



Effect of Leadership Style on Organizational Performance in Addis Ababa No.2 Medium tax Payer's Branch Office

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By

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No.2 Medium Tax payer's Branch Office**

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DECLARATION

I, Anewar Jemal Mussa, here declared that this study titled “Effects of Leadership style on organizational performance in Addis Ababa No.2 medium Tax payers branch Office” is an original research effort in which I carried out it independently with the assist and guidance of my advisor. In addition the study has not been presented for an award of a degree in this and or any other institutions. All the resource materials used for the study are appropriately acknowledged

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LIST OF ACRONYM

AA No.2 MTPBO = Addis Ababa No, 2 medium tax payers branch office

SPSS = Statistical Package for Social Science

ALS = Autocratic Leadership style

DLS = Democratic Leadership style

LFL = Laissez-Fair Leadership style

ORP = Organizational performance

ABSTRACT

Organizational performance can be affected by a number of aspects which results externally from the macro economy environment or internally from its own factors. The one internal factor which is addressed in this study is leadership style in which the leaders display and demonstrate while managing their organization. Three dimensions of leadership styles Autocratic, Democratic and Laissez-fair, were under study with the case institution, Addis Ababa No.2 medium Tax payers branch office in order to investigate their effects of on organizational performance. Descriptive explanatory research design was applied with qualitative and quantitative approach. A total of 198 respondents were selected randomly from the total employee population to acquire their response to the questionnaire which is derived and adopted from previous studies on the same subject matter. After the responses collected a descriptive statistic was performed by using SPSS 25 to find out, the mean, standard deviation and regression analysis of it. The results of the SPSS reveal the perception of the three dimensions of leadership which are the independent variables and the perception of organizational performance, the dependent variable of this study. Democratic leadership style has the highest mean other than the two leadership styles, and organizational performance is affected 10.1% by the combinations of the three leadership styles. Based on the analysis, in this study, Democratic and Laissez-Fair leadership styles have a significant effect on organizational performance, whereas, Autocratic leadership style which have a $p\text{-value} > 0.005$ have no an effect on organizational performance. Finally based on the finding and the summary of the study a recommendation is suggested in addition suggestion for future research has forwarded.

Keywords of the study: *Autocratic Leadership style, Democratic Leadership style, Laissez-faire leadership style and Organizational performance*

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

In the modern competitive and globalizing world it has become very important to discuss the concept of leadership. Leadership is one of the most written topics in the professional literature of management studies and organizational development. The most common definition of leadership indicates leadership is influencing process between leaders and followers to ensure achievement of organizational goals. The role of leadership is high for the organizations (whether it is business or public) to improve performance, to compete as well as to survive (Yukl, 2006).

Advocators of the modern leadership school of thought indicated that organizational performance is affected by the leadership styles being demonstrated by the supervisors within the organization (Northhouse, 2013). Organizations all over the world are concerned with understanding and developing the concept of leadership. Regardless of the type of organization, leadership is distinguished as one of the critical elements to enhance organizational performance and plays a dynamic role in establishing high performing teams. For this reason, effective leadership is very important to the success of any organization (Yong, 2013).

Leadership is one of the most pressing issues and one of the least understood concepts in the corporate world. The history of leadership encompasses through several paradigm shifts and voluminous body of knowledge. As a universal activity, leadership is fundamental for effective organizational and social functioning. The very nature of leadership is its influencing process and its resultant outcomes. Such process is determined by the leaders and follower's characteristics, dispositions, behavior perceptions, attributions and the context wherein the process of influencing occurs. The moral purpose of leadership is to create an empowered follower that leads to moral outcomes that are achieved through moral means (Hersey & Blanchard, 1984).

Successful and competent organization depends on the quality of leadership style used by the leaders. Even though leadership styles are many, the need for effective leadership style that serves and dedicate in the interest of others is increasing. Satisfying the needs of customers by showing concern to them and considering their interests first can bring positive outcomes from within and outside the organization.

Leadership styles have diverse effects on variables such as flexibility, standards, rewards, clarity and commitment and in some cases on organizational climates as the behavior of the leader produce motivation mechanisms which have effect on the conduct of individual's performance in the organization. (Shamir, et al.2006). Thus, the essence of leadership is followership. Effective leadership is the extent to which a leader constantly and progressively leads and directs his or her followers, towards organizational performance.

Leadership is a central element and heart of good governance with a positive effect on organizational level. Without leadership it is not possible to achieve organizational performance. With renewed efforts to make reform, there is increasing interest in the topic of leadership. As such leadership styles have for sure a direct impact in Organizations' efficiency and effectiveness in meeting their missions and goals. Many academicians and practitioners argue and realize that it is quality of leadership that determines the success or failure of an organization that great leaders create great business (Ramnarayan, Kumar, 2004).

The term organizational performance can generally describe as, certain organizations performance with in a time gap or specific period of time as it is compared to predetermined goals and objectives to be achieved. Different scholars provide their definition to organizational performance; Koontz & Donnel 1993 describes as, the ability of an organization to achieve certain objectives and goals, such as good financial results, high organizational profit and produce high quality products by using effective strategies adopted. Organizational Performance is a complex and multidimensional phenomenon in the business literature. Organizational performance comprises of the results of an organization or the actual outputs of an organization,

which can be measured against intended outputs, goals and objectives. The organizational performance involves three areas associated with the organization-financial performance (return on investments, profits etc.), shareholder return (economic value added, total shareholder etc.) and the product/service market performance (market share, sales etc.) (Gavrea, et al., 2011) as cited by Ebrahim Hasan Al Khajeh, 2018 pages3-4)

An organization is a social set up, which has a boundary that separates it from its environment, pursues its own collective goals, and controls its own performance (Hicks and Gullet, 1975). Organizations perform various activities to accomplish their organizational objectives. It is these repeatable activities that utilize processes for the organization to be successful that must be quantified in order to ascertain the level of performance and for management to make informed decisions on where, if needed, within the processes to initiate actions to improve performance. (Hashem Salarzadeh Jenatabadi, 2015)

Organizational performance can be affected positively and negatively by different circumstances, which results inability to achieve what are predetermined plans or to exceed what was expected to achieve. These circumstances can be internal and external. The one circumstance that is going to be discussed is, leadership style of managers in which they display. Leadership undoubtedly has the major role in the outcome of any project in which all identified leadership styles have variable under different situations (Khan et al, 2012).

Different scholars stress the effects of leadership style in organizational performance; since some of the main factors that affect organizational performance are the leadership style of their leaders (Seashore 2009). Obiwuru T.C et al at 2011, argued that, Leadership style in an organization is one of the factors that plays a significant role in enhancing or retreading the interest and commitment of the individuals in the organization. Leadership assists in management development and training, effective, leadership provides the building block for organizational performance. It is absolutely essential to the survival and growth of every organization.

Lo. A 2010, as cited by Girma Dube 2019, Present the stress of the effects of leadership style in organizational performance, in order for an organization to convincingly claim that its work climate is conducive enough for better organizational performance; it needs to have, among other things, a sound, consistent and established leadership style that governs the actions and behaviors of its leaders.

1.2 Back Ground of the Organization

Addis Ababa City Administration Revenue Bureau, previously called Addis Ababa City Government Revenue Authority is responsible to levy and collect taxes from individual (sole proprietors) tax payer at Addis Ababa level.

Addis Ababa City Administration Revenue Bureau, consists of mainly fifteen active branches namely Large Taxpayer Branch Office, Addis Ababa number 1 Medium Tax payers Branch Office, Addis Ababa number 2 Medium Tax payers Branch Office, Merkato number 1 Medium Taxpayers Branch Office, Merkato number 2 Medium Tax payers Branch Office, Akaki Kaliti sub city Small Tax payers Branch Office, Lideta sub city Small Tax payers Branch Office, Nifas Silk Lafto sub city Small Tax payers Branch Office, Bole sub city Small Tax payers Branch Office, Kirkos sub city Small Tax payers Branch Office, Kolfe keraniyo sub city Small Tax payers Branch Office, Addis Ketema sub city Small Tax payers Branch Office, Gulele sub city Small Tax payers Branch Office, Arada sub city Small Tax payers Branch Office and, Yeka sub city Small Tax payers Branch Office. Accordingly, Addis Ababa number 2 Medium Tax payers Branch Office is one of the branch of Addis Ababa Revenue Authority and most of the taxpayers enrol in this branch are individual (sole proprietors) tax payer their annual revenue is above 1 million and below 40 million which is found in Addis Ababa, particularly, Bole sub city, Kirkos sub city, Akaki Kaliti sub city and Nifas Silk sub city and Lideta sub city.

Addis Ababa number 2 Medium Tax payers Branch Office, organized itself in five core process and three supporting process. The five core processes namely: Audit & Enforcement, Revenue assessment & collection, Tax Education and Communication, Information Technology and Human Resource Management and the three supporting

process are financing & procurement, planning & Budgeting and Internal Audit. Addis Ababa number 2 Medium Taxpayers Branch Office, is authorized by the law to collect tax and to make an assessment the accuracy of declared tax liability by the tax payers in respect to the stated tax laws and regulation. (Source A.A city revenue bureau brochure and weekly newspaper)

1.3 Statement of the problem

In any given discipline, the success of a venture can nearly always be traced directly back to the vision and will of the leadership. Therefore, having effective leadership styles for the organization to retain competent employees is crucial to its survival. Brockner et al.1992.

Companies, unless it is explicitly mentioned, the main reason for establishment is creating a sustainable value to its stakeholders; the main aim of many companies is to accomplish its stated objectives. Whereas a public enterprise is necessitated by the need “to find effective and efficient organization under socially satisfying conditions (Palve Sicherl, 1981) hence, there is a need of effective leaders for coordinating and motivating the employees (Vigoda-Gadot, 2012). Top quality leadership is essential to achieve the mission and vision along with coping with the changes occurring in the external environment (Harris, et al., 2007)

A governance system is a process whereby organizations make important decisions and determine whom they involve. Public sector requires a best leadership styles as principles of good governance in the 21 century (J Graham, TW Plumptre, B Amos 2003, Graham, 2003). It is believed that, a successful leadership is the cornerstone of government institutions to implement public policies. Organizations are only sustainable when they serve human needs. (Covey, 2006)

Churden and Sherman 1975 as cited by Ben Bernard Uchenwamgbe 2013, Leadership style of management is a pre-requisite for effective accomplishment in organizations. The leadership styles determine the level of subordinate participation in decision making and the way an organization is run administratively. Organizations which are

low in efficiency tend to have leaders who are highly bossy. Decision making is centered on them alone. Participation in decision making creates an individual's mental and emotional involvement in a group situation which encourages him or her to contribute to group goals and share responsibility for them.

Addis Ababa No. 2 medium Tax payers branch office has its own parameters which it measures its annual and quarterly performances with predetermined set of goals. The goals are to provide modern revenue assessment and collection system, and to provide customers with equitable, efficient and quality service. These preset goals and objectives are affected by different internal and external cases. One of the internal cases is leadership styles of the management they display with leading the bureau.

management of the bureau always consider that the performance of the bureau is affected by external factors only and failed to internalize it, if the management continues with this believe and keep on leading the bureau without one proved and accepted leadership style, that can motivate their employees and help them to achieve their predetermined goals, it misses the chance to implement public policies which is to provide modern revenue assessment and collection.

The issue of leadership style in the subject organization has been raised by employees of the organization and customers of it. According to small survey conducted by the student researcher and discussions made with friends and family members, who are working in Addis Ababa No.2 Medium Tax payers branch office, the appointment of Leaders by government officials is not merit based, most of the leaders were appointed by political decision. Leaders, who are appointed by the aforesaid way, were practicing different kinds of leadership style, which they only consider that they are loyal to political functionality. These settings of leadership create gaps in communication between leaders and employees of the branch in which it results to affect the Bureau performance

The first problem which affects the bureau performance is leaders are not democrats to their subordinates. We all observe that, when we attend any government offices, especially revenue bureaus, how the leaders are non-democratic, to their employees.

The non-merit appointment of Leaders is the second problem which affects the organization problem. Leaders who are not competent in academic standing and sufficiently experienced to hand the complexity of routine jobs, to lead and manage their subordinates in the proper manner one way or another can affect the performance of the organization under their command.

Therefore, this thesis reflected on the importance, to assess and explore the relationship between leadership styles (i.e. Autocratic, Democratic and laissez-faire leadership) and organizational performance of in Addis Ababa No.2 Medium Tax payer's branch office.

1.4 Research questions

1. What type of leadership style is practiced in Addis Ababa No.2 Medium Tax payer's branch office?
2. What is the level of organizational performance in Addis Ababa No.2 Medium Tax payer's branch office?
3. How is the relationship between leadership style and organizational performance Addis Ababa No.2 Medium Tax payer's branch office?
4. What extent is leadership style affected organizational performance in Addis Ababa No.2 Medium Tax payer's branch office?

1.5 Research objectives

1.5.1 General objective

The general objective of this research is to assess the effects of leadership styles in organizational performance in Addis Ababa No. 2 medium tax payer's branch office.

1.5.2 Specific Objectives

1. To assess what type of leadership style is practiced in Addis Ababa No. 2 medium tax payers' branch office.
2. To explore the level of organizational performance in Addis Ababa No. 2 medium tax payer's branch office.
3. To assess the relationship between leadership style and organizational performance in Addis Ababa No. 2 medium tax payer's branch office.
4. To assess the extent of organizational performance affected by leadership style in Addis Ababa No. 2 medium tax payer's branch office.

1.6 Scope of the Study

The thesis attempted to assess and explore the effects of leadership style in organizational performance in Addis Ababa No. 2 medium tax payers' branch office. The thesis excluded other variables which have a positive or negative effect on organizational performance. Therefore, any terms which are going to be found in this project must be interpreted in relation to leadership style and organizational performance in Addis Ababa No. 2 medium tax payer's branch office. The scope of the thesis is only restricted to Autocratic, Democratic and Laissez faire types of leadership styles. In addition, the time scope of the research is intended to address the current view of leaders and employees of the bureau.

1.8 Limitation of the Study

At the beginning of the thesis, during the orientation, we are explicitly told that time will not be accepted as a limitation for the study. But at last time was the constraint to conclude the study. Due to the current pandemic it is not easy to access every office of the revenue bureau, in order to distribute and collect the questionnaire. In addition, the miscommunication with the coordination office created a lag to finalize the study at the right time.

1.9. Potential Ethical Consideration

The student researcher addressed ethical consideration of confidentiality and privacy. Respondents were informed not to disclose their names and a guarantee for confidentiality of their response was explicitly mentioned at the inception of the questionnaire.

1.10 Significance of the Study

The significance of the research appears in different ways, first prior studies on the effect of leadership style on organizational performance in the subject organization is not conducted, so the results of the thesis may create awareness to the senior management of the bureau; if there is willingness from senior management of the revenue bureau it will be useful to the bureau to assess its performance affected by leadership style applied by them. Moreover the findings that will become visible from this study will add to the wealth of knowledge in related subject matter. It will also be supportive for individuals and institutions whom desires to conduct further studies in relation to leadership style and its effect on organizational performance.

1.11 Organization of the Research

The research structured to have five chapters. The first chapter of it fit in, the introduction to leadership style, organizational performance and effects of the former on the latter. The second chapter presents review of related literature. The next chapter, the third, concentrated on the methodology, how the study is conducted. In the fourth chapter, the data collected for the study organized and presented in the appropriate manner; in addition, it is followed by detailed analysis and discussion. Finally, the fifth chapter presents conclusions based on the analysis and followed by recommendations which are based on major findings of the study with suggestion for future research.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2. Theoretical Reviews

2.1 The concept of Leadership style

Leadership has been described in a number of ways. Different scholars provided their own definition, Fleishman 1973, states it as simple as, it is something leaders do. It is a form of influence (Hersey, 1984). The aforesaid definition of the scholars were limited to the leaders only, but the concept of leadership goes beyond the leaders it affects their followers too. Stodgily (1957) defined leadership as the individual behavior to guide a group to achieve the common target. In addition, Leadership is an influence relationship among leaders and followers who intend real changes and outcomes that reflect their share purpose. (Richard Daft, 2008)

Leadership involves influence, it occurs among people, these peoples intentionally desire significant changes and the changes reflect purpose shared by leaders and followers (ibid). The influence that a leader put in their followers will motivate them and to conduct and to achieve goals that they haven't thought. Taffinder 2006, define Leadership as, a simple meaning: Leadership is getting people to do things that they do not want to do, in addition reference to organization he defined it as the action of committing employees to contribute their best to the purpose of the organization. As cited by Owolabi Y and Chukwuma K.Chuklabuka, 2007

Leadership style refers to as the specific way in which a manager chooses to influence others. (Girma Dube 2019). Iqlab et al 2015, refers leadership style as a leader's behavior and attitude of governance and supervision. The above scenario proves that, leadership style of leaders can shape based on the leader, the organization under their command and the situation him/her under. Leadership style is viewed as a combination of different characteristics, traits and behaviors that are used by leaders for interacting with their subordinates. (Mitonga-Monga & Coetzee, 2012)

It is, however, important for leaders to match different situations with the right leadership approach. A particular style may be found to be the most comfortable but it is appropriate to switch styles as required. The level of trust between employees and the leader, stress levels and levels of employee training and mutual trust and respect between the leader and employees often dictate which style to follow. In fact, leadership styles have evolved through the decades to embrace novel concepts like servant, transformational and transactional leadership styles Lynch, (2016). As cited by Girma Dube 2019 page 13.

2.2 The Concept of Organizational Performance

The term organizational performance can generally describe as, certain organizations performance with in a type gap or specific period of time as it is compared to predetermined goals and objectives to be achieved. But, this doesn't mean that there is globally accepted definition of organizational performance. The concept of organizational performance is often used in scholarly literature, but it is only rarely defined due to the large number of concept to defining performance (Ion Iuliana and Criveanu Maria, 2016). Thus, organization performance is cofounded with notions such as: productivity, efficiency, effectiveness, economy, earning capacity, profitability, competitiveness, etc. (Ibid). Performance is one of the most argued concepts about which there has never been an agreement among various researchers and theorists. (Hashem S. Jenatabadi 2015)

Having the above gap in definition of organizational performance, Some Scholars provided definition to it. Koontz and Donnel 1993, refers it, ability of an enterprise to achieve such objectives as high profit, quality product, large market share, good financial results and survival at predetermined time using relevant strategy for action. Organizational performance comprises of the results of an organization or the actual outputs of an organization (Ebrahim H. Al Khajeh, 2018). Organizational performance is the organization's capability to accomplish its goals effectively and efficiently using resources. (Daft, 2010)

Organizational performance can also be used to view how an enterprise is doing in terms of level of profit, market share and product quality in relation to other enterprises in the same industry. Consequently, it is a reflection of productivity of members of an enterprise measured in terms of revenue, profit, growth, development and expansion of the organization. (Obiwuru Timothy C. et al. 2011)

Akram A. Al-Khaled and Chung Jee Fenn, 2020 as cited Igbaekemen, 2015). They express that, Leadership has a direct cause-effect relationship on organizations and their performance. Leaders determine values, culture, tolerance for change, and motivation for employees. They shape organizational approaches, including their efficacy and implementation. It must be emphasized that leaders could be seen at any organizational level and aren't exclusive to management.

2.3 Leadership Theories

Leadership Literature reveals that theories have been refined and modified with passage of time (Zakeer A, Allah N. Irfanuallah K. 2016). Since the theories of leadership have been changed through time the student researcher used this section from Journal of Resources Development and Management Vol.16, 2016. www.iiste.org

2.3.1 The Great Man Theory

The great man theory, come to existence when in 1847, Thomas Carlyle, claimed it by stating the great man theory” where leaders are born and those who are endowed with brave potentials could become the prospect leaders. Before Thomas Carlyle claimed the theory of great man and stated that great men are born not made, the effort to find out common traits of what a certain leadership could have long lasted for centuries. The claims of Thomas Carlyle are also expanded and established by Sidney Hook, who is an American philosopher and he highlights the impact of great man theory by explaining the difference between leaders who are born versus leaders who are made. (Dobbins & Platz, 1986)

Sydney Hook also categorized, born leaders as event full man and made leaders as event-making man, and he suggested born leaders remained complex in historic situations, whereas made leaders means event making man can influence the course of events, in addition he suggested that the event making man pole based on the consequence of outstanding capacities of intelligence. (Mac Gregor, 2003)

But time has shown as that, the great man theory with vividness and forethought could lead to dictatorial powers, which is help full for organizational growing but failed to fulfill the concept of democratization.

The great man theory which have a canon of leaders are born not made progressed in particular time in the processes and progress of leadership to have its own impact for a potential leadership growth.

2.3.2 The Trait Theory

The Trait theory that ignored great man theory, which claimed leaders are born; the born leaders are distinguished from non-leaders by their physical traits and personal characteristics they display. According to Jenkins, who identified the in which the leaders can have to be a leader. The two traits are an emerging trait which includes height, intelligence, attractiveness and self confidence are dependent on the genetics of the leader's family line, whereas effectiveness traits which are based on experience or learning, includes charisma. (Ek vall & Arvonen, 1991)

Max Weber who is an advocate of trait theory of leadership defined charisma which is effectiveness trait as “ the highest revolutionary forces capable of producing a complete new orientation through followers and complete personal devotion to leaders they perceived as endowed with almost magical supernatural, superhuman qualities of and powers” this definition of charisma by Max Weber raised the concept of leadership into something extraordinary which leaders are capable of doing this what an ordinary person can do.

The assumption of the trait theory emphasize focus on intellectual, physical and personality, leads to a research which find out to conclude that the difference between followers and leaders is a minor variance. (Burns, 2003) The trait theory of leadership

failure is to detect, what is the trait that every single effective leader could have in common, in 1940 scholars conducted a research and concluded that, by lessening the significance of the trait theory by distinguishing the traits of civilian and military leaders.

2.3.3 The Contingency Theory (Situational)

The contingency or situational theory is the category of the behavioral theory and it is introduced in 1969, recommends that there is no one leadership style that is precise and stands single-handedly to be operational. The Contingency theory is reliable on the situation it faced like the quality, situation of the subordinates or a list of variables that can affect the leaders. According to this theory advocates, there is no single right way to lead because the internal and external dimensions of the environment require the leaders to adapt to those meticulous circumstances.

The contingency theory emphasis and challenges that, there is no one single and best way of leading and organization of an effective way, and it is themed with the assumption that the leader is the main focus for the relationship between him/her and their followers. In addition, followers will play a huge role on defining the relationship between them and their leaders. The aforementioned relationship between the leaders and their subordinates results the focus to group dynamics. The theory of contingency of leadership suggested that the style of leadership in which the leaders must be accorded with the maturity of the subordinates. (Bass, 1997) This statement from Bass suggested that subordinates are also vital in the relationship between the leader and the followers.

2.3.4 The Style and Behavior Theory

The style and behavior is esteemed with the leadership style which the leaders display while leading and managing their followers and/or subordinates. This theory emphasis it is necessary for the leader to have the basic leadership skill and it is having the contrary concept with the great man theory which advocates leaders are born. In addition, this theory like the contingency theory reflects that on the concept that only one leadership style cannot be effective and efficient in every situation.

Yuki, 1989 introduced the three popular leadership dimensions which are categorized based on style. The first one is Democratic leadership style, as the name itself indicates employees working under leaders who display this leadership style have a high degree of satisfaction, creativity, innovation and motivation. Subordinates functioning in this leadership style work with great enthusiasm and energy, in addition they have better connection with their leaders and high belongingness to their organization. The next leadership style introduced by Yuki is Autocratic leadership style which the leader is the one and only who decides and directs what, when, what to do and doesn't provide subordinates the space to make decision by their own, even to participate in the decision making process. The last one is Laissez-Fair leadership style, which deemed to necessary to apply on team with highly skilled and motivated individuals with excellent track record sooner. (Feidler & House, 1994)

To sum up the notion of the style and behavior theory of leadership according to the leadership styles introduced by Yuki based on the exercise of decision making, The Autocratic leadership style, the leader is the one who make the decision, whereas in Democratic Leadership style, the leader seek and evaluate the idea of his subordinates make the necessary and final decision. But in the laissez fair leadership style, the leader lets his subordinates to make the decision and doesn't take a real leadership picture.

2.3.5 The Process Leadership Theory

The process leadership theory includes different leadership styles and mainly focuses on servant leadership, Learning organization, principal centered leadership and charismatic leadership. The concept of servant leadership emerged after Greenleaf introduced it back in 1970, but the renaissance of the argument of the leadership noted in the early 1990s.

Servant leadership is a leadership philosophy that focuses on developing employees to their full skill towards implementing tasks more efficiently, community leadership, self-motivation and future leadership ability (Grieves, 2010). Different scholars provide a vast amount of definition of servant leadership, whereas the concept of servant leadership is originated in the writings of Greenleaf (1970, 1972, and 1977).

Greenleaf 1977 illustrate servant leadership as a leadership style which is not motivated by self-interest but rather motivated by serving the needs of others.

Servant Leadership, one thing that must be cleared to this leadership, leaders are not servants of their subordinates whereas they are servants of the vision of the organization under their management Loop, (2004) explained that Servant leadership is the way of understanding and conducting so that prefers others willingness and interest than personal benefits. Servant leadership theory in leadership is quite important among leadership styles and can be regarded as one of the ideal styles in managing human resources (Mazareiet al, 2013). Servant leadership is characterized by listening and understanding, acceptance and empathy; foresight; awareness and perception; persuasion; conceptualization; self-hearing and rebuilding community (Keith, 2009).

At present Servant leadership is becoming a more increasingly popular concept of leadership styles (Keith, 2009). It is directly and positively associated with employees' performance in every type of the organizations (Whetstone, 2002 & Ehrhart, 2004). Servant leadership is the key to the better world life that people are desired for. It is considered to be good for the leader and followers since it is ethical, practical and a meaningful way to live and be led (Van Dierendonck, 2010). Servant leadership is very advance leadership style which is much suitable for public organizations because, public organization's providing services for the human development and poverty alleviation.

2.3.6 The Transactional Theory

Most of leadership theories discuss more highlighting on the leaders, in the late 1970s and early 1980, the perspective about leadership changes from only considering the leader into the context of the followers towards practices that concentrated further exchanges between the subordinates and the leader. According to House & Shamir, 1993, a transactional theory can be portrayed as that in which leaders and follower association were grounded upon series of agreements between leader and follower. One downside of Transactional theory was as some studies discovered that it displays an inconsistency with regard to the level of leaders, this downside is noted from that,

Transactional leadership theory is “based on reciprocity where leaders are not the only influence their subordinates, whereas they are also under influence by their subordinates”.

Bass & Avolio 1994, describe a Transactional theory as it is a give and take type by stating that “it is a type contingent reward leadership style that had active and passive exchange between leaders and followers whereby followers were rewarded or recognized for achieving predetermined objectives” the contingent reward from the leader to the follower can be gratitude for merit increase bonuses and work achievement.

In Transaction leadership theory there is an attitude called “Management by exception” which exists when the leaders give more focus on errors and avoid responses and delay decision and this attitude can be as passive and active transaction.

The two transaction applied in this leadership style and displayed by leaders in transactional leadership “Contingent reward & Management by exception” differ based on the leaders timing for involvement and in the active the leader continuously monitors performance and attempts to interfere proactively (Bass & Avoio, 1997)

2.3.7 The Transformational Theory

One feature that distinguish Transformational leadership from other previously discussed leadership theories is it involves not only leaders also followers in the processes and activities in the organization, this involvement of followers can yield the best of the follower’s capacity in order to achieve organizational objectives and increase both the leader and follower motivation and morality(House & Shamir, 1993)

According to Bass, in transformational leadership theory the leader engages with the followers in interactions which are based on common values beliefs and goals, in addition the leader attempts to induce followers to reorder their needs, which indicates and confirmed as the Maslow 1954, theory of higher order needs.

In the process leadership, servant leadership, it is discussed that the leaders give everything and will be loyal and servant to the vision of the organization, whereas the Transformational leadership theory requires both leaders and followers/subordinates to withdraw their personal interest give attention to the benefit of the group they are within, and the leader is expected to transform and empower every member of the group to be a leader. (House & Aditya, 1997)

According to Macgregor Burns, 2003, Transformational leaders differ from other leader is they have the ability to identify the need for change and can gain others agreement for organizational commitment and also they have the ability to create vision that can result change and entrench the change.

2.4 Leadership Styles

Leadership styles are the approaches used to motivate followers. Leadership is not a “one size fits all” Phenomenon. Leadership style should be selected and adapted to fit organizations, situations, groups and individuals. (Rose A. Gloria N. and Nwachukwu O, 2015)

Researchers have proposed many different styles of leadership that can be considered. Despite the many diverse styles of leadership, a good or effective leader inspires motivates and directs activities to help achieve a group or organizational goals. (ibid)

Leadership style represents what people are "doing" and "behaving." Leadership has many aspects and there are many ways to describe leadership styles such as dictatorial, bureaucratic, charismatic, and participative. According to Bhargavi and Yaseen (2016), in common, there are three leadership styles, Autocratic Leadership, Democratic Leadership and Laissez Faire.

2.4.1 Autocratic Leadership

It is a leadership style, which also known as authoritative leadership, and characterized by individual control all over decisions. And a little input from group members. In this leadership style, leaders make decisions on their own without

consulting subordinates.(Girma Dube, 2019) Autocratic leaders, provide clear expectations for what needs to be done, when to be done, and how it should be done. (Kendra C, 2019). An autocratic leader is often seen as someone that is well aware of his status and has little faith or trust in the subordinates. Autocratic rulers in nature are classic and bossy. Those leaders need their subordinates to function as they dictate (Al Khajeh, 2018). In general, autocratic rulers like them reserve the right to take decisions (Longe, 2014).

This leadership style is characterized by personal control over all team members' decisions and little feedback. These leaders emphasize loyalty and devotion and are characterized as those who decide by themselves and require strict compliance to regulations. The decision-making process is centralized; autocratic rulers accept full responsibility for decision-making and controlling the performance of their followers. Followers praise and critique play an important role in autocratic governance. Usually, autocratic leaders base decisions on their own opinions and perceptions and never consider followers advice. Autocratic leadership requires a group's complete, authoritarian control. Longe (2015) indicates that autocratic leadership might be helpful in cases of emergency, where there is a homogeneous workforce included, in which the leader is smart, rational, and has a significant understanding of the followers. Special initiative might be required in these situations to avoid a potential incident. Among many of the weaknesses of autocratic leadership is the unwillingness of the subordinates to cultivate the satisfaction of achievement, rejection of individual development and self-actualization gratification, as well as antagonizing people and wiping the organization of lifelong allegiance and cooperation.

Nevertheless, in some cases, an autocratic approach is acceptable. It is important when the organization faces a crisis or if there is an urgent issue that requires an instant response (Bhargavi & Yaseen, 2016). In addition to bullying, there is no common goal and hardly any encouragement. Autocratic leadership usually reduces engagement, innovation and creativity (Al Khajeh, 2018). Nonetheless, most followers of autocratic leaders can be represented as bidding their time, waiting for the inevitable collapse which this leadership is creating, and removing the next leader.

Downsides of Autocratic Leadership

While autocratic leadership can be beneficial at times, there are also many instances where this leadership style can be problematic. People who display an autocratic leadership style are often viewed as bossy, controlling, and dictatorial, which can lead to resentment among group members. Because autocratic leaders make decisions without consulting the group, people in the group may dislike that they are unable to contribute ideas. Researchers have also found that autocratic leadership often results in a lack of creative solutions to problems, which can ultimately hurt the performance of the group.

While autocratic leadership does have some potential pitfalls, leaders can learn to use elements of this style wisely. For example, an autocratic style can be used effectively in situations where the leader is the most knowledgeable member of the group or has access to information that other members of the group do not. (Kendra Cherry 2019 available at <https://www.verywellmind.com/>)

2.4.2 Democratic Leadership

Democratic leadership, also known as participatory leadership, is a kind of leadership style in which members of the group play a more participatory part in the decision-making process. Success and people are the subjects of this leadership style (Bhargavi & Yaseen, 2016). Style of democratic leadership encourages staff to engage in the company's decision-making process (Nwokocha & Iheriohanma, 2015). The democratic leader helps the leader and the team to share decision-making. Arguments and compliments are offered critically and within the community a sense of responsibility is created. Until issuing general or specific orders through which subordinates feel free to act, the leader communicates with subordinates (Bhargavi & Yaseen, 2016). The superior encourages the subordinates to take advantage of their initiative and continue to contribute. The leaders even offer guidance in performing the role to the subordinates. Democratic leadership characteristics typically involve: the idea which team members are able to exchange thoughts and opinions, while the leader has the final authority on decisions, group members feel more involved in the

process, and creativity is promoted and rewarded. A lot of benefits come from democratic leadership. Subordinates are encouraged to post their experiences, which can result in better ideas and more innovative problem solving (Sadia & Aman, 2018). Staff will also be more engaged and dedicated to projects, making them more likely to be concerned regarding the current final outcome.

Democratic leadership style is perceived to result in better productivity among members of the group. Democratic leadership performs best in conditions where members of the group are informed and willing to share their expertise. It is also vital that there is plenty of time to allow people to contribute, formulate a plan and afterwards decide on the best approach.

Downsides of Democratic Leadership

While democratic leadership has been described as the most effective leadership style, it does have some potential downsides. In situations where roles are unclear or time is of the essence, democratic leadership can lead to communication failures and uncompleted projects. In some cases, group members may not have the necessary knowledge or expertise to make quality contributions to the decision-making process. Democratic leadership works best in situations where group members are skilled and eager to share their knowledge. It is also important to have plenty of time to allow people to contribute, develop a plan and then vote on the best course of action. (Kendra Cherry 2019 available at <https://www.verywellmind.com/>)

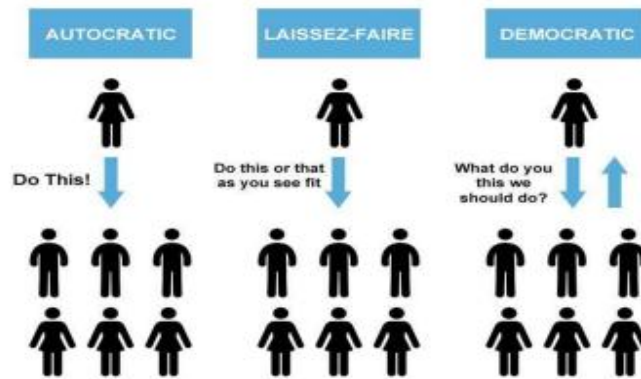
2.4.3 Laissez Faire Leadership

Laissez faire is a French term that means "let it be" and is also referred to as "hands off style" (Nwokocha & Iheriohanma, 2015: p. 194). It means putting fellow employees throughout the manner they like without compliance to any strict rules or protocols to complete projects and jobs. The laissez-faire leader avoids managing his staff, according to Puni et al. (2014), and therefore depends only on the few available staffs that are committed to the job.

Laissez faire leaders were argued not to invest in the advancement of staff as they assume that staff should take good care of themselves (Puni et al., 2014). This style of leadership has not been shown to be functional in the financial sector or Non-Governmental Organizations which allow both the leader and subordinates to contribute to the decision-making process and complete tasks to ensure the organization's performance. This is described as a leadership style in which leaders refuse to take decisions, are not present when necessary but do not want to take on responsibility towards their lack of leadership capacity. Leaders of laissez faire do not use their power and refrain from taking initiative. It is regarded a passive form of leadership that is inefficient. This style encourages setting up a comfortable work environment; it puts morality down and reduces the group's performance. With such style of leadership, leaders are trying to move on the decision-making process burden to the team. The team is poorly organized as its leadership capacity is not respected by the leader. Laissez faire style is associated with unhappiness, unproductively, and inefficiency. But that's debatable. Under this leadership style, decision-making is carried out by anyone who is ready to accept it.

Downsides of Laissez-Faire Leadership

Laissez-faire leadership is not ideal in situations where group members lack the knowledge or experience they need to complete tasks and make decisions. Some people are not good at setting their own deadlines, managing their own projects and solving problems on their own. In such situations, projects can go off-track and deadlines can be missed when team members do not get enough guidance or feedback from leaders. (Kendra Cherry 2019 available at <https://www.verywellmind.com/>)



Source: Journal of Services & Management Vol. 13, January 2020.

The original source of the above figure is Bhargavi & Yaseen, 2016, but unable to acquire it from it

Figure 2.1:- Descriptions of the Three Dimensions of Leadership

2.5 The effect of leadership style on organizational performance

As it has been discussed in the literature review section, Leadership can be stipulated as, the act of leading and motivating individual followers to do things that they might not thought doing before in order to achieve some predetermined organizational objectives. Whereas organizational performance can be described as a way of conducting work in efficient and effective manner by using allocated scarce resources.

The argument whether leadership style has an impact on organizational performance has been raised by different scholars. Ebrahim Hasan Al Khajeh (2018) argued that, there is a considerable impact of the leadership styles on organizational performance. The leadership style influences the culture of the organization which, in turn, influences the organizational performance.

Leadership is a central element and heart of good governance with a positive effect on organizational level. Without leadership it is not possible to achieve organizational performance. With renewed efforts to make reform, there is increasing interest in the topic of leadership. As such leadership styles have for sure a direct impact in

Organizations' efficiency and effectiveness in meeting their missions and goals. Many academicians and practitioners argue and realize that it is quality of leadership that determines the success or failure of an organization that great leaders create great business (Ramnarayan, Kumar, 2004).

2.6 Empirical Review

The debate about whether leadership styles have an effect on organizational performance had been raised by different scholars, some of the scholar debated that leadership style has no a direct and significant effect on organizational performance like O'Reilly & Roberts, 1978. But most scholars in their study which are focused on effects of leadership on organizational performance find out that there is a positive and significant relationship between aforementioned two variables. Advocators of the modern leadership school of thought indicated that Organizational performance is affected by the leadership styles being demonstrated by the supervisors within the organization (Northhouse, 2013).

Ebrahim Hasan Al Khajeh, 2018, in his study “the impact of leadership style on organizational performance”, which focuses on the six major leadership styles transformational, transactional, autocratic, charismatic bureaucratic and democratic; his study provided that, the democratic, transformational, bureaucratic and autocratic leadership style have a positive impact on organizational performance and added that charismatic and transactional leadership styles have a negative impact on organizational performance. Transactional leadership, Charismatic leadership, and bureaucratic leadership were found to have a negative relationship with the organizational performance with ($r = -0.174, -0.432, -0.292$; $P < 0.001$) respectively. And this implies that the aforesaid leadership style has the ability to engage employees with motivation and enthusiasm to perform in exceeding level. However, the democratic leadership, transformational leadership and autocratic leadership style have a positive relationship with the organizational performance with ($r = 0.156, 0.265, 0.064$; $P < 0.001$) respectively.

Obiwuru Timothy C. et al, 2011, in their study to investigate which concentrated on leadership style effect on organizational performance in small scale enterprises, which focused and considered transformational and transactional leadership styles; where transformational leadership regarded as, charisma, inspirational motivation and intellectual stimulation, and transactional leadership considered as constructive/contingent reward and corrective/ management by exception, they found out that transactional leadership style have a positive and significant effect on organizational performance while transformational leadership style had a positive but insignificant effect, in addition they extended their study by concluding that transactional leadership style was more appropriate in indicating performance in small enterprise than transformational leadership.

Augustine N. Beakena 2017, in his study on Ahnataman rural Bank, found out that, there is a direct relationship between leadership style and organizational performance on the case of the bank under his study, and he also assess the key performance indicators of the bank and the consistent improvements in these pointers supported the assertion that there is a direct relationship between organizational performance and leadership style.

Another recent study conducted by Girma Dube, 2019, which focuses to assess effects of leadership style on organizational performance in Addis Ababa police commission, he point out that, Leadership is a reason that binds a group jointly together in their pursue to achieve a common goal, and he find out that, there is a positive and also significant relationship between organizational performance and leadership style; in addition he specifically distinguish that democratic leadership style will be more influential on organizational performance.

Raed Mohammed et al 2018, in their study, leadership style on organizational performance with the scope of manufacturing sector of Yemen, find out that, Leadership style has a positive and significant and direct impact on organizational performance.

An article by Mu' T. Jarrar and Omar Omira, 2014, which specifically conducted on public organization in Saudi Arabia to find out effects of leadership style on organizational performance, which seems the same on the case study of the student researcher current study, they indicate that a significant effects of leadership style on organizational performance, and listed previous studies which are consistent with their study like; Dawson et al, 2002; Swanson and Johnson, 1975, Swanson and Euske et al, 2002.

Gasper M. Osei-assibey and Adu Issac, 2019, in their study, to find out the impact of leadership style on company performance using small and medium enterprises in Tanzania, their findings reveal that Transactional and Transformational leadership styles having a positive effect on business performance and these leadership styles are also have more effect on business performance. In addition, they presented that their findings are consistent with those of Noruzy et al. (2013), Samad (2012), Koech and Namusonge (2012), and Obiwuru (2011) and Ojokuku et al. (2012).

Leadership is a central element and heart of good governance with a positive effect on organizational level. Without leadership it is not possible to achieve organizational performance. With renewed efforts to make reform, there is increasing interest in the topic of leadership. As such leadership styles have for sure a direct impact in Organizations' efficiency and effectiveness in meeting their missions and goals. Many academicians and practitioners argue and realize that it is quality of leadership that determines the success or failure of an organization that great leaders create great business (Ramnarayan, Kumar, 2004).

To finalize, in the previous sections we have seen a vast amount of literatures that points out that, leadership style of managements which they display while leading organizations have a direct and significant effect on organizational performance. Nearly all of the aforementioned studies are conducted in different companies other than public companies. when we see our countries experience most studies conducted in revenue bureaus ponder on tax audit and tax compliance, and some rare studies carry out on leadership style and organizational performance focused on other government offices and financial institutions, within this gap this research conducted

with the aim of to examine effects of leadership style on organizational performance in Addis Ababa No. 2 medium tax payers branch office.

2.7 Conceptual Framework of the Project Work

From the discussion of the literature and empirical review, it is observed that leadership styles of management that they display, while leading organizations, has a significant effect in the overall performance of an organization. In the empirical review section, a list of scholar's findings has listed that describes different leadership style has different outcomes on organizational performance.

Based on the discussions in the literature review, this research tried to assess the effects of Autocratic, Democratic and Laissez-Fair leadership styles on organizational performance in Addis Ababa No.2 medium tax payer's branch office. Thus the conceptual frame work of the research is presented as the following;

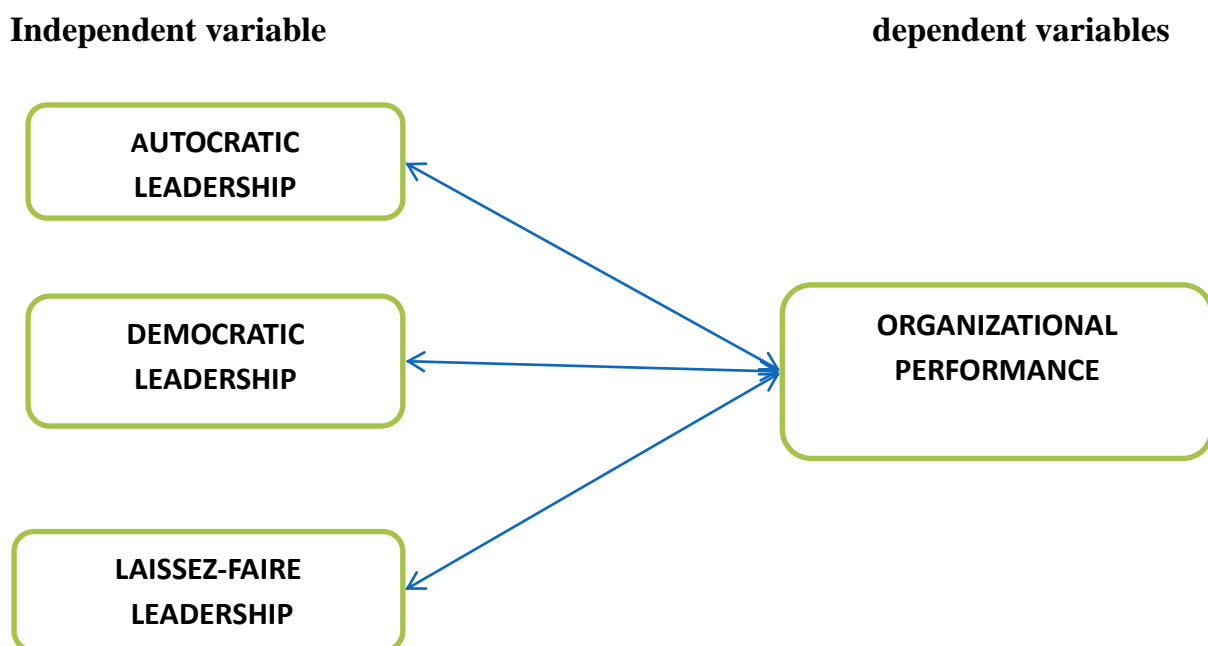


Figure 2. 2:- Conceptual Frame Work of the Study

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

The research used descriptive and explanatory research design. A descriptive research used to describe characteristics of a population or phenomenon under the study. The goal of descriptive research is to describe the incident and its features. This research is more concerned with, what rather than how or why something happened. Therefore, observation and survey tools are often used to gather data. (Gall, Gall & Borg, 2007)

A descriptive research design is a qualitative research and the variables under the study is uncontrolled variable, and it is effective to analysis non-qualified topics and it is advantageous in time consuming.

3.2 Research Approach

The research approach that used in this research was both quantitative and qualitative methods. The reason for qualitative approach is to understand and address employee response to the questions that dealt with improvement of leadership.

3.3 Sampling design

3.3.1 Target Population

According to William, (2011), population is a collective term used to describe the total quantity of cases of the type which are the subject of the study. It can consist of objects, people and even events. Accordingly, given that the purpose of this project work is to assess the effects of leadership style and organizational performance by surveying Addis Ababa NO. 2 medium Tax payers branch office, the aforementioned institution composes a total of 343 employees and 51 medium level and senior managements, with a total of 394 employees.

3.3.2 Sampling Technique

A stratified random sampling technique was used to select sample respondents for this thesis study. This type of sampling method ensures that the target groups within a population will adequately represented in the sample, and it will improve efficiency by gaining control on the composition of the sample.

3.3.3 Sample size

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

Where: n = Sample size

N = Total population size

e = Level of precision.

Hence, the sample size is equal to: $n = \frac{394}{1+394(0.05)^2}$

$$n = 198.23 \approx \underline{\underline{198}}$$

Source: Yamane (1967)

3.3.4 Sample distribution

Since the study is going to use stratified sampling, the sample size distribution is as the following

Stratums by level of position	size	Sampling portion	Sample size
Staff/employee	343	192(343/394)	172
Management/ leaders	51	192(51/394)	26
Total	394		198

Table 2. 1:- Sample Stratum

3.4 Data Source and Method of Data Collection

The primary data was collected from employees and leaders of Addis Ababa No.2 medium tax payers' branch office by using a questionnaire which is previously used and modified by Girma Dube 2019, who conducted a research study titled as "The effects of leadership style on organizational performance in Addis Ababa police commission" with a little modification in order to adjust the questions with the subject matter institution.

The research instrument, questionnaire, which was used to collect primary data, had a five-point Likert Scale questionnaire which aimed to collect the essential data from respondents. With regard to this study's independent variables, respondents were asked to indicate their level of agreement on five-point Likert scale, as follows: 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly agree.

The questionnaire had consisted a Likert scale and close-ended Question. The questionnaire was divided into four parts, Part-1 of it consisted demographic profile of the respondents, part-2 of the questionnaire consists of measurements leadership style, part-3 of the questionnaire consists of measurements of organizational performance and the last part-4 of the questionnaire consist of improvement of leader.

3.5 Method of Data analysis

Data analyses were carried out using the Statistical Package for Social Science (SPSS) version 25. The thesis focused on the following dimensions of independent variables, Autocratic Leadership style, Democratic Leadership style and Laissez-Faire Leadership style effect on organizational performance in the branch office. For data analysis the study used descriptive statistics to measure percentage and frequency in which used to describe the demographic details of the respondents. As well central tendency, dispersion and standard deviations (SDs), used to measure the perceptions of respondents about individual items Leadership style.

The Independent and dependent variable scale items tested using Pearson Correlation to ascertain whether variables which are used in this research represent the

relationship between the variables with the degree of association or not, and multiple regression analysis has the objective of predicting changes in the dependent variable in response to changes in the independent variables i.e. the effect of leadership style in organizational performance were tested.

3.6 Reliability of the Data

Reliability is an indication of the stability and consistency in which the instrument measures the concept and helps to assess the goodness of the measure (Sekaran, 2003). And also, reliability is the degree to which measures are free from random error and therefore yield consistent results. Thus this research used Cronbach's Alpha as a measure of internal consistency (Zikmund, 1997).

3.7 Description of Variables

3.7.1 Independent variables

Autocratic Leadership, it is a leadership style, which is also known as Authoritative Leadership, and it is characterized by individual control over all decisions and little input from group members. Autocratic Leaders typically make choices based on their own ideas and judgments and rarely accept advice from followers.

Democratic Leadership, also known as participative leadership, is a type of leadership style in which members of the group take a more participative role in the decision-making process. Researchers have found that this learning style is usually one of the most effective and lead to higher productivity, better contributions from group members, and increased group morale.

Laissez-faire leadership, also known as delegate leadership, is a type of leadership style in which leaders are hands-off and allow group members to make the decisions. The characteristic of this leadership style is that, it leads to the lowest productivity among group members.

3.7.2. Dependent Variable

Organizational performance, organizational performance refers to ability of an enterprise to achieve such objectives as high profit, quality product, large market share, good financial results, and survival at pre-determined time using relevant strategy for action (Koontz and Donnell, 1993).

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

This chapter of the thesis includes results of the study carry out and it presents the analysis of the raw data collected from respondents. Findings about the demographic profiles of the participants of the study, and the statistical analysis used to answer the research questions are also presented.

4.1 Demographic Characteristics of the Respondents

The sample size determined for this study of 198 respondents from Addis Ababa No.2 medium Tax payers branch office. A questionnaire which is annexed at the end of the paper were distributed for the respondents, with the help of family members and friends all the questionnaires were successfully filled and returned with in short period of time.

There were 198 respondents, who are selected randomly to respond to the questionnaire, from the total respondents 124 (62.6%) are male and 74 (37.4%) respondents are females. when we see their marital status 87 (43.9%) are married, 99 (50%) are single, and 12 respondents (12%) are divorced. related to the age frequency, 10(5.1%) are between 18-20 years, the majority of the respondents 75 (37.9%) falls in the age between 21-25 years, 39 (19.7%) respondents falls between 26-30 years, respondents who falls between the age of 31-35 years old are 32 which is 16.2% of the total. 21 respondents 10.6% fall between the age of 36-40 years, 15 (7.6%) of the respondents falls in the age between 41-46 years, at last the oldest in the bureau, 6 respondents (1.8) of the total respondents falls in the section which is above 46 years. Educational qualification, only 8 (4.0%) of the respondents have certificate, 15 (7.6 %) have diploma (10+3) qualification. the majority of the respondents 107 (54 %) are degree holders the rest 68 respondents which is 34.3 % are masters and above qualified.

The work experiences, in which the respondents service in the bureau 61 (30.8 %) worked 1-3 years in the office, 63 (31.8%) respondents worked 4-6 years, the respondents who worked between 7 and 9 years are 40 which is 20.2 % of the total

sample. only 10 (5.1%) of the total respondents have worked 10-12 years in the bureau, the most experienced 15 (7.6 %) and 9 (4.5%) respondents worked 13-15 years and above 16 years in the bureau respectively. In relation to current job level of employees, 27(13.6 %) are junior officers, 63(31.8 %) which is the highest of all are officers, 46 (23.23 %) respondents are senior officers in the bureau, 16 (8.08) are group leaders, whereas 6 (3.03%) are job holders, only 1 (0.5%) in the deputy managers level and the rest 25(12.03%) of the respondents are other and supportive staffs.

Table 2. 2:- Demographic Profiles of Respondents

	Variable	Frequency	Percentage
Sex	Male	124	62.6%
	Female	74	37.4%
Marital status	Married	87	43.9%
	Single	99	50%
	Divorced	12	12%
Age	18-20	10	5.1%
	21-25	75	37.9%
	26-30	39	19.7%
	31-35	32	16.2%
	36-40	21	1.6%
	41-45	15	7.6%
	Above 46	6	3%
Educational Qualifications	Certificate	8	4%
	Diploma (10+3)	15	7.6%
	Degree	107	54%
	Masters and above	68	34.3%
Service years in the bureau	1-3	61	30.8%
	4-6	63	31.8%
	7-9	40	20.2%
	10-12	10	5.1%
	13-15	15	7.6%
	16 and above	9	4.5%
Current job Level	D/manager	1	0.5%
	Job holder	6	3.03%
	Group Leader	16	8.08%
	senior officer	46	23.23%
	Officer	63	31.81%
	Junior officer	36	18.18
	/other/supportive staff	25	12.62

Source: own source

4.2 Descriptive Statistics for Leadership & Organizational Performance

Descriptive statistics used to describe the basic features of the data in this study; it is used to extract the mean, standard deviation and statistical results from the raw data which assist to construe it and used to find out respondent's perception to leadership style and organizational performance.

4.2.1 Perception of leadership style

Here under, the table shows as perception of the three dimensions of leadership styles (Autocratic, Democratic and Laissez-fair leadership styles) in Addis Ababa No.2 medium tax payer's branch office.

According Zaidation and Bagheri 2009; and Akmaliah, 2009, in Likert scale instruments, a Mean score can be used to interpret the results out of the statistical analysis, and a mean score which is below 3.39 is described as low, and a mean score which falls between 3.40-3.79 will be considered as a moderate one, whereas a mean score which results above 3.80 is considered high.

Table 2. 3:-Perception of Autocratic Leadership Style

	autocratic leadership style	Frequency					Mean	Std
		SDA	DA	NE	AG	SA		
1	My manager believes employees need to be supervised closely, or they are not likely to do their work	4 2%	11 5.6%	41 20.7%	120 60.6%	22 11.1%	3.73	.890
2	For my manager it is fair to say that most employees in the general population are lazy.	29 14.6 %	52 26.3 %	48 24.2 %	56 28.3 %	13 6.6 %	2.68	1.175
3	As a rule, my manager believes, Employees must be given rewards or punishments in order to motivate them to achieve organizational objectives.	6 6 %	11 5.6 %	26 13.1%	128 64.6%	27 13.6 %	3.80	.853
4	My manager believes most employees feel insecure about their work and need direction.	2 1%	38 19.2%	60 30.3%	88 44.4%	10 5.1%	3.33	.878
5	My manager believes the leader is the chief judge of the achievements of the members of the group.	8 4 %	33 16.7%	58 29.3%	86 43.4%	13 6.6%	3.32	.964
6	My manager believes effective leaders give orders and clarify procedures	1 0.5%	7 3.5%	49 24.7%	113 57.1	28 14.1%	3.81	.736
Overall perception of ALS							3.48	.916

Source: own survey

4.2.1.1 Perception of Autocratic Leadership style.

Table 4.2 in the above shows respondents perception to Autocratic leadership style; from the table we can observe that, the mean to the overall perception of Autocratic leadership style in Addis Ababa No. 2 medium tax payer’s branch office is 3.48 and SD.916. From the result of this mean obtained we can conclude that, the perception of Autocratic leadership style is moderate.

4.2.1.2 Perception of Democratic Leadership style.

Table 2.4 in below displays the perception of Democratic leadership style in Addis Ababa No.2 medium tax payer’s branch office. The overall perception of the aforementioned leadership style in mean score is 3.66 and SD of .850, which considered as a moderate one. But when we compare this leadership style with the previously determined leadership style, Autocratic leadership style, it is a bit high, we can conclude that the Democratic leadership is practiced in Addis Ababa No. 2 medium tax payers than Autocratic leadership style.

Table 2. 4:- Perception of Democratic leadership style

	Democratic leadership style	frequency					Mean	std
		SDA	DA	NE	AG	SA		
1	My manager engages employees to be a part of the decision- making process.	3 1.5%	14 7.5%	40 20.2%	103 52%	38 19.2%	3.80	.882
2	My manager believes providing guidance without pressure is the key to being a good leader	8 4.0%	18 9.1 %	29 14.6%	134 67.7%	9 4.5%	3.60	.872
3	My manager believes most workers want frequent and supportive communication from their leaders.	3 1.5%	14 7.1%	40 20.2%	108 54.5%	33 16.7%	3.78	.862
4	My manager needs to help subordinates accept responsibility for completing their work.	1 0.5%	16 8.1%	40 20.2%	129 65.2%	12 6.1%	3.68	.730
5	My manager believes it is the leader’s job to help subordinates find their “passion.”	6 3.0%	30 15.2%	46 23.2%	104 52.5%	12 6.1%	3.43	.925
6	My manager believes people are basically competent and if given a task will do a good job.	2 1.0%	22 11.1%	32 16.2%	123 62.1%	19 9.6%	3.68	.834
Overall perception of DLS							3.66	.850

Source: own survey

4.2.1.3 Perception of Laissez-Fair leadership style

Here under in Table 2.5 there is a perception of Laissez-fair leadership style with a mean score of 3.52 and SD 1.032 which will be interpreted as a moderate one alike previously discussed two leadership styles. When we compare the mean score of Laissez fair leadership style, it is a bit less than Democratic leadership style and higher than Autocratic leadership style.

Table 2. 5:- Perception of Laissez-fair leadership style

		frequency					Mean	std
		SDA	DA	NE	AG	SA		
1	In complex situations, my manager let subordinates work problems out on their own.	6 3.0%	28 14%	60 30.3 %	76 38.4 %	28 14.1%	3.46	1.00 1
2	My manager requires staying out of the way of subordinates as they do their work	7 3.5%	33 16.7 %	47 23.7 %	84 42.4 %	27 13.6%	3.46	1.03 5
3	As a rule, my manager allows Subordinates to appraise their own work.	3 1.5%	18 9.1%	54 27.3 %	104 52.5 %	19 9.6%	3.6	.842
4	My manager gives subordinates complete freedom to solve problems on their own	1 0.5%	25 12.6 %	33 16.7 %	124 62.6 %	15 7.6%	3.64	.847
5	My manager believes in most situations, workers prefer little input from the leader.	5 2.5%	17 8.6%	39 19.7 %	117 59.1 %	20 10.1%	3.66	.869
6	In general, for my manager it is best to leave subordinates alone.	17 8.6%	27 13.6 %	40 20.2 %	103 52%	11 5.6%	3.32	1.06 0
Overall perception of LFL							3.52	1.03 2

Source: own survey

4.2.2 Perception of organizational performance

Table 2.6 under shows the perception of organizational performance in the subject institution which is Addis Ababa No.2 medium Tax payer’s branch office. According to the assumption of Zaidation, 2009; and Akmaliah, 2009, an analysis was made to determine the mean score of the organizational performance. So, the mean score of organizational performance is 3.52 with SD of 1.032, from these results we can conclude that the perception of organizational performance in Addis Ababa No. 2 medium Tax payers branch office is moderate.

Table 2. 6:- Perception of Organizational Performance

	Democratic leadership style	frequency					Mean	std
		SDA	DA	NE	AG	SA		
1	Addis Ababa No.2 medium Tax branch office is carrying out its operation effectively	0	19	35	95	47	3.86	.890
			9.6%	18.7%	48%	23.7%		
2	The Bureau equipped itself with the necessary technology and human skill for its operation	2	28	46	104	18	3.55	.882
		1%	14.1%	23.2%	52.5%	9.1%		
3	The Bureau effectiveness is high related on revenue determination and collection	2	1	43	130	22	3.85	.846
		1%	0.5%	21.7%	65.7%	11.1%		
4	The Bureau responds its customers complaint within short and possible time	1	18	70	79	3	3.60	.871
		0.5%	9.1%	35.4%	39.9%	15.2%		
5	The Bureau provide the necessary support and education for tax payers related to Tax compliance	8	15	48	93	34	3.66	.984
		4.0%	8.6%	24.2%	47%	17.2%		
6	The Bureau, in order to prevent Tax evasion and other tax related crimes, has equipped itself with the necessary technology and competency	2	30	54	84	28	3.54	.949
		1 %	15.2%	27.3%	42.4%	14.1%		
7	The Bureau always achieve its predetermined goals and expected performance	1	19	49	108	21	3.65	.815
		0.5%	9.6%	24.7%	54.5%	10.6%		
8	The Bureau capacitated itself with other supportive departments which can assist to carry out its main operation	0	19	48	109	22	3.68	.798
		-	9.6%	24.2%	55.1%	11.1%		
9	The method of Tax calculation and determination made by the Bureau is updated always in order to cope up with the volatile business environment.	2	26	53	86	31	3.60	.939
		1.0%	13.1%	26.8%	43.4%	15.7%		
10	In overall the Bureau can be described as an efficient and effective Bureau	1	23	44	100	30	3.68	.887
		0.5%	11.6%	22.2%	50.5%	15.2		
Overall perception of ORP							3.667	.886

Source: own survey

4.3 Perceptions on Improvement of the Leaders of Addis Ababa No.2 Medium Tax Payers Branch Office.

Sample respondents are also asked to designate from options which are listed and annexed at the last pages of the questionnaires in order to find out their perception which option will help to improve the leadership in Addis Ababa No.2 medium tax payers. Respondent's options are presented in a table here under,

Table 2. 7:- Perceptions Of Improvement For Leadership

S/N		Frequency	percentage
1	Providing the necessary leadership education and leadership trainings to leaders	116	58.59%
2	Appointment of Leaders must be merit based	34	17.18%
3	Leaders must display a consistent leadership style that can be effective.	22	11.11%
4	Replacement of current leaders with new competent leaders.	18	9.08%
5	No need of improvement is needed at the current stage.	8	4.04%
	Total	198	100%

Source: own survey

According to the above table which discusses respondent's perception to improve organizational performance, most of the respondents 58.59 % of the total suggested that providing the necessary leadership education and leadership trainings to leaders can improve the leadership of Addis Ababa No.2 medium tax payer's branch office. 34 respondents 17.18 % suggested that appointment of leaders must be merit based, 22 (11.11%) suggested that the leaders of the bureau must display a consistent leadership style that can be effective in order to improve the leadership of the bureau. 18 (9.08%) respondents go with the option to replace current leaders with new competent one. the rest 8 (4.04) respondents desires the state quo, with the current

leadership style and opted with the option no need of improvement is needed at current stage.

Reliability Test

Reliability is referring to consistency (Khotari, 2004), whereas validity is a degree which indicates the instrument measures what it is expected to measure. (Brynan & Bell, 2003) a popular mechanism used to indicate internal consistency is Cronbach's Alpha coefficient. Pallant 2006, suggested that a Cronbach's alpha in order to be reliable should be 0.70 and above. According to the table under, The Cronbach's Alpha for each variable is above 0.70, which leads to a conclusion, each variable is a reliable a valid construct.

Table 2. 8:- Reliability Test (Cronbach's Alpha)

	Description of variable	No. of Item in the scale	Cronbach's Alpha
	Autocratic leadership	6	0.84
	Democratic Leadership style	6	0.78
	Laissez-fair leadership style	6	0.81
	Organizational performance	10	0.90

4.4 The Relationship between Leadership Style & Organizational Performance

4.4.1 Correlation Analysis

In this section of the study, correlation analysis is conducted to find out the relationship between, leadership style and organizational performance by using two tailed Pearson correlation analysis, which can determine the strength and the direction of relationship between variables.

Correlation matrix helps to quantify the extent to which two variables, dependent and independent, go together. Results of correlation analysis can be interpreted as, If the correlation result is 1, there is a perfect correlation between variables, if it lays between 0.75-1 high degree, if it lays between 0.5 and 0.75 moderate, if it lays

between 0.25 and 0.5 it is considering as a low degree, it can be said no relation if it lays between 0 and 0.25.

As shown in table 2.9 in the under, the correlation matrix for the relationship between Autocratic leadership style and, the dependent variable, organizational performance is 0.161 at p value=.000, which is the least one when compared with other independent variables, have a low but significant relationship. The correlation index for democratic leadership style and organizational performance is 0.258 at p value=.000, which fall in the scale between 0.25 and 0.5, and resulted as a low but significant relationship, the last leadership style which has a correlation index of 0.246 at p value=.000 is laissez-fair leadership style, and it has also a low degree but significant correlation relationship with the dependent variable.

Table 2. 9:- Pearson correlation matrix between leadership styles & organizational performance

		Correlation			
		ALS	DLS	LFL	ORP
Autocratic Leadership Style	Pearson correlation	1	.317**	.261**	.161**
	Sig. (2 tailed)		.000	.000	.000
	N	198	198	198	198
Democratic Leadership Style	Pearson correlation	.317**	1	.291**	.258**
	Sig. (2 tailed)	.000		.000	.000
	N	198	198	198	198
Laissez-fair Leadership style	Pearson correlation	.261**	.291**	1	.246**
	Sig. (2 tailed)	.000	.000		.000
	N	198	198	198	198
Organizational Performance	Pearson correlation	.161*	.258**	.246**	1
	Sig. (2 tailed)	.023	.000	.000	
	N	198	198	198	198

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

*correlation is significant at the 0.05 (2 tailed)

Source: own survey

4.4.2 Regression analysis

Test of Normality

In many statistical analyses, there are dependent and independent variables, many parametric statistical methods require that the dependent variable is approximately normally distributed for each category of the independent variable, to conclude this task a normality test had been conducted by using SPSS version 25. Normality tests are used to determine, if the data set is well modeled by normal distribution and to compute how likely it is for a random variable underlying the data set to be normally distributed.

Assumptions of Linear regression

Three assumption of linear regression which helps us to find out the relationship about the independent and dependent variables are considered and conducted. an assumption of independence is not conducted, since it is mostly relevant with time series data.

Assumption one: Linear relationship

In a normal probability plot regression, to find out the linear relationship between the variables, the simplest way is visually to observe the scattered plot. if the scattered plots laid with straight diagonal line starting from bottom left to the top right, it indicates that the data is approximately normally distributed. The appendix attached at the last part of this study shows that, the data is approximately normally distributed along with the line.

Assumption two: Homoscedasticity

Homoscedasticity is one of the assumption of linear regression, which describes the residuals have a constant variance with the increasing values of the independent variables; this means that the independent variable doesn't affect the residual value. According to the graphical figure of residual scattered plots annexed at the last part of this study, the scattered plot has relatively an approximate shape of a rectangle which shows a random displacement score with no clustering.

Assumption three: Normality

In addition to the normal Q-Q plot, a graphical figure of a histogram, annexed at the last part of the study, visually shows an approximate shape of a normal curve. Which tries to indicate the data is normally distributed.

Test of Multi collinearity

A test of multi collinearity is used to find out, if one of the independent variable is highly correlated with one or more of the other variable under study. To find out if there is any multi collinearity, a collinearity statistic which includes Tolerance and variance inflation (VIF) had been done. to avoid the possibility of multi collinearity, it is important that the results from Collinearity diagnosis should have Tolerance above 0.10 and variance inflation factor (VIF), which is the inverse of the tolerance value, less than 10 as the small value of tolerance indicate the high multiple correlation with the variable (Pallant, 2007. p156)

Table 2.10 below shows the descriptive statistics of Tolerance and variance inflation factor (VIF) of the independent variables, which are Autocratic, Democratic and laissez-fair leadership styles. the Tolerance value is, 0.869 for Autocratic leadership style, 0.853 for Democratic leadership style and 0.884 for Laissez-fair leadership styles; the Tolerance value for all independent variables is greater than 0.10. In addition the VIF value for all variables is less than 10; from these results we can conclude that there is no multi collinearity amid independent variables.

Table 2. 10:- Collinearity Test

Model	Collinearly statistics	
	Tolerance	VIF
Constant		
Autocratic leadership style	.869	1.151
Democratic leadership style	.853	1.172
Laissez-fair leadership style	.884	1.132

Source: own survey

4.4.3 The Multiple Regression Summaries

The multiple regression models are the model of summary table summary table, it provides the R, Rsquare(R2) adjusted Rsquare(R2), and the standard error of the estimate, which can be used to determine how well a regression model fits the data.

Table 2. 11:- Model Summary of Regression Analysis

Model	R	Rsquare	Adjusted Rsquare	Std error of The estimate
1	.319a	.101	.088	47486

Source: own survey

The above table 2.11 discusses the results of regression analysis based on three independent variables (autocratic, Democratic and Laissez-fair leadership styles), and it explains that 10.1 % change in organizational performance can be predicted by the combinations of the three dimensions of leadership styles.

4.4.4 The ANOVA Analysis

The other table of multiple regression analysis is the ANOVA (analysis of variance) table. The F-ration in the ANOVA table tests whether the overall regression model is a good fit for all the data.

Analysis of variance for leadership style on organizational performance

Table 2. 12:- ANOVA analysis

Model		Sum of Squares	df	Mean of Squares	F	sig
	Regression	4.942	3	1.647	7.305	.000 ^b
	Residual	4.745	194	1.225		
	Total	48.686	197			

a. Dependent variable

b. predictors:(constant), ALS, DLS, LFL

Source: own survey

The ANOVA (analysis of variance) table in the above shows that, the overall significant/acceptability of the model from statistical perspective. As the significant

value F statistics displays a value (.000), which is less than $P < 0.005$, the model is significant and it indicates that the variation explained by the model is not due to chance.

The general multiple regression model given by;

$$Y = b_0 + b_1X_1 + b_2X_2$$

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \dots + \beta_nX_n + \varepsilon$$

Where Y= the predicted variable (organizational performance)

β_0 = constant $\beta_1, \beta_2, \beta_3$ unstandardized regression coefficient

X_1, X_2 & X_n are the explanatory variables and the error term ε (the Greek letter epsilon) is a random variable. Source (Bluman 2007).

Based on the conceptual framework, the regression equation of the study is as follows

$$ORP = \beta_0 + \beta_1 ALS + \beta_2 DLS + \beta_3 LFL + \varepsilon$$

Where

ORP= organizational performance

ALS= Autocratic leadership style

DLS= Democratic Leadership style

LFL= Laissez fair leadership style

Table 2.13 under shows the coefficient table which shows the constant, beta and the p-value of the independent variables. The significance level of each independent variable is Autocratic leadership style 0.450, Democratic leadership style 0.011 and laissez-fair leadership style 0.015; and a standardized beta coefficient of 0.55, 0.19 and 0.177 in the above order.

Table 2. 13:- Coefficients

model		Unstandardized Coefficients		Standardized Coefficient beta	t	sig
		B	std, error			
1	constant	1.877	.389		7.823	.000
	ALS	0.58	.077	.055	.757	.450
	DLS	.234	.091	.190	2.572	.011
	LFL	.206	.084	.177	2.443	.015

a. dependent variable ORP

Source: own survey

The p-value for autocratic leadership style is >0.05 which will be interpreted as the effect of Autocratic leadership style on organizational performance in A.A No.2 medium tax payers branch office is not significant. When we see the p-value of Democratic leadership style it is <0.05 , so we can conclude that it has a significant effect o organizational performance. The last leadership dimension is Laissez-fair leadership style which have a p-value of less than <0.05 which leads as to conclude it has a significant effect on organizational performance in Addis Ababa No.2 medium tax payers branch office.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATION

5.1 Introduction

This study is conducted with the intent and major objective of to find out, the effects of Leadership style on organizational performance. The dimensions of leadership style considered were; Autocratic, Democratic and Laissez fair leadership styles with the subject institution Addis Ababa No. 2 medium tax payers branch office.

Based on the analysis conducted, the following under listed conclusions are extracted

5.2 Summary of major findings

- Analysis of this section commence on by discussing the demographic characteristics of the respondents from the randomly selected sample respondents. 62.6 % were male and the rest 34.7% were female. when we see the age frequency of the respondents, majority of the respondents are youngsters and the total of 43% fall in the age between 18-25, the oldest in the bureau are 6 respondents (7.6%), their age is above 46 years. the rest respondents age falls in between the above said age frequencies. Related to educational qualification, above half of the respondents 54% are first degree holders and it seems the least required qualification even though, there are some respondents below it. The work experience of the respondents in which determines the respondent's year of service in the bureau it is scattered.
- The perception of the three dimension of leadership styles, which are under the scope of the study, Autocratic, Democratic, and Laissez-fair, had be figured in order to identify respondent's perception to leadership styles. based on the results of the statistical analysis of SPSS, the overall perception of Autocratic leadership style mean score is 3.39 SD.916 which is the lowest compared with other dimensions, by taking the assumption of Zaidation and Bagheri (2009) and Akmaliah, 2009 we can conclude that the perception of Autocratic leadership style

in A.A No.2 medium tax payers branch office is low. The other type of leadership style under analysis is Democratic leadership style; the mean for it is 3.66 SD.850, which can be interpreted as a moderate one. The perception of laissez-fair leadership style has a mean of 3.52 SD 1.032, according to the above scholars' assumption, Laissez-fair leadership style is at A.A no.2 medium tax payers branch office is moderate

- The perception of organizational performance was analyzed to find out sample respondents perception of organizational performance of their organization. Based on the statistical analysis, the overall perception of organizational performance is mean score of 3.52 SD 1.032, which leads to the conclusion of; the perception of organizational performance in A.A No.2 medium tax payer's office is moderate.
- Correlation analysis conducted to find out the relationship between the three dimensions of leadership styles with organizational performance. Results of the analysis make known that Autocratic leadership style have 0.161 at p-value=.000 low but significant effect on organizational performance. The other leadership style, democratic have at p-value=.000 low but significant effect on organizational performance. The last but not the least leadership style considered is laissez-fair leadership style, which have 0.246 at p-value=.000 effect on organizational performance. To finalize the finding of the correlation analysis, the three dimensions of leadership styles have a low but significant effect on organizational performance in A.A No.2 medium tax payer's branch office.
- The results of the regression analysis, the Rsquare (R²) determine 10.1 % change in organizational performance will be predicted by the combination of Autocratic, Democratic and Laissez-fair leadership styles.

5.3 Conclusions

This research study is performed to investigate the effects of leadership style on organizational performance in Addis Ababa No.2 medium tax payer's branch office. To reach on to the intended point of the study a statistical analysis was conducted by using SPSS 25. The statistical package presented a list frequencies and a descriptive analysis of sampled respondent's responses. based on the analysis, perception of Democratic leadership style had a mean score of 3.66 SD .850, which is the highest from other types of leadership styles, and can lead us to the conclusion that Democratic leadership style is practiced other than Autocratic and Laissez-fair leadership styles.

The perception of organizational performance as perceived by the respondents had a mean score of 3.52 SD1.032, which can be considered as a moderate one. A correlation analysis was conducted to find out the relationship between the independent and dependent variables, the findings of the analysis for the three dimensions of leadership style is a low positive but significant effect on organizational performance in Addis Ababa No.2 medium tax payers branch office. In addition, the regression analysis predicted a 10.1 % change in organizational performance by the combination of Autocratic, Democratic and Laissez-fair leadership styles.

RECOMMENDATION

Based on the major findings and provided conclusion the following recommendation are provided

- The correlation analysis showed that from the three dimensions of leadership styles, Democratic leadership style have the highest mean score and SD, this means that Democratic leadership style is practiced than other dimensions. The same as discussed in the literature review section Democratic leadership style has its own features to increase employee's participation in decision making, to increase belongingness to the organization and problem solving and taking responsibility by their own. Therefore, Addis Ababa No.2 medium tax payer's branch office management needs to make a variety of efforts to improve the practice of Democratic leadership style.
- The perceived organizational performance was a moderate one according to the statistical analysis conducted. Addis Ababa No.2 branch office main operation is to determine and collect tax from subject tax payers and Tax is the backbone of the country's economy. Accordingly the bureau needs to improve its level of organizational performance to reach a high level.
- Addis Ababa No.2 medium Tax payer's branch office is a public organization which has its own mission not only to conduct its main operation and also to comply with government policies and strategies. To do so it needs competent and energetic leader is a must in the bureau. Top quality leadership is essential to achieve the mission and vision along with coping with the changes occurring in the external environment (Harris, et al., 2007). Based on the analysis of respondent's perception on the improving of leadership in the bureau, the majority of them stressed on providing the necessary leadership education and leadership trainings to leaders. So the bureau needs to provide leadership tutoring for its leaders.
- Since the intent of the study is to assess the relationship between leadership style and organizational performance, and it is observed at the analysis and interpretation of the study; Management of Addis Ababa No.2 medium tax payer's branch office, as it is mentioned in the inception of the study, in order to

have a convincingly claim that, the bureau's work climate is conducive enough for better organizational performance the bureau need to have, among other things, a sound consistent and established leadership style that governs the actions and behavior of its leaders.

Suggestion for future research

This study is conducted with the scope of leadership style on organizational performance in Addis Ababa No.2 medium tax payer's branch office. So, the finding of this study cannot be generalized to the all branch offices incorporated under the bureau, to have a full picture of effects of leadership on organizational effect it will be helpful to investigate on the same subject matter by broadening the scope of the study; in addition future study can be conducted to find out leadership effects in other dependent variables, like commitment, organizational culture, employee turnover even customers satisfaction.

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APPENDIX-I

ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

Questionnaire developed for employees

This Questionnaire is developed to acquire ample information for the study that is going to be carried out by the student researcher for the partial fulfill requirement to acquire Master of Arts in Business leadership from Addis Ababa University School of commerce. The main objective of the research is to assess “The effects of leadership style on organizational performance of Addis Ababa No. 2 revenue office, and this Questionnaire is designed to help you describe the current your organizations leadership style as you perceived it.

Dear respondents, you are randomly selected to spare a few minutes of your time to respond to the listed questions. Since the objective of the research if for academic purpose, the information you proved will be used for the intended purpose only and it will be strictly confidential. No need to write you name

Thank you in advance for your cooperation

Part one: demographic profile for Employee Position.

1. Sex

Male Female

2. Marital Status

Married Single Divorce

3. Age

18-20 21-25 26-30
31-35 36-40 41-45 Above 46

4. Educational Qualification

Certificate Diploma (10+3) Degree Masters and Above

5. Service Years in the Bureau

1-3 Years 4-5 years 6 - 10 Years

11 to 15 Years 15 and above Years

6. Current Job level

Manager D/Manager Job holder Group leader
Senior Officer, Officer Junior Officer Other& supportive staff

Part Two: Main

Research Questions for Staff employees

Please see instructions below.

- For each of the statements below, circle the number that indicates the degree to which you agree or disagree, about the leadership tendencies in Addis Ababa No.2 tax payers branch office
- Give your immediate impressions. There is no right or wrong answers.

Note: Indicate your answer by choosing from: 5=Strongly Agree, 4=Agree, 3=Neutral 2=Disagree, 1=Strongly Disagree.

The following section discusses leadership tendencies of your immediate boss. Statements starting from 1 to 18 represent three different leadership styles with six statements for each style. Try to judge him/her genuinely and indicate the level of your agreement or disagreement on the statement against the leadership tendencies put in the questionnaire

S/ N	Statement	Strongly Disagree	disagree	neutral	agree	Strongly agree
1	My manager believes employees need to be supervised closely, or they are not likely to do their work.	1	2	3	4	5
2	My manager engages employees to be a part of the decision-making process	1	2	3	4	5
3	In complex situations, my manager let subordinates work problems out on their own.	1	2	3	4	5
4	For my manager it is fair to say that most employees in the general population are lazy.	1	2	3	4	5
5	My manager believes providing guidance without pressure is the key to being a good leader.	1	2	3	4	5
6	My manager requires staying out of the way of subordinates as they do their work	1	2	3	4	5
7	As a rule, my manager believes employees must be given rewards or punishments in order to motivate them to achieve organizational objectives	1	2	3	4	5
8	My manager believes most workers want frequent and supportive communication from their leaders	1	2	3	4	5
9	As a rule, my manager allows subordinates to appraise their own work.	1	2	3	4	5
10	My manager believes most employees feel insecure about their work and need direction.	1	2	3	4	5
11	My manager needs to help subordinates accept Responsibility for completing their work.	1	2	3	4	5
12	My manager gives subordinates complete freedom to solve problems on their own	1	2	3	4	5
13	My manager believes the leader is the chief judge of the achievements of the members of the group	1	2	3	4	5
14	My manager believes it is the leader's job to help Subordinates find their "passion."	1	2	3	4	5
15	My manager believes in most situations, workers prefer little input from the leader	1	2	3	4	5
16	My manager believes effective leaders give orders and clarify procedures.	1	2	3	4	5
17	My manager believes people are basically competent and if given a task will do a good job.	1	2	3	4	5
18	In general, for my manager it is best to leave subordinates alone.	1	2	3	4	5

Part Three: Questions on Organizational Performance

The following sections raise issues on overall leadership practices in Addis Ababa No. 2 medium Tax payer's branch office and its impact on organizational performance. Indicate how you agree or disagree.

S/ N	Statement	Strongly Disagree	disagree	neutral	agree	Strongly agree
1	Addis Ababa No.2 medium Tax branch office is carrying out its operation effectively	1	2	3	4	5
2	The Bureau equipped itself with the necessary technology and human skill for its operation	1	2	3	4	5
3	The Bureau effectiveness is high related on revenue determination and collection	1	2	3	4	5
4	The Bureau responds its customers complaint within short and possible time	1	2	3	4	5
5	The Bureau provide the necessary support and education for tax payers related to Tax compliance	1	2	3	4	5
6	The Bureau, in order to prevent Tax evasion and other tax related crimes, has equipped itself with the necessary technology and competency	1	2	3	4	5
7	The Bureau always achieve its predetermined goals and expected performance	1	2	3	4	5
8	The Bureau capacitated itself with other supportive departments which can assist to carry out its main operation	1	2	3	4	5
9	The method of Tax calculation and determination made by the Bureau is updated always in order to cope up with the volatile business environment	1	2	3	4	5
10	In overall the Bureau can be described as an efficient and effective Bureau	1	2	3	4	5

Part Four

Designate in one the following options which you may think help to improve the leadership in Addis Ababa No. medium tax payer's branch office;

1. Providing the necessary leadership education and leadership trainings to leaders
2. Appointment of Leaders must be merit based
3. Leaders must display a consistent leadership style that can be effective.
4. Replacement of current leaders with new competent leaders.
5. No need of improvement is needed at the current stage.

ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

Questionnaire developed for leadership position

This Questionnaire is developed to acquire ample information for the study that is going to be carried out by the student researcher for the partial fulfill requirement to acquire Master of Arts in Business leadership from Addis Ababa University School of commerce. The main objective of the research is to assess “The effects of leadership style on organizational performance of Addis Ababa No. 2 revenue office, and this Questionnaire is designed to help you describe your organizations leadership style as you perceived it.

Dear respondents, you are randomly selected to spare a few minutes of your time to respond to the listed questions. Since the objective of the research if for academic purpose, the information you proved will be used for the intended purpose only and it will be strictly confidential. No need to write you name

Thank you in advance for your cooperation

Part one: demographic profile for Employee Position

1. Sex

Male Female

2. Marital Status

Married Single Divorce

3. Age

18-20 21-25 26-30

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Above 46

4. Educational Qualification

Certificate Diploma (10+3) Degree Masters and Above

5. Service Years in the Bureau

1-3 Years 4-5 years 6 - 10 Years

11 to 15 Years 15 and above Years

1. Current Job level

Manager D/Manager Job holder Group leader
Senior Officer, Officer Junior Officer
Other& supportive staff

Part Two: Main Research Questions for General Staff

Please see instructions below.

- For each of the statements below, circle the number that indicates the degree to which you agree or disagree, about the leadership tendencies in Addis Ababa No.2 tax payers branch office
- Give your immediate impressions. There is no right or wrong answers.

Note: Indicate your answer by choosing from: 5=Strongly Agree, 4=Agree, 3=Neutral, 2=Disagree, 1=Strongly Disagree.

The following section discusses leadership tendencies of your immediate boss. Statements starting from 1 to 18 represent three different leadership styles with six statements for each style. Try to judge him/her genuinely and indicate the level of your agreement or disagreement on the statement against the leadership tendencies put in the questionnaire

S/ N	Statement	Strongly Disagree	disagree	neutral	agree	Strongly agree
1	Employees need to be supervised closely, or they are not likely to do their work	1	2	3	4	5
2	Employees want to be a part of the decision-making process.	1	2	3	4	5
3	In complex situations, leaders should let subordinates work problems out on their own.	1	2	3	4	5
4	It is fair to say that most employees in the general population are lazy	1	2	3	4	5
5	Providing guidance without pressure is the key to being a good leader	1	2	3	4	5
6	Leadership requires staying out of the way of subordinates as they do their work	1	2	3	4	5
7	As a rule, my manager believes employees must be given rewards or punishments in order to motivate them to achieve organizational objectives	1	2	3	4	5
8	Most workers want frequent and supportive communication from their leaders.	1	2	3	4	5

9	As a rule, leaders should allow subordinates to appraise their own work	1	2	3	4	5
10	Most employees feel insecure about their work and need direction.	1	2	3	4	5
11	Leaders need to help subordinates accept responsibility for completing their work	1	2	3	4	5
12	Leaders should give subordinates complete freedom to solve problems on their own.	1	2	3	4	5
13	The leader is the chief judge of the achievements of the members of the group	1	2	3	4	5
14	It is the leader's job to help subordinates find their "Passion."	1	2	3	4	5
15	In most situations, workers prefer little input from the leader.	1	2	3	4	5
16	Effective leaders give orders and clarify procedures.	1	2	3	4	5
17	People are basically competent and if given a task will do a good job	1	2	3	4	5
18	In general, it is best to leave subordinates alone.	1	2	3	4	5

Part Three: Questions on Organizational Performance

The following sections raise issues on overall leadership practices in in Addis Ababa No. 2 medium Tax payer's branch office and its impact on organizational performance. Indicate how you agree or disagree.

S/ N	Statement	Strongly Disagree	disagree	neutral	agre e	Strongly disagree
1	Addis Ababa No.2 medium Tax branch office is carrying out its operation effectively.	1	2	3	4	5
2	The Bureau equipped itself with the necessary technology and human skill for its operation	1	2	3	4	5
3	The Bureau effectiveness is high related on revenue determination and collection	1	2	3	4	5
4	The Bureau responds its customers complaint within short and possible time	1	2	3	4	5
5	The Bureau provide the necessary support and education for tax payers related to Tax compliance	1	2	3	4	5

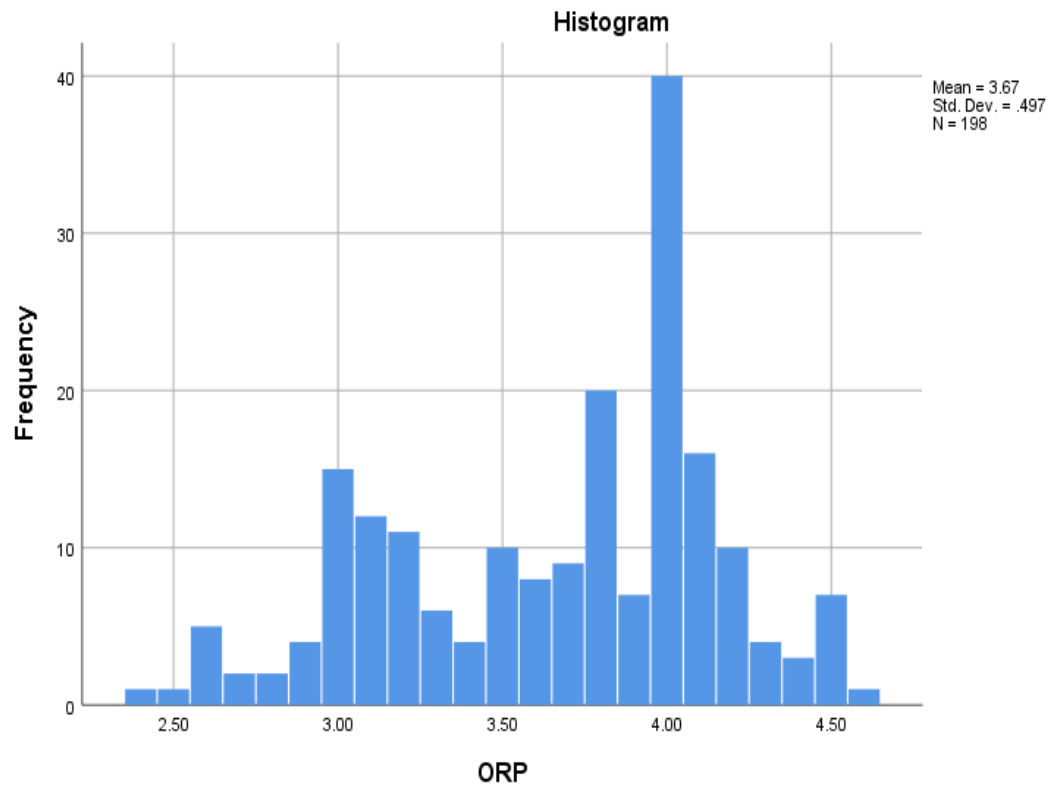
6	The Bureau, in order to prevent Tax evasion and other tax related crimes, has equipped itself with the necessary technology and competency	1	2	3	4	5
7	The Bureau always achieve its predetermined goals and expected performance	1	2	3	4	5
8	The Bureau capacitated itself with other supportive departments which can assist to carry out its main operation	1	2	3	4	5
9	The method of Tax calculation and determination made by the Bureau is updated always in order to cope up with the volatile business environment	1	2	3	4	5
10	In overall the Bureau can be described as an efficient and effective Bureau	1	2	3	4	5

PART FOUR

Designate in one the following options which you may think help to improve the leadership in Addis Ababa No. medium tax payer's branch office;

1. Providing the necessary leadership education and leadership trainings to leaders
2. Appointment of Leaders must be merit based
3. Leaders must display a consistent leadership style that can be effective.
4. Replacement of current leaders with new competent leaders.
5. No need of improvement is needed at the current stage.

APPENDIX-II



Normal P-P Plot of Regression Standardized Residual

Dependent Variable: ORP

