the belief that their effort will lead to high performance and that leaders can create a work environment that supports this belief (Vroom, 1964).

The big five personality traits, which include openness, conscientiousness, extraversion, agreeableness, and neuroticism, are associated with leadership effectiveness, with leaders who score high on traits such as conscientiousness and agreeableness often seen as more effective (Costa & McCrae, 1992). Finally, transformational, and charismatic leadership, which are characterized by the ability to inspire and motivate followers, be associated with improved employee performance and satisfaction (Bass & Riggio, 2006).

These theories provide valuable insights into the impact of strategic leadership on employee performance and can help organizations develop effective strategies to drive positive outcomes for their employees and stakeholders. By considering these theories and frameworks, organizations can better understand the complex interplay between strategic leadership and employee performance and implement strategies that are best suited for their specific context (Bass & Riggio, 2006).

The impact of strategic leadership on employee performance has been widely researched, and this is also the case in the context of Ethiopia. Studies have found that effective strategic leadership can have a significant impact on employee performance and satisfaction in organizations.

One study by Mengistu and Yigzaw (2015) found that strategic leadership practices, such as setting clear goals and providing adequate resources, are positively associated with employee performance in Ethiopia. The study also found that effective communication and collaboration between leaders and employees are critical for improving employee performance.

Another study by Assefa and Kebede (2019) explored the role of transformational leadership in enhancing employee performance in Ethiopian organizations. The study found that transformational leadership, which is characterized by the ability to inspire and motivate followers, is positively associated with employee performance in the context of Ethiopia. The study also emphasized the importance of leaders creating a supportive and empowering work environment that encourages employee creativity and innovation.

In addition to these studies, there have also been efforts to understand the impact of cultural factors on the effectiveness of strategic leadership in Ethiopia. A study by Tadesse (2017) found that cultural dimensions, such as power distance and individualism, have a significant impact on the effectiveness of strategic leadership in Ethiopia. The study highlighted the importance of leaders being aware of cultural differences and adapting their leadership styles accordingly.

Another relevant study by Desta and Mersha (2019) explored the impact of strategic leadership on employee satisfaction and organizational performance in the Ethiopian banking sector. The study found that strategic leadership practices, such as setting clear goals, providing adequate resources, and fostering a supportive and empowering work environment, are positively associated with employee satisfaction and organizational performance. The study also emphasized the importance

of leaders having strong communication and interpersonal skills, as well as the ability to effectively manage and motivate their employees.

Furthermore, the study by Desta and Mersha (2019) also emphasized the role of ethical leadership in enhancing employee performance and satisfaction in Ethiopia. The study found that ethical leadership, which is characterized by the ability to lead by example and promote ethical values and principles, is positively associated with employee performance and satisfaction. This highlights the importance of leaders in Ethiopia not only being effective strategists but also being ethical and responsible role models for their employees.

Seyoum 's study, "Management Control System in Manufacturing Companies: A Case of BGI Ethiopia" (2017), focuses on the impact of management control systems on the performance of manufacturing companies in Ethiopia, specifically BGI Ethiopia. The study aimed to examine the various management control systems implemented in BGI Ethiopia and assess their effectiveness in contributing to the company's performance. The study used a case study approach, collecting data through a combination of document analysis and in-depth interviews with key stakeholders in BGI Ethiopia. The findings of the study revealed that management control systems played a crucial role in the performance of the company. The study also highlighted the importance of implementing effective management control systems to improve organizational performance.

Hildana Tadesse's study, "The Effect of Leadership Style on Employee Performance of Medtech Ethiopia," is a research work that explores the relationship between leadership style and employee performance in the context of Medtech Ethiopia. The study aimed to determine the effect of different leadership styles, including transformational, transactional, and laissez-faire leadership styles, on employee performance in the company. The study adopted a quantitative research design and used a structured questionnaire to collect data from employees. Descriptive statistics were used to analyze the data, and the results showed that transformational leadership style was positively related to employee performance.

Several empirical studies have been conducted on the topic of management control systems and leadership styles in manufacturing companies in Ethiopia, such as Seyoum (2017) and Hildana (2020). However, these studies have primarily focused on the leadership style and control systems used by organizations, rather than exploring the effects of specific leadership strategies on

employee performance. This gap in the literature highlights the need for further research to examine the impact of strategic leadership on employee performance in the context of Ethiopia, particularly in the manufacturing sector. This study aims to contribute to the existing body of knowledge by filling this gap and providing insights into the effects of strategic leadership on employee performance in BGI Ethiopia.

It is worth mentioning that despite the growing body of research on the effects of strategic leadership on employee performance in Ethiopia, there is still much work to be done in this area. For example, further research is needed to understand how different leadership styles, such as democratic and autocratic, impact employee performance in the Ethiopian context. Additionally, more research is needed to examine how organizations can develop and implement effective leadership training programs to enhance employee performance and satisfaction.

1.4 Research questions

1. What is the current state of strategic leadership in BGI Ethiopia?
2. What is the current state of employee performance in BGI Ethiopia?
3. What is the relationship between strategic leadership and employee performance in BGI Ethiopia?
4. What is the effect of strategic leadership on employee performance at BGI Ethiopia?

1.5 Objectives of the study

1.5.1 General Objectives of the study

The overall objective of the study was to explore the effects of strategic leadership on employee performance in BGI Ethiopia and in providing practical recommendations for organizations in the region to enhance their performance.

1.5.2 Specific Objectives of the study

- To assess the current state of strategic leadership in BGI Ethiopia.
- To examine the current state of employee performance in BGI Ethiopia
- To identify the relationship between strategic leadership and employee performance in BGI Ethiopia.
- To investigate the effects of strategic leadership on employee performance at BGI Ethiopia.

1.6 Significance of the study

The significance of the study, "The effects of strategic leadership on employee performance in BGI Ethiopia" can provide practical insights into how strategic leadership practices affect employee performance for organizations operating in Ethiopia. BGI Ethiopia, the focus company of this study, could use the findings to improve their leadership practices and employee performance. The study also contributes to a better understanding of the relationship between strategic leadership and employee performance in the context of Ethiopia, which could enhance

the existing body of knowledge in this field. Further, the study can provide a foundation for researchers to explore how strategic leadership practices in other organizations or industries influence employee performance in Ethiopia. Moreover, the study can have significant policy implications as improved employee performance due to the adoption of strategic leadership practices has a direct impact on the performance of the organization and the overall economic growth of Ethiopia. And finally, the study understanding the relationship between strategic leadership and employee performance can aid organizational leaders in knowing what leadership qualities motivate employees to do more, improving their morale and overall performance.

1.7 Scope of the study

1.7.1 Thematic scope

The thematic scope of this study is to examine the effect of strategic leadership on employee performance in BGI Ethiopia. Specifically, the study aims to explore how leadership strategies can influence employee performance and satisfaction. The conceptual boundary of the study is focused on understanding the relationship between strategic leadership and employee performance.

1.7.2 Area scope

The area scope of this study is limited to BGI Ethiopia, where the investigation was conducted. The results of the study may not apply to other organizations operating in different locations (areas) or industries.

1.7.3 Methodological scope

As a research design scope, this study is limited to the use of descriptive and explanatory research design and using quantitative research approach.

1.7.4 Time zone scope

The time zone scope of this study is limited to Addis Ababa, Ethiopia only. study's findings can potentially contribute to improving strategic leadership practices in BGI Ethiopia only.

1.8 Limitations of the study

Although all study is not free from limitation, therefore, this study had some limitations as well. The main limitation was time to contact the informants hence they are always at their work the other limitation was secondary sources of information as a strategic leadership issue is not well studied in the country. Besides, the researcher aimed and proposed to use both survey questionnaires and interviews as a data collection method, due to time constraints limited to using survey questionnaires only.

1.9 Organization of the study

The research paper is organized into five chapters. The first chapter deals with the introduction of the topic and the second chapter present a review of related literature which is about Concepts of strategic leadership, and employee performance. The third chapter deals with the methodology of the research and the fourth chapter presents data analysis, findings, and discussion of the data gathered. The last chapter presents the conclusion and recommendations of the research.

1.10 Definitions of keywords

Strategic leadership - refers to top management teams ‘potential to create and express a strategic vision and mission for their organization while motivating and persuading their teams to acquire that vision and create sustainable competitiveness (Peterlin, Pearse, & Dimovski, 2015).

Employee performance - The business dictionary defines it as activities related to a job that is required of an employee, and how well these are done.

CHAPTER TWO

2. RELATED LITERATURE REVIEW

Introduction

This chapter provided an overview of the literature on strategic leadership written by other scholars and researchers. Strategic leadership is a relatively new phenomenon that has highlighted the importance of envisioning, innovating, and executing. It refers to the ability of an organization's leader to think progressively about their industry and how they can shape or influence it to maximize success for their organization. Strategic leadership focuses on creating sustainable strategies for the long-term benefit of an organization. It requires insight, foresight, and a commitment to ensuring that the strategy that is adopted has clear objectives and allows for both successful implementation and ideal outcomes. This literature review will provide a comprehensive overview of strategic leadership by examining its empirical review, and theoretical review, of the issue.

2.1 Theoretical Frameworks

There are various theoretical frameworks used to explain how strategic leaders operate. For example, Nahavandi et al. (2018) proposed three elements – visioning, strategizing, and leading – as essential components in understanding how effective leaders formulate and execute strategies in organizations. According to this framework, visioning consists of setting aspirational targets and inspiring followers toward a shared goal. This requires developing both long-term visions as well as tangible objectives, while at the same time translating these into dynamic strategies with executable steps. Strategizing follows after establishing goals; it entails anticipating potential roadblocks, analyzing alternatives, and formulating feasible solutions which move organizations toward achieving their stated goals. The final component, leading, involves using appropriate methodologies or tools such as servant leadership or authentic leadership styles to effectively initiate change within organizations(Nahavandi et al. 2018).

2.2 Empirical literature review

2.2.1 Concept and Definitions of Strategic Leadership

In its essence, strategic leadership may be defined as “the atone organizational leader to create a vision for the future direction of the organization to make informed decisions based on sound analysis” (Hooijberg et al., 2006). This definition implies that leaders must not only obtain up-to-date information pertinent to their field but also leverage this information in such a way that it can lead the organization toward achieving its desired goals. Other authors have described strategic leadership as “the ability to anticipate changes in external environments; develop desired futurist capabilities; envision strategically relevant plans; create an accountable culture; mobilize resources towards achieving those plans; control performance; regularly monitor progress; innovate rather than compete” (Resnick & Burkeman, 2020). Therefore, strategic leadership involves more than just making decisions but also involves acting and leading people to bring about positive results throughout the entire chain of command within an organization (Resnick & Burkeman, 2020).

2.2.2 Strategic Leadership in Organizations

Strategic leaders control the organization by coordinating the culture, systems, and structure of the organization to ensure they align with the overall strategy (Simon et al., 2015). Strategic leadership is the ability to express the strategic vision and purpose for the organization while motivating and influencing others to acquire that vision to achieve organizational goals (Marx, 2015). Additionally, strategic leadership involves the ability to use strategy in managing others within an organization. According to Hristov and Zehrer (2015), strategic leaders have a role or duty to perform in the success of the organization. Some of these roles are (a) the ability to determine strategic direction, (b) how to exploit and maintain unique competencies, (c) the ability to select and develop human capital, (d) building and sustaining organizational culture, (e) emphasize ethical practices, and (f) establish strategic controls. White and Ivanov (2017) asserted that strategic leadership focuses on top management teams. Short-term decision-making has long-term viability for the organization. The short- and long-term shared values of an organization generate many outcomes because of the presence of a strategic leader. Top management teams focus on the capabilities, competencies, and unique resources of the organization to gain a sustainable competitive advantage (Witek-Crabb, 2016).

Strategic leaders believe organizations may fail if they focus on the short-term and ignore the core competencies in an ever-changing and turbulent competitive environment. Organizations driven by strategic leadership tend to be successful at learning both at the individual and team levels. Research reveals that both leadership and visionary parts of authority are fundamental to the achievement of organization-wide learning activities. The approach of strategic leaders assists in spreading and reinforcing the current learning initiatives of the organization (Purushothaman, 2015).

Top management teams' articulation of vision helps change the traditional learning structure of the organization. Strategic leaders in organizations need to learn new things and innovate while institutionalizing innovative ways of discovery learning (Awwad & Akroush, 2016). An organization led by a strategic leader supports learning, creation, and sharing of knowledge essential for the long-term viability of the organization. Strategic leaders influence the strategic flexibility and competitive advantage of the organization through key initiatives such as developing organization-specific competencies, effective use of modern technology, and building and maintaining organizational culture and structures (Vecchiato, 2015).

Top management teams, alongside the CEO, should be exercising strategic flexibility because they are the most notable members and key decision-makers of the organization (Srour, Baird, & Schoch, 2016). Research has revealed organizations that integrate and align vision, purpose, and objectives outperform their competitors in the industry because of their unique resources and strategic leadership which provides them with a competitive advantage and ensure profitability (Yousaf & Majid, 2016).

The competitive advantage derived from strategic alignment is significant to the operational effectiveness and financial performance of the organization. Making the change to build a strategic leadership culture begins with shifting organizational and individual mindsets to the deep realization that strategic leadership is a process rather than a position that requires a collective involvement from many and calls for a commitment to learning (Baird, & Schoch, & Srour, 2016). When teams and individuals enact strategic leadership, while it may not be easy, the result is a sustainable competitive advantage for the organization. Organizations cannot overlook the importance of strategic alignment when building a strong relationship between organizational networks and strategic performance. Gerow, Thatcher, and Grover (2015) argued that strategic

alignment involves outlining business strategies to obtain high strategic performance and articulating for organizational competitiveness. Despite the predominance of research supporting the positive relationship between strategic alignment and performance, Gerow et al. did not elaborate on the influence of the external environment they purported was essential to strategic alignment (Tallon, 2007).

Additionally, Chen (2010) argued that strategic alignment does not respond to changes in the environment because it creates rigidity that leads to torpidity, inflexibility, and competitive disadvantage.

2.2.3 Employee performance

Employee performance is an important measure to ensure success in any business. It is essential for businesses to continuously monitor and assist their employees with achieving their performance goals. Rewards and recognition are critical components of a successful employee performance system, as they help to motivate workers and recognize their hard work(Hildana 2020).

Employees must understand what is expected of them, including roles and responsibilities in the workplace. Job descriptions should be written out so there are no misunderstandings. These documents need to be updated regularly, creating may need for changes in job duties or competency requirements over time. Once a satisfactory job description has been established it must be communicated properly and consistently to all employees. Performance metrics are essential in measuring employee progress toward organizational goals and objectives. Evaluating performance metrics allows managers to gauge how personnel initiatives have impacted operations, which can provide vital insights into the strengths and weaknesses of an organization's processes or systems. To facilitate this measurement process, managers should use easily quantifiable criteria such as quality metrics or quantifiable outcomes when measuring employee output or accomplishments(Dessler, G. 2004).

Periodic feedback is always helpful for employees who desire improvement in their job performances; it allows supervisors to track progress on goals or specific areas of improvement related to tasks or competencies at hand. To ensure accuracy in the feedback process, supervisors should provide both positive reinforcements when workers show additional motivation or initiative

towards obtaining desired results as well as constructive criticism if mistakes occur so that corrective action can be taken but not done in such a way as to discourage employees from striving higher than expected goals next time around (Cullen, K., & Parker, D. W. (2015).

Successful utilization of monitoring performance measures alongside periodic evaluations helps companies meet expectations while allowing employers to identify skill gaps within their teams and adjust training programs, accordingly, ensuring that new team members fit seamlessly into the existing framework while facilitating individual growth within the organization itself(Cullen, K., & Parker, D. W. (2015).

2.2.4 Strategic leadership and Employee performance

Strategic leadership plays an important role in employee performance. Strategic leaders have a vision for where their organization should go, as well as the ability to effectively communicate and motivate their employees to achieve it. They understand that success involves setting goals, developing plans, and executing those plans, which requires collaboration and problem-solving from all levels of management (<https://www.techtarget.com/searchcio/definition/strategic-leadership>).

Good strategic leaders create a culture in the workplace that emphasizes continuous improvement, encourages risk-taking, and fosters a climate of creativity and innovation. They can inspire others to work hard and strive for excellence by connecting with their employees on both an emotional and intellectual level. By listening to their employees, strategic leaders gain valuable insights into what motivates them, what problems they may be experiencing in the workplace, and how they can be better supported to improve performance. This feedback helps them make informed decisions about how to motivate employees through rewards systems or coaching programs. In turn, this empowers workers to give their best efforts toward achieving company goals (Bullock, J., Ledford, G., & Scott, R. (2018).

Furthermore, strategic leaders understand that employee performance is affected not only by tangible incentives but also by intangible benefits such as recognition for achievement or the satisfaction of job-related challenges. They ensure that communication within the workforce is positive and transparent by ensuring relevant information is shared promptly with all stakeholders regarding organizational objectives. Through strong visioning capabilities combined with effective

communication skills, strategic leaders can help condition a positive corporate culture wherein employees feel welcomed and valued for their contributions - no matter how big or small - thus further increasing employee engagement and performance outcomes overall(Bullock, J., Ledford, G., & Scott, R. (2018).

2.3 Conceptual framework

The conceptual framework is the blueprint of the research work that guides the researcher to conceptually understand the research and outline and operationalized the dependent and the independent variables so that the measurement, processing, analysis of the data, and interpretation of the result are easy and meaningful.

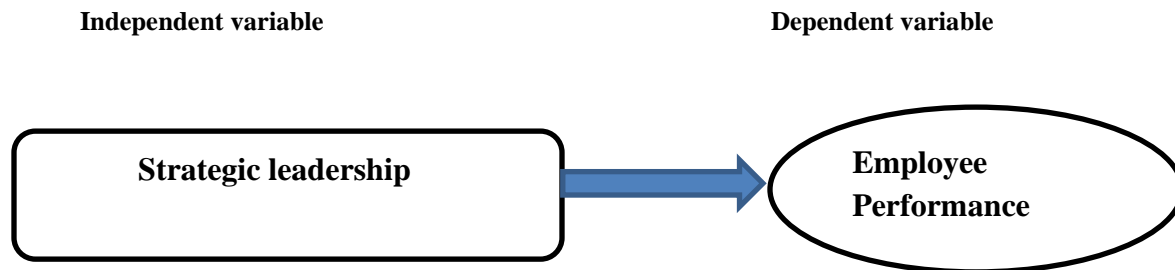


Fig. 1 conceptual framework for the study.

Source: Based on literature (2023)

CHAPTER THREE

3. RESEARCH METHODOLOGY

Introduction

Kothari (2004) defined research methodology as the science of studying how research is done scientifically. It contains details about the research approach, research design, sample size and sampling techniques, data source, data collection instruments, data analysis, reliability and validity of the study, and finally ethical considerations.

3.1 Research Design

This study utilized both descriptive and explanatory research designs to answer the research questions. Descriptive research is appropriate for this study as it allows for the description of the characteristics of the population under investigation. The study also used an explanatory research design to describe the current state of events at the time of the investigation, as well as to explain the relationship between variables that are correlated to analyze the factors' combined influence on employee performance. The descriptive study focuses on describing a person's, environment, or group's features. The purpose of this study was to see if specific variables are linked (Kothari, 2004).

The research used a survey strategy, which is a cost-effective way to collect a large amount of quantitative data from a large population. The survey data collected will then be analyzed using descriptive statistics, which provide a comprehensive overview of the characteristics of the population and the relationships between variables. The use of descriptive research designs and the survey strategy enabled the researcher to efficiently collect and analyze data on the effects of strategic leadership on employee performance in BGI Ethiopia.

3.2 Research approach

The research approach for this study was the quantitative method. The quantitative approach in this study involves collecting data using a structured questionnaire. The questionnaire was designed to gather objective, numerical data about the effects of strategic leadership on employee performance in BGI Ethiopia. The data collected was also analyzed using descriptive statistics, including frequencies, percentages, means, standard deviations, and correlation analysis. This approach allows for a systematic and statistically based examination of the relationships between strategic leadership and employee performance.

3.3 Target Population and Sampling Techniques

In this study, the researcher selected the study area, by using a purposive sampling technique. Purposive sampling (also known as judgment, selective or subjective sampling) is a sampling technique in which the researcher relies on his or her judgment when choosing members of the population and study areas to participate in the study (Black, K. 2010).

The study's target populations were 55 employees that are found in the leadership (management) unit in the organization. As a result, the study used the census method because a census is an attempt to list all elements in a group and to measure one or more characteristics of those elements. Furthermore, censuses can provide detailed information on all or most aspects of the population, allowing for totals for rare population groups or small geographic areas (Paul J., 2008).

3.4 Sources of Data

The study used both primary and secondary sources of data. Primary methods are those that collect data for the first time while secondary methods are those where the researcher uses data collected by other people. Secondary data include documents, data, and information from previous studies that a researcher might use in a new study (Oates, 2006:234). According to Bryman and Bell (2007:10), secondary data collection methods refer to the ability of the researcher to carry out an analysis of the data that has already been prepared by other researchers.

3.5 Instrument of Data Collection

In this study, the primary data were collected through questionnaires from the sample respondents. The questionnaires consisted of closed-ended questions designed in a 5-point Likert-Scale, with “1” standing for “Strongly Disagree” and “5” for “Strongly Agree”. The secondary source of data includes BGI Ethiopia organizational documents, data, and information from previous studies such as existing official reports and documents from the named entities, journal articles, other empirical research in the area, and any other relevant document from the libraries.

3.6 Data Analysis Technique

As stated by Duncan Cramer and Dennis Howitt (2004), descriptive data analysis emphasizes maximizing the gain from the data by making clearer the process of describing and analyzing the data gathered. After proper editing, the data was coded and entered into the software then it was ready for analysis. To achieve the objectives of the study, the information gathered from questionnaires was analyzed using descriptive, quantitative, and inferential statistics. Mean scores and standard deviations were used to describe respondents' demographic data and their experience with automated queuing. To describe the perceived employee performance, descriptive statistics were utilized. The association between employee performance and strategic leadership was analyzed using correlation and regression analysis. Data were analyzed using a variety of data analysis methodologies quickly after data collection from quantitative approaches.

3.7 Model Specification: Ordinal Logistic Regression

You can use the ordered logit if the dependent variable contains ordered categories (i.e. the order of ranked variables is meaningful but the distances between them are arbitrary). The order is much clearer for certain variables than for others, but it's always vital to check if it's the only feasible order or whether there's something else that makes more sense (Sarkisian 2004). According to Williams (2015), there are four alternative approaches to treating the ordinal dependent variable. The first option is to treat the variable as continuous and use standard OLS regression or other continuous variable techniques. The second option was to ignore the ordinality and treat the variable as nominal, i.e. using multinomial logit techniques; the third option was to treat the variable as if it were measured on a true ordinal scale, such as the professorial ranks of Full Professor, Associate Professor, and Assistance Professor, which are ordered but may or may not reflect the crude measurement of some underlying continuous variable; and the fourth option was to treat the

variable as if it were measured on a true ordinal scale, such as a result, the dependent variable in this study is treated as a real ordinal scale. A single-item measure was used to assess performance in this study. On a five-point Likert scale, 'Strongly Disagree,' 'Disagree,' 'Undecided,' 'Agree,' 'Strongly Agree,' The most appropriate econometric estimation method to use is ordinal logistic regression because the outcome variables for respondent response were ordered and categorical (Green 2000). As a framework for assessing ranked responses, ordered logit models have become widely used (Parasuraman et al. 1988). Furthermore, ordered logit models are among the most used ordinal regression techniques, according to Williams (2008); however, the assumptions of these models are frequently violated, and the parallel lines/proportional odds assumption is frequently disregarded. As a result, for the logistics performance at BGI Ethiopia, this study uses the ordinal logistic regression model and the functional form of the ordered logit model as follows:

$$Y^* = \sum_{k=1}^K \beta_k X_{ki} + \varepsilon_k \quad (1)$$

Y^* is a continuous, unobserved, and unmeasured latent variable whose values determine what the observed ordinal variable Y equals

ε is a random disturbance term with zero mean and a standard normal or logistic distribution: $\varepsilon \sim N(0, 1)$. The continuous latent variable Y^* has various threshold/cut-off points. (κ is the Greek small letter Kappa.). The value on the observed variable Y depends on whether or not you have crossed a particular threshold/cut-off point. Thus, when $M=3$, what we do observe is;

$$\left. \begin{aligned} Y &= 1, \text{ if } Y^* \leq \mu_1 \\ Y &= 2, \text{ if } \mu_1 < Y^* \leq \mu_2 \\ Y &= 3, \text{ if } \mu_2 < Y^* \leq \mu_3 \end{aligned} \right\} \quad (2)$$

Where: Y , is observed in j number of ordered categories, μ are unknown threshold/cut-off point parameters separating the adjacent categories to be estimated with β s. The continuous latent variable Y^* can be rewritten as;

$$Y^* = \sum_{k=1}^K \beta_k X_{ki} + \varepsilon = Z_i + \varepsilon_i \quad (3)$$

The Ordered Logit Model estimates part of the above:

$$Y^* = \sum_{k=1}^k \beta_k X_{ki} + \varepsilon = E(Y^*) \quad (4)$$

Note that, because of the random disturbance term, the unmeasured latent variable Y^* can be either higher or lower than Z . Note also that there is no intercept term. You then use the estimated $M-1$ cut-off terms to estimate the probability that Y will take on a particular value. In this case since $M=3$, the formulas are:

$$P(Y = 1) = \frac{1}{1 + e^{Z_i - k_1}}$$

$$P(Y = 2) = \frac{1}{1 + e^{Z_i - k_2}} - \frac{1}{1 + e^{Z_i - k_1}}$$

$$P(Y = 3) = 1 - \frac{1}{1 + e^{Z_i - k_2}}$$

The cumulative probabilities can also be computed using the form:

$$\text{Prob}(Y = j) = 1 - L(\mu_{j-1} - \sum_{k=1}^k \beta_k X_k)$$

Where: $L(\cdot)$ Represents cumulative logistic distribution

3.8 Validity of the Study

Validity is a term used in both qualitative and quantitative research. It is derived from the Latin term validity, which means "strength." It claims that a conclusion can never be proven; it can only be argued (Trochim, 1999). Validity can be established in a variety of ways in quantitative research. Validity has a different meaning in this context than it does in qualitative studies. The term "validity" describes how well an instrument measures what the researcher is trying to assess (Trochim, 1999). Items in the questionnaire, on the other hand, were created using a five-point Likert-scale close-ended multiple-choice format. Some SPSS lecturers and some BGI Ethiopia expert employees tested the instrument to ensure its validity. Employees were asked to see it and were assessed its validity.

3.9 Reliability of the Study

The research instrument is concerned with the instrument's ability to produce consistent results over time. The process of questionnaire pilot testing (testing and retesting) aided in ensuring the questionnaire's reliability in eliciting responses (Cook & Campbell, 1979:37) Chronbach Alpha Statistics is the most important tool for determining the findings' reliability and internal consistency. To obtain a reliable scale, the Chronbach Alpha result must be greater than 0.70, and any scale with a Chronbach Alpha of less than 0.70 must be excluded (Sekaran & Bougie, 2013). As a result, the study's reliability was tested using the Cronbach alpha test.

Table 3.1. Reliability test

Reliability Statistics		
Items	Cronbach's Alpha	N of Items
PI	.737	6
NI	.875.	10
EPDCP	.727	4
RSLEP	.800	8
SLAPE	.746	6
OP	.783	5

Source: Based on the survey(2023).

3.10 Ethical Consideration

First, the respondents were informed about the purpose and intention of the study and verbal consent will be obtained for better participation engaged in the study. Participants were informed of their right not to participate in the study at any time. Similarly, Participants informed the benefit of the research, and thus research has no risk. Participants had the right to ask a question for clarification and refuse to give information at any time in the research process.

CHAPTER FOUR

4 DATA PRESENTATION AND INTERPRETATION

INTRODUCTION

This chapter deals with data presentation, interpretation, and analysis of the study. It has two main parts: the first part is the demography of the respondents; the second part consists of data collected from the respondents through questionnaires. To address the research questions, 55 questionnaires were prepared and distributed to respondents, out of these questionnaires 52 were filled and returned, the rest 2 questionnaires were not returned, and 1 questionnaire was discarded due to missing data.

4.1 DEMOGRAPHY OF RESPONDENTS

4.1.1 RESPONSE RATE

A total of 52 responses out of the 55 questionnaires sent out were received, achieving an acceptable response rate of 94.5%, and all the questionnaires were edited and checked for completeness and used in the data analysis.

Table 4.1 Gender of the respondents

Item		Frequency	Percent
Valid	Male	32	61.5
	Female	20	38.5
	Total	52	100.0

Source: Based on the survey(2023).

The data presented in Table 4.1 indicates that among the respondents who were a part of the sample that was surveyed, 32 individuals were male, and this accounts for approximately 61.5% of the total number of respondents. Conversely, 20 individuals identified as female, and this represents approximately 38.5% of the total number of respondents.

Based on this data, it can be concluded that the majority of the respondents in the company are male, as the number of male respondents is significantly higher than the number of female

respondents. Specifically, roughly six out of ten respondents were male, while just under four out of ten respondents were female.

Table 4.2 Age of the respondents

Item		Frequency	Percent
Valid	20-30 years	22	42.3
	31-40 years	25	48.1
	41-50 years	5	9.6
	Total	52	100.0

Source: On survey(2023).

The table referred to as "Table 4.2" displays information regarding the age groups of respondents and their corresponding percentages. According to the table, the majority of the respondents fall under the second age group category, which is 31-40 years old with 25 respondents. This age group makes up 48.1% of the total number of respondents. The second most common age group is the first category, which is 20-30 years old. This group has 22 respondents and accounts for 42.3% of the respondents. Finally, the third group, aged 41-50 years old, had only 5 respondents, which accounts for 9.6% of the total respondents.

Table 4.3 Educational status of the respondents

		Frequency	Percent
Valid	Certificate	3	5.8
	Diploma	5	9.6
	First Degree	33	63.5
	Second Degree	11	21.2
	Total	52	100.0

Source: On survey(2023).

Table 4.3 provides information about the educational background of the respondents who participated in a certain study or survey. The table shows that out of the total number of respondents, which is not mentioned in the statement, a majority of them had attained a first degree. This group comprised 63.5% of the total respondents, which means that more than half of the participants had completed at least a bachelor's degree. The second largest group of respondents, comprising 21.2% of the total, were those who had completed a second-degree program after their first degree. This indicates that the sample was relatively well-educated, with a significant

proportion of respondents having pursued higher education. The third largest group in Table 4.3 are respondents who held diplomas, comprising 9.6% of the total. This may refer to individuals who have completed a vocational or technical program, or perhaps a post-secondary diploma program. The smallest group in the table comprises certificate holders, who accounted for only 5.8% of the respondents. Certificate programs typically involve a shorter period of study than diploma or degree programs, and may be focused on specific skills or trades. Overall, Table 4.3 highlights the level of education achieved by the survey or study respondents, which can provide insights into their backgrounds, experiences, and perspectives.

Table 4.4 Work experience of the respondents

Item		Frequency	Percent
Valid	less than 5 years	21	40.4
	6-10years	19	36.5
	11- 15years	12	23.1
	Total	52	100.0

Source: On survey(2023).

As shown in Table.4.4 above, there were three categories of work experience; less than 5 years, 6-10 years, and 11- 15 years. Accordingly, the first category accounts for (21) 40.4% of the respondents, the second category had 6-10 years of experience (19) 36.5% of the respondents, and the last category 11 -15 years were (12) 23.1% of work experience. This indicates that the work experience of the respondents had adequate exposure to the work area and had the potential of bringing change to the company under study

4.2. Descriptive Analysis

An interval measurement scale was used to assess Likert scale data, according to Creswell (2007). The composite score for Likert scales should be assessed at the interval measurement scale because Likert scale items are formed by calculating a composite score (sum or mean) from four or more type Likert-type items. Furthermore, assuming the sample is nearly normally distributed, the interpretation for Likert scale values from 1 (Strongly Disagree) to 5 (Strongly Agree) should be "Disagree" for mean up to 2.8, "Neutral" for the mean between 2.9 and 3.2, and "Agree" for mean above 3.2. Centro (2006). As a result, 0.8 was calculated by dividing the difference between the

maximum (5) and minimum (1) scores by the questionnaire's maximum score (5). The standard deviation was used in the analysis of the data. Small standard deviations (compared to the mean's value) indicate that data points are close to the mean, whereas big standard deviations (relative to the mean) show that data points are far from the mean. The data does not fit the mean well. The standard deviation is a metric for determining how well the mean accurately represents the data (Field 2009). All the characteristics were evaluated on a five-point Likert scale, with 1 representing Strongly Disagree and 5 representing Strongly Agree. Therefore, the interpretation formed using the mean of each variable falls between the two ranges; if the mean approaches 1, the inference is that the respondents disagree on the raised problem or variable, and if it approaches 5, the opposite is true.

Table 4.5. Strategic leadership affects employee performance in BGI Ethiopia

Item		Frequency	Percent
Valid	Yes	40	76.9
	No	12	23.1
	Total	52	100.0

Source: On survey(2023).

Table 4.5 The given information explains the results of a survey conducted among employees regarding the effect of strategic leadership on employee performance. The survey has recorded two types of responses, i.e., "yes" and "no." According to the data presented in table 4.5, out of the total number of respondents, 76.9% (40 employees) believed that strategic leadership is essential for better employee performance within the company. This indicates that a considerable amount of employees surveyed recognized the importance of strategic leadership and its impact on employee performance. In contrast, 23.1% (12 employees) responded negatively, indicating that they do not think that strategic leadership has a significant impact on employee performance in the company.

Overall, the survey results suggest that a majority of employees view strategic leadership as critical to employee performance. This information can be useful for a company's management to better understand how employees perceive the value of strategic leadership and identify areas for improvement.

Table 4.6 Types of impacts of strategic leadership on employee performance

Item			Frequency	Percent
Valid		Positive	41	78.8
		Negative	11	21.2
		Total	52	100.0

Source: On survey(2023).

Table 4.6 suggests that in a survey conducted among the respondents, approximately 78.8% of them agreed that strategic leadership has a positive impact on employee performance. This indicates that a majority of the respondents believed that having strong, effective leaders at the helm of an organization can boost their employees' performance and productivity.

However, around 21.2% of the respondents answered negatively that no strategic leadership hurts employee performance. This means that this group of respondents perceived that a lack of strategic leadership can be detrimental to employee performance. They might believe that unclear direction, poor decision-making, and communication, among other factors, could harm employees' motivation, engagement, and overall performance

Table 4.7 The positive impact of strategic leadership on company performance

Descriptive Statistics			
Item	N	Mean	Std. Deviation
Increase employee satisfaction.	41	1.5854	.49878
Higher productivity	41	1.3415	.48009
Improved Retention Rates	41	3.7561	.91598
Cost Savings	41	3.3659	.99388
Create an Engaging Work Environment	41	2.9024	.88896
Creates More Professional Opportunities	41	3.0488	.89306
PI	41	2.5902	.52906

Source: On survey(2023).

Table 4.7 demonstrate the positive impact of strategic leadership on company performance and most of the respondents were somewhat suggesting neutral to those questions. The first query in

which the respondents gave a higher mean score was the question supposed that Improved Retention Rates which is a mean score of 3.75, Cost Savings which accounts for 3.36, Creates More Professional Opportunities which is a mean score of 3.04, Create an Engaging Work Environment which accounts 2.90, Increase employee satisfaction which is the mean score of 1.58 and Higher productivity which scores 1.34. Besides the average mean for Positive impacts was 2.59. Accordingly, the analysis shows that the score of this variable falls on disagree level hence, there is a positive impact but it's not adequate for the company.

Table 4.8 The negative impact of strategic leadership on company performance

Descriptive Statistics			
Item	N	Mean	Std. Deviation
Loss of productivity and efficiency	11	2.7273	1.10371
Increased resource consumption	11	3.1818	1.07872
Poor customer service or satisfaction	11	3.3636	.92442
Lower morale among colleagues	11	3.0909	.53936
Decreased motivation to achieve goals	11	3.0000	.89443
Costly mistakes or errors on the job	11	3.2727	1.00905
Unsatisfactory outcomes for projects or tasks	11	2.8182	.98165
Rise in absenteeism or tardiness	11	3.0909	.94388
Damage to company reputation	11	3.0000	1.00000
financial losses	11	3.2115	.87080
NI	11	3.0364	.63446

Source: On survey(2023).

Table 4.8 shows the negative impact of strategic leadership on company performance and most of the respondents were somewhat suggesting neutral to those questions. The first question in which the respondents gave a higher mean score was the question supposed that Poor customer service or satisfaction 3.36, Costly mistakes or errors on the job which is a mean score of 3.27, financial losses which accounts for 3.21, Increased resource consumption which accounts 3.18, Lower

morale among colleagues which is the mean score of 3.09, Rise in absenteeism or tardiness mean score of 3.09, Decreased motivation to achieve goals and Damage to company reputation which accounts 3.00, Unsatisfactory outcomes for projects or tasks which is the mean score of 2.81, and Loss of productivity and efficiency which accounts 2.72 and the average mean for negative impacts were 3.03. Therefore, the analysis shows that the score of these variables falls between the two extremes on a neutral level hence, there is a gap in the company regarding strategic leadership.

Table 4.9 The current state of employee performance in BGI Ethiopia?

Descriptive Statistics			
Item	N	Mean	Std. Deviation
Employee performance affects overall company performance	52	3.0192	1.01923
Management provides effective feedback that encourages employee performance improvement.	52	3.2115	.99679
Employees are given appropriate incentive-based rewards for high levels of performance	52	3.2115	.95664
There is a system in place to monitor, track, and evaluate employee performance	52	2.8846	1.06004
EPDCP	52	3.0817	.64876

Source: On survey(2023).

Table 4.2.3; demonstrates how the current state of employee performance determines the company's performance. Hence most of the respondents agreed with those items the first item for which the respondents gave a higher mean score was the question supposed that the management provides effective feedback that encourages employee performance improvement which provides provide effective feedback that encourages employee performance improvement which accounted for 3.21 and employees are given appropriate incentive-based rewards for high levels of performance which is the mean score of 3.21. employee performance affects overall company performance which is the mean score of 3.01, there is a system in place to monitor, track, and evaluate employee performance which accounts for 2.88 and the average mean for the current state

of employee performance in determining the company performance was 3.08. As a result, the analysis shows that almost the score of this variable which is the current state of employee performance in determining the company performance fall at a neutral level. Therefore, it is one of the indications that there is a gap between strategic leadership and organizational performance.

Table 4.10 The relationship between strategic leadership and employee performance in BGI Ethiopia.

Descriptive Statistics			
Item	N	Mean	Std. Deviation
There is a relationship between strategic leadership and employee performance.	52	2.5192	.93914
Some organizations implement strategies to ensure optimal performance from employees.	52	2.8654	.81719
You have to measure the effectiveness of your strategic leadership in motivating employee performance.	52	2.8077	.90832
I think that strategic leaders influence employees' motivation and productivity.	52	3.2308	.92069
I believe that collaboration between strategic leaders and employees leads to better performance for the company.	52	2.9231	.76302
Strategic leadership affects employee morale and motivation in the workplace.	52	3.1538	1.09158
There are managerial practices that could be improved or altered to increase the effectiveness of the relationship between strategic leadership and employee performance.	52	3.5962	.93431
I think that the relationship between employees and leadership is good.	52	3.1154	1.07838
RSLEP	52	3.0264	.60550

Source: On survey(2023).

Table 4.10 show that, the relationship between strategic leadership and employee performance in the organization and most of the respondents were somewhat signifying neutral to those items and

the other were agreed. The first items which the respondents gave higher mean score was the question supposed that, are there any managerial practices that could be improved or altered to increase the effectiveness of the relationship between strategic leadership and employee performance which accounts 3.59, the strategic leaders influence employees' motivation and productivity which accounts 3.23, strategic leadership affect employee morale and motivation in the workplace which accounts 3.15, the relationship between employees and leadership is good which is the mean score of 3.11, that collaboration between strategic leaders and employees leads to better performance for the company which is the mean score of 2.92, the organization implemented strategies to ensure optimal performance from employees which accounts 2.86, How do you measure the effectiveness of your strategic leadership in motivating employee performance which is the mean score of 2.80, there is relationship between strategic leadership and employee performance which is the mean score of 2.51, and the average mean score for relationship of strategic leadership and employee performance in the organization were 3.02. Therefore, the analysis shows that almost the score of the relationship between strategic leadership and employee performance falls at a neutral level. Therefore, it is an indication of a gap in the relationship between strategic leadership and employee performance in the organization.

Table 4.11 The different effects of strategic leadership on employee performance

Descriptive Statistics			
Item	N	Mean	Std. Deviation
Strategic leadership has a direct effect on the performance of employees	52	3.0577	1.05558
Strategic leadership helps to foster a clear plan for success and motivates employees to reach their goals.	52	3.4038	1.03393
The ability to empathize with and recognize employees' strengths, weaknesses, and capabilities can positively impact their performance as they gain confidence from leaders who value their contributions.	52	2.8846	1.02237

Through strategic management of resources, organizations can effectively utilize the skills and talents of their employees to increase efficiency and quality of outputs.	52	3.3077	.82933
By providing meaningful feedback and regular challenges, strategic leadership encourages growth within employees which in turn leads to enhanced performance levels.	52	2.9712	.63719
SLAPE	52	3.1250	.59832

Source: On survey(2023).

Table 4.11 shows that, investigates how strategic leadership affects the performance of an employee. Hence, most of the respondents were somewhat signifying neutral about those items, and the others agreed. The first item for which the respondents gave a higher mean score was the question supposed that Strategic leadership helps to foster a clear plan for success and motivate employees to reach their goals which account for 3.40, through strategic management of resources, organizations can effectively utilize the skills and talents of their employees to increase efficiency and quality of outputs which accounts 3.30, Strategic leadership has a direct effect on the performance of employees which is the mean score of 3.05, by providing meaningful feedback and regular challenges, strategic leadership encourages growth within employees which in turn leads to enhanced performance level which accounts 2.97, and the ability to empathize with and recognize employee's strengths, weaknesses, and capabilities can positively impact their performance as they gain confidence from leaders who value their contributions which is the main score of 2.88, and the average mean score of how strategic leadership affect the performance of employee accounts 3.12. Therefore, the analysis shows that almost the score of this variable strategic leadership affects the performance of employee fall at a neutral level. Therefore, it is an indication of a gap in strategic leadership and the performance of employees in the company.

Descriptive Statistics			
Item	N	Mean	Std. Deviation
Employees manage their time and priorities for the company	52	3.1154	1.07838
Employees meet the expectations and requirements of the job	52	3.0577	1.05558
Employees handle feedback and constructive criticism	52	3.4038	1.03393
An employee can do their task in an expected time frame	52	2.8846	1.02237
Employees developed new skills or took steps to enhance their job and knowledge	52	3.3077	.82933
EP	52	3.1538	.73737

Table 4.12 Examining employee performance in BGI Ethiopia

Source: On survey(2023).

Based on the information provided, Table 4.12 reflects employee performance in the organization. The majority of the respondents were somewhat neutral (neither agreeing nor disagreeing) to the items listed in the table while some agreed to them. The highest mean score was obtained from the query that asked whether employees can handle feedback and constructive criticism with a mean score of 3.40. This implies that employees are receptive to feedback and open to improving their work. The second item with the highest mean score was related to employees developing new skills or taking steps to enhance their job and knowledge, which had a mean score of 3.30. This indicates that employees are willing to learn and improve their skills to perform better in their job. The third item related to employees managing their time and priorities for the company, which had a mean score of 3.11. This suggests that employees can prioritize their tasks effectively and manage their time efficiently to meet company goals and objectives. The fourth item was related to employees meeting the expectations and requirements of their job, which had a mean score of 3.05. This indicates that employees are aware of their job responsibilities and can meet the expectations set for them. The fifth item related to employees being able to complete their tasks within an expected time frame, which had a mean score of 2.88. This suggests that employees may need improvement in completing their tasks promptly. Overall, the average mean for employee performance was 3.15 which is somewhat neutral indicating that there may be areas that need improvement regarding employee performance.

4.3 Correlation Analyses

Aside from descriptive analysis, correlation analysis is performed to check if each variable has a relationship. Pearson's correlation (also called Pearson's R) is a correlation coefficient commonly used in linear regression. It is the most common method to use for numerical variables; it assigns a value between -1 and 1, where 0 is no correlation, 1 is a total positive correlation, and -1 is a total negative correlation. This is interpreted as follows: a correlation value of .005 between two variables would indicate that a significant and positive relationship exists between the two. A positive correlation signifies that if the variable independent goes up, then dependent variables will also go up, whereas if the value of the correlation is negative, then if the independent variable increases, dependent variables also decrease (Benesty, 2009).

Table 4.13 Correlation Analyses

		Correlations					
		EP	PI	NI	EPDC P	RSLE P	SLAP E
EP	Pearson Correlation	1	.185	.601	.328*	.798**	.962**
	Sig. (2-tailed)		.247	.050	.018	.000	.000
	N	52	41	11	52	52	52
PI	Pearson Correlation	.185	1	.763**	.455**	.343*	.336*
	Sig. (2-tailed)	.247		.006	.003	.028	.032
	N	41	41	11	41	41	41
NI	Pearson Correlation	.601	.763**	1	.403	.700*	.579
	Sig. (2-tailed)	.050	.006		.219	.016	.062
	N	11	11	11	11	11	11
EPD CP	Pearson Correlation	.328*	.455**	.403	1	.358**	.414**
	Sig. (2-tailed)	.018	.003	.219		.009	.002
	N	52	41	11	52	52	52
RSLE P	Pearson Correlation	.798**	.343*	.700*	.358**	1	.762**
	Sig. (2-tailed)	.000	.028	.016	.009		.000

	N	52	41	11	52	52	52
SLAP E	Pearson Correlation	.962**	.336*	.579	.414**	.762**	1
	Sig. (2-tailed)	.000	.032	.062	.002	.000	
	N	52	41	11	52	52	52
*. Correlation is significant at the 0.05 level (2-tailed).							
**. Correlation is significant at the 0.01 level (2-tailed).							

Source: on the survey (2023)

Table 4.13 indicates the correlation analysis.

The analysis shows that all variables had a positive association. Regarding, employee performance, it had a significant association with the strategic leadership affecting the performance of employees in BGI Ethiopia. ($r = .414$ $p = .002$) and positive impact had a significant association with employee performance ($r = .455$ $p = .003$), Positive impact had a significant association with the current state of employee

performance in determining the company performance ($r = .437$ $p = .004$), the current state of employee performance in determining the company performance also had Positive impact had a significant association with positive impact ($r = .437$ $p = .004$) and strategic leadership affect the performance of employee ($r = .414$ $p = .002$), the relationship of strategic leadership and employee performance in the organization had a positive and significant association with organizational performance ($r = .798$ $p = .000$) and strategic leadership affects the performance of an employee. ($r = .762$ $p = .000$) and strategic leadership affects the performance of employees. also, had a positive impact on a significant association with organizational performance, the current state of employee performance in determining the company performance, and the relationship between strategic leadership and employee performance in the organization? which is ($r = .962$ $p = .000$), ($r = .414$ $p = .000$) and ($r = .762$ $p = .000$) respectively.

4.4. Regression Analysis

4.4.1. Regression Analysis Result

Table 4.14 Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.046	.410		-.113	.914
	EPDCP	.172	.171	.155	1.008	.360
	RSLEP	.259	.199	.285	1.304	.249
	SLAPE	.799	.132	.791	6.059	.002
	PI	-.290	.157	-.330	-1.853	.123
	NI	.092	.120	.133	.768	.477

Source: on the survey (2023)

The regression model found is;

$$Y = a + \beta_1 * X_1 + \beta_2 * X_2 + \beta_3 * X_3 + \beta_4 * X_4 + \dots \beta_n * X_n + e$$

$$Y = .172EPDCP + .259RSLEP + .799SLAPE + .290PI + .092NI$$

From Table 4.14, employee performance has a positive relationship with all variables, except positive impact besides, regarding the significance level, SLAPE, is statistically significant at the 5% significance level ($\beta = .799$; $p = .002 < .05$), also employee performance has a positive relationship with EPDCP, SLAPE, positive impact, and negative impact but the insignificant relationship ($\beta = .172$; $p = .360 > .05$), ($\beta = .259$; $p = .249 > .05$), ($\beta = .290$; $p = .123 > .05$) and ($\beta = .092$; $p = .477 > .05$).

It can be seen from the above finding that several of the coefficients are positive, indicating that a change in any of the independent factors has a similar effect on employee performance. Overall, the consistency of regression coefficients on the chosen area indicates that these variables are important indicators for influencing the performance of an employee at BGI Ethiopia to vary degrees and that one of the independent variables was a significant predictor of problem occurrence.

4.4.2 Model Summary

Model	R	R Square	Adjusted R Square	Std. An error in the Estimate
1	.974 ^a	.948	.896	.14108

Table 4.15
Model
Summary

Source: on survey(2023)

Table 4.15 provides information on the R Square values that have been corrected for bias, which is an important measure of how well independent variables in a model can explain the variance or variation in the dependent variable. The R Square value ranges between 0 and 1 with higher values indicating a better fitting model. In this case, the R Square value was 0.896, meaning that 89.6% of the variation in the dependent variable can be explained by the independent variables in the model, while the remaining 10.4% could potentially be explained by other factors not included in the model.

Overall, the high R Square value indicates that the model is a good fit for the data and that the independent variables used are relevant in explaining the variation in the dependent variable. It also suggests that the model has good predictive power, although it is important to note that there may still be other factors not accounted for in the model that could affect the dependent variable's performance.

4.4.3 ANOVA

Table 4.16 ANOVA

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.806	5	.361	18.146	.003 ^b
	Residual	.100	5	.020		
	Total	1.905	10			
a. Dependent Variable: EP						
b. Predictors: (Constant), NI, EPDCP, SLAPE, PI, RSLEP						

Source: on survey(2023)

According to the statement above, ANOVA Regression Analysis was conducted and its findings are presented in Table 4.16. The analysis aims to evaluate whether the independent variables can predict the dependent variable or not. In the table, there is a column labeled "Sig." that displays the p-value. If the value is less than or equal to .05, the model is considered to be statistically significant. If the value is greater than or equal to .05, the model is not considered statistically significant. Based on the results in the ANOVA table, it can be inferred that the independent variables used in the regression analysis are statistically significant in predicting the dependent variable as the calculated p-value is less than or equal to .05, which means the model is statistically significant. Therefore, the regression model is a good fit for the data studied. Specifically, the statement mentions that the p-value associated with the regression model is .03, which is less than .05, indicating that the model is statistically significant in predicting the response variable. This suggests that the independent variables included in the model make a significant contribution to understanding the variation in the dependent variable.

CHAPTER FIVE

5. SUMMARY, CONCLUSION, AND RECOMMENDATION

5.1 Summary of Major Findings

The overall objective of the study is to explore the effects of strategic leadership on employee performance in BGI Ethiopia and in providing practical recommendations for organizations to enhance their performance.

This chapter thus deals with the summary of findings, conclusions drawn from the findings, and the recommendations forwarded for the improvement of the leadership strategy at BGI Ethiopia. The recommendation covers the importance of improving on those factors in which the company got less score. The chapter is presented under the headings: Summary of Findings, conclusion, and Recommendations.

From the demographic characteristics of respondents, the results indicated that from the total respondents, 32 (61.5%) Male, and 20 (38.5%) female respondents were found in the company. Of the sample respondents, in the company majority were male respondents. Concerning age, the majority of the respondents are in the second category of the age group which is 31- 40 years which is (25) 48.1% followed by the first category 20-30 years which is (22) 42.3 % and the third category 41-50 which is 5 (9.6) %. This indicates that most of the respondents were young and productive. Regarding their educational status, most of the respondents were first-degree holder which accounts for (33) 63.5% followed by second Degree holder which accounts for (11) 21.2%, Diploma (5) 9.6%, and certificate level (3) 5.8 % respectively. This shows almost all employees responding to the questionnaire are educated and are expected to know and express what is going on in their working environment. Regarding work experience, the first category accounts for (21) 40.4% of the respondents, the second category had 6-10 years of experience (19) 36.5% of the respondents, and the last category was 11 -15 years (12) 23.1% of work experience. This indicates that the work experience of the respondents had adequate exposure to the work area and had the potential of bringing change to the company under study.

To respond to the research questions, the study incorporates four indicators in which all of which were measured on a 5-point Likert-Scale, with “5” standing for “Strongly Agree” and “standing

for “Strongly Disagree”. Mean was used as a measure of central tendency. Besides, the data were encoded, processed, and analyzed using SPSS.V26

The analysis result shows that the mean score values for the company performance were to the average mean value of 3.15 which indicates the operational performance of BGI company has a problem in implementing strategic leadership. Moreover, the correlation analysis indicates that all variables had a positive association. Regarding, organizational performance, it had a significant association with the relationship between strategic leadership and employee performance in the organization ($r = .798$ $p = .000$) and strategic leadership affects the performance of the employee. ($r = .962$ $p = .000$), Positive impact had a significant association with the current state of employee performance in determining the company performance ($r = .437$ $p = .004$), the current state of employee performance in determining the company performance also had a positive impact had a significant association with positive impact ($r = .437$ $p = .004$) and strategic leadership affects the performance of employee ($r = .414$ $p = .002$), the relationship of strategic leadership and employee performance in the organization had a positive and significant association with organizational performance ($r = .798$ $p = .000$) and strategic leadership affect the performance of the employee. ($r = .762$ $p = .000$) and strategic leadership affects the performance of employees. also had a positive impact and had a significant association with organizational performance, the current state of employee performance in determining the company performance, and the relationship between strategic leadership and employee performance in the organization. which is ($r = .962$ $p = .000$), ($r = .414$ $p = .000$) and ($r = .762$ $p = .000$) respectively.

Overall, the correlation analysis shows that employee performance has a positive relationship with all variables which is the current state of SL, the current state of EP, the relationship of SL & EP, and the effect of SL on EP, yet it's only significant relationship with the relationship of SL & EP and the effect of SL on EP.

Furthermore, the value of regression analysis shows that the results of the model estimation exposed that, one of the variables which is SLAPE had a significant effect on employee performance but the rest were not significant.

5.2 Conclusion

The focus of this research is to analyze the impact of strategic leadership on employee performance in BGI Ethiopia. The study shows that there are problems in employee performance due to strategic leadership, as most of the respondents provided neutral responses to the questions asked. However, the study findings also indicate that there are both positive and negative effects of strategic leadership on employee performance.

The study analyzed various variables such as the current state of employee performance in determining company performance, the relationship between strategic leadership and employee performance, and how strategic leadership affects employee performance. The results show that almost all variables indicate a neutral level, which highlights the existence of a breach between the noticeable effects of strategic leadership on employee performance in BGI Ethiopia.

Furthermore, the correlation analysis reveals that employee performance has a positive relationship with all variables, including the current state of strategic leadership, the current state of employee performance, the relationship between strategic leadership and employee performance, and how strategic leadership affects employee performance. However, only the relationship between strategic leadership and employee performance and how strategic leadership affects employee performance have a significant relationship with employee performance.

In summary, the research concludes that there are perceptible effects of strategic leadership on employee performance in BGI Ethiopia, except for variables that are significant in the study.

5.3 Recommendation

Based on the research findings, which emphasized the need for improvement in employee performance, two specific recommendations were drawn. Firstly, it was recommended that the company's leadership strategy be reviewed and made more empirical to achieve this goal. This implies that the company needs to adequately evaluate the current leadership approach and identify areas of improvement that can positively impact employee performance.

Secondly, the research recommends the creation of awareness for strategic leadership planning and implementation for both the betterment of the company and improved employee performance. This recommendation highlights the need for the organization and its leaders to incorporate strategies such as goal setting, effective communication, and team building into their overall leadership plan. Furthermore, in implementing these strategic approaches, leaders must ensure that they align with the organization's goals and objectives as well as the needs and aspirations of employees.

Overall, these recommendations underscore the importance of leadership in driving employee performance while emphasizing the relevance of strategic planning and implementation toward achieving this goal

5.4 Suggestion for Future Research

This research is limited to only one company BGI Ethiopia in Addis Ababa only and it needed further investigation in other areas of the organization by adding different variables therefore doing the research will give the full picture of the issue under study.

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Appendix I
Questionnaire
Addis Ababa University
School of Commerce

My name is Zewdu Mulugeta and currently, I am conducting a study in partial fulfillment for Master of Business Leadership in Addis Ababa University School of Commerce. The study is entitled “The Effects of Strategic Leadership on Employee Performance in the Case of BGI Ethiopia.”

Statement of Confidentiality and Consent

The purpose of this study is to generate the information necessary for the planning of appropriate interventions and to track the trend in the practice.

Thus, your honest and genuine response is vital for the achievement of the objective of this research. I assure you that your responses will be used only for academic purposes and will confidentially be treated. I thank you well in advance for sparing 10 minutes of your precious time to participate in this study.

Thank you for your cooperation!

Contact Address---+251926956154

Part I: Background Characteristics

You are kindly requested to put a thick (✓) mark in the box given and write your answers in the spaces provided.

1. Gender

1. Male

2. Female

2. Age

1. 20-30

2. 31-40

3. 41-50

4. Above 50 years

3. Educational level

Certificate

Diploma

First Degree

Second Degree

Third degree

4. Your work experience at the organization:

Below 5 years

5 up to 10 years

11 up to 15 years

16 and above years

Please indicate the extent to which you agree or disagree with each statement and tick (✓) in a box to the corresponding number. Where (1=Strongly Disagree (SD); 2=Disagree (D); 3=Neutral (N); 4=Agree (A); and 5=strongly agree

1. is the current state of strategic leadership critical to the employee performance of the company?

Yes No

If your answer is yes, What kind of Impact of employee performance

Positive impact Negative impact

Positives impacts.	1	2	3	4	5
Increase employee satisfaction.					
Higher productivity					
Improved Retention Rates					
Cost Savings					
Create an Engaging Work Environment					
Creates More Professional Opportunities					

Negative impacts.	1	2	3	4	5
Loss of productivity and efficiency					
Increased resource consumption					
Poor customer service or satisfaction					
Lower morale among colleagues					
Decreased motivation to achieve goals					
Costly mistakes or errors on the job					
Unsatisfactory outcomes for projects or tasks					
Rise in absenteeism or tardiness					
Damage to company reputation					
financial losses					

No	item	1	2	3	4	5
	Employee performance affects overall company performance.					
	The management provides effective feedback that encourages employee performance improvement.					
	Employees are given appropriate incentive-based rewards for high levels of performance.					
	There is a system in place to monitor, track, and evaluate employee performance.					

2. What is the current state of employee performance in determining company performance in BGI Ethiopia?

3. Is there a relationship between strategic leadership and employee performance in BGI Ethiopia?

Not at all -1 Small extent-2 Moderate extent -3 Large extent -4 Very large extent- 5

No	Item	1	2	3	4	5
1	I think that there is a relationship between strategic leadership and employee performance.					
2	The organization implements strategies to ensure optimal performance from employees.					
3	You have to measure the effectiveness of your strategic leadership in motivating employee performance.					
4	I think that strategic leaders influence employees' motivation and productivity.					
5	I believe that collaboration between strategic leaders and employees leads to better performance for the company.					
6	Strategic leadership affects employee morale and motivation in the workplace.					
7	There are managerial practices that could be improved or altered to increase the effectiveness of the relationship between strategic leadership and employee performance.					
8	I think that the relationship between employees and leadership is good.					

4. What is the effect of strategic leadership on employee performance at BGI Ethiopia?

No	Item	1	2	3	4	5
1	Strategic leadership has a direct effect on the performance of employees					
2	Strategic leadership helps to foster a clear plan for success and motivates employees to reach their goals.					
3	The ability to empathize with and recognize employees' strengths, weaknesses, and capabilities can positively impact their performance as they gain confidence from leaders who value their contributions.					
4	Through strategic management of resources, organizations can effectively utilize the skills and talents of their employees to increase efficiency and quality of outputs.					
5	By providing meaningful feedback and regular challenges, strategic leadership encourages growth within employees which in turn leads to enhanced performance levels.					

5. Examining employee performance in BGI Ethiopia

No	Item	1	2	3	4	5
1	Employees manage their time and priorities for the company					
2	Employees meet the expectations and requirements of the job					
3	Employees handle feedback and constructive criticism					
4	An employee can do their task in an expected time frame					
5	Employees developed new skills or took steps to enhance their job and knowledge					

Appendix II

Preliminary Tests of regression analysis

However, before starting the regression analysis, a Heteroscedasticity and Multicollinearity test was undertaken. The heteroscedasticity assumption describes the variance of error components that are similar across independent variable values. Heteroscedasticity is demonstrated when the variance of errors differs at different values of the independent variable. Multicollinearity, on the other hand, refers to a situation in which the independent variables are highly interrelated in a way that has unfavorable implications for regression analysis results. Collinearity occurs when one of the variables is removed or a new variable is created that combines the previous two that were highly correlated. When predictor variables are strongly correlated, they share essentially the same information and, when combined, can explain a lot of variances (Robert, 2006)

1. Multicollinearity Test

Table 4.13. Multicollinearity Test

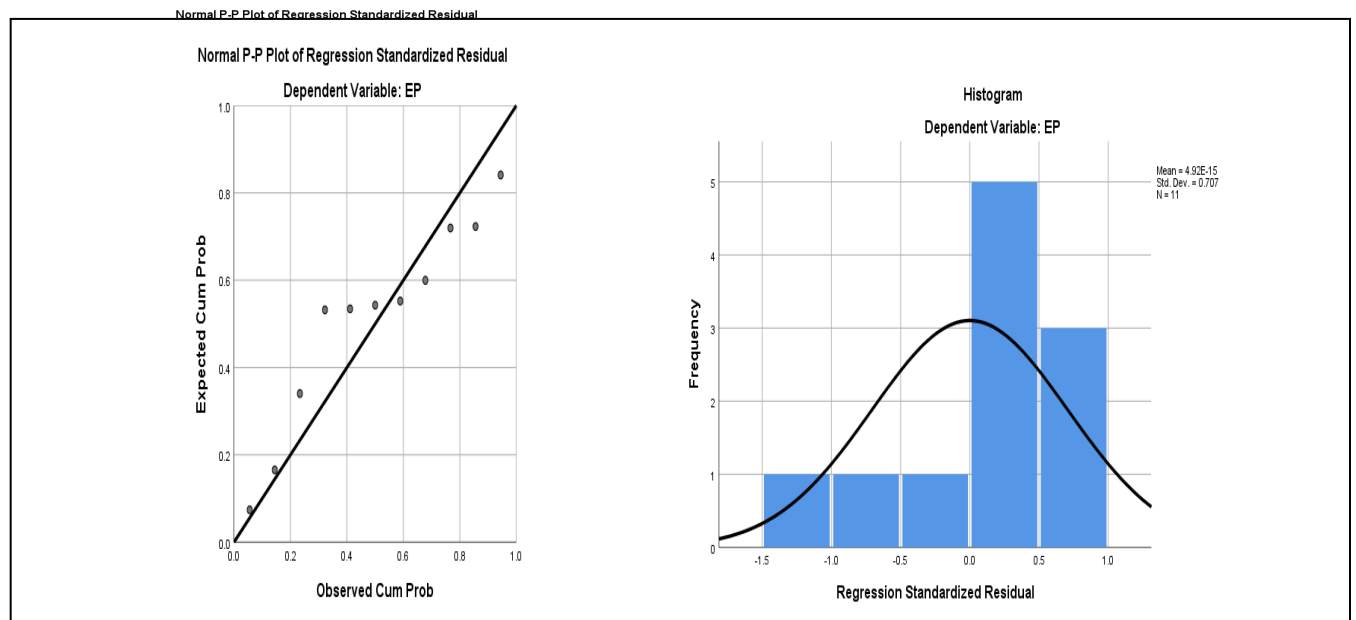
Collinearity Statistics	
Tolerance	VIF
.440	2.274
.219	4.573
.614	1.630
.328	3.044
.346	2.889

Source: On survey(2023).

According to Table 4.13 above the VIF test result, the data does not have any multicollinearity issues. The maximum VIF value is 4.573. As a result, all variables are within permissible limits. On this basis, it may be inferred that there is no multicollinearity effect because all variables meeting the tolerance conditions should be more than 0.2 or have a VIF (variance inflation factor) of less than 10.

2. Normality test

The residuals from a linear regression model are one application of normality testing. If the residuals are not normally distributed, it is possible that the dependent variable or at least one explanatory variable has the incorrect functional form, or if essential variables are missing.



3. Autocorrelation Test

Even though residuals are normally distributed, there should be no serial correlation between them. A Breusch-Godfrey approach is one of the ways to assess this problem; as shown in the table below, the significant value is larger than 5%; so, if it is not significant, it suggests there is no serial correlation between residuals.

Model Summary

Model	R	R Square	Adjusted R Square	Std. The error in the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.974 ^a	.948	.896	.14108	.948	18.146	5	5	.003	2.624

a. Predictors: (Constant), NI, EPDCP, SLAPE, PI, RSLEP b. Dependent Variable: EP