



# **THE EFFECT OF LEADERSHIP STYLE ON EMPLOYEE ENGAGEMENT IN ETHIOPIAN ARMY FOUNDATION**

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## STUDENT'S DECLARATION SHEET

This study project, "**THE EFFECT OF LEADERSHIP STYLE ON EMPLOYEE ENGAGEMENT IN ETHIOPIAN ARMY FOUNDATION**" is the outcome of my personal research. I conducted the research on my own, with the help and advice of my research project adviser. Citations recognize other sources, and a list of explicit references is provided. It is my original piece of work, which has never been approved for any degree before.

Signature \_\_\_\_\_

Date \_\_\_\_\_

GOSAYE TILAHUN

## ADVISOR'S APPROVAL SHEET

This is to certify that GOSAYE TILAHUN, under my supervision, completed the project "**THE EFFECT OF LEADERSHIP STYLE ON EMPLOYEE ENGAGEMENT IN ETHIOPIAN ARMY FOUNDATION**" The project work is unique and sufficient for partial fulfilment of the master's degree requirements in business leadership.

Advisor's Signature \_\_\_\_\_

Date \_\_\_\_\_

ABRARAW CHANE (PHD)

## CERTIFICATION SHEET

We, the signatories, members of the Advisor and Examiners for GOSAYE TILAHUN ZELEKE's final defense, have studied and analyzed his thesis titled "**THE EFFECT OF LEADERSHIP STYLE ON EMPLOYEE ENGAGEMENT IN ETHIOPIAN ARMY FOUNDATION**" and have examined the candidate. As a result, I am certifying that the thesis has been approved in partial fulfillment of the criteria for the Master's Degree in Business Leadership.

Advisor	Signature	Date
Internal Examiner	Signature	Date
External Examiner	Signature	Date
Director of commerce	Signature	Date

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## **LIST OF ABBREVIATIONS AND ACRONYMS**

<b>CEO</b>	Chief Executive Officer
<b>CR</b>	Contingent Reward
<b>DCEO</b>	Deputy Chief Executive Officer
<b>DD</b>	Directorate Directors
<b>DV</b>	Dependent Variable
<b>EAF</b>	Ethiopian Army Foundation
<b>EAFHQ</b>	Ethiopian Army Foundation Head Quarter
<b>EE</b>	Employee Engagements
<b>GL</b>	Group leaders
<b>IC</b>	Individual Consideration
<b>II</b>	Idealized Influence
<b>IM</b>	Inspirational Motivation
<b>IS</b>	Intellectual Simulation
<b>IV</b>	Independent Variable
<b>LS</b>	Leadership Style
<b>MBE</b>	Management-By-Exception
<b>MBE-A</b>	Management-By-Exception Active
<b>MBE-P</b>	Management-By-Exception Passive
<b>MGR</b>	Managers
<b>MLQ</b>	Multifactor Leadership questionnaire
<b>SEM</b>	Structural equation modeling

<b>SPSS</b>	Statistical Package for Social Science
<b>TL</b>	Transactional leadership
<b>TL</b>	Transformational leadership
<b>TLS</b>	Transactional leadership Style
<b>TLS</b>	Transformational leadership Style
<b>US</b>	United State

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## ABSTRACT

*The purpose of the study is to see how leadership styles affect employee engagement at the Ethiopian Army Foundation's headquarters in Addis Ababa. The study used a quantitative research method and a descriptive research design. Specifically, Simple Random Sampling and non-random, which are purposive sampling selection techniques. The primary datasets were chosen from 162 targeted populations. As a result, 115 respondents were chosen as a sample, and questionnaires were given, with 114 being retrieved and used. The study employed Gallup's Employee Engagement Q12 Survey for employee engagement rating scale and standardized Multifactor Leadership Questionnaires for leadership. Using the SPSS software version 25, the obtained data was transformed into descriptive statistics, namely, frequencies, percentages, and mean and inferential statistics such as correlation and regression analyses. The results of the research indicate that both transformational and transactional leadership styles have a positive and significant influence on employee engagement, according to regression analysis results. The researcher made recommendations for the EAFHQs based on the findings, which included offering the appropriate training as well as new strategies to apply both leadership styles because they positively influence employee engagement.*

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**Keywords** *Transformational Leadership, Transactional Leadership, Employee Engagement*



# CHAPTER ONE

## INTRODUCTION

This chapter discusses the study's background, its problem statement, its research questions, its aims, its importance, its scope, its constraints, the operational definitions of important terminology, and its organizational structure.

### 1.1. Background of the Study

Most current research suggests that the survival of a business enterprise is decided with the aid of using the energy or weak point of its human sources. Human sources are at the price of diverse factors of company culture, in addition to the formation, strengthening, and amendment of company culture. J.B. Barney and P. Mr. Wright (1998) HR experts and supervisors regularly argue that the human aid feature is essential to the achievement of an enterprise. In truth, maximum company annual reviews explicitly kingdom that a business enterprise's maximum precious asset is its humans. Despite those broadly generic assumptions and all-too-not unusual place assertions, several evaluations suggest that a business enterprise's human sources group of workers is of unique interest. Therefore, specializing in select, competent, high-performing, related, and applicable personnel is vital to reaching preferred enterprise desires.

Leadership includes that specialize in a not unusual place purpose. Leaders are aware that their efforts are focused on people working together to achieve a common goal. The term "not unusual place" refers back to the truth that leaders and fans percentage a not unusual place purpose. Because it emphasizes the want for leaders to collaborate with their fans to attain particular desires, interest to not unusual placedesiresunits the ethical tone for management. Religion, (Northouse, p. G., in 2021) this proves that during any business enterprises there are leaders and fans who percentage a not unusual place purpose. Their motive is extraordinary; however, their motive is the same. The achievement or failure of those crucial commitments has an impact on the very last outcome. To paint a whole lot extra effectively, a pacesetter ought to adjust his or her leadership style in keeping with the scenario, emphasizing fans' guidance and reaching their mutual understanding (Aric Hall, 2007). According to empirical research, the fundamental aspect of organizational achievement is management form and competence (J. Rodney Turner and Ralf Muller, 2005).

Employee engagement is a brand new idea that has been actively promoted with the aid of using human capital consulting firms, supplying recommendations on the way to set it up and leverage it. Employee engagement, in keeping with J. Arrowsmith and J. Parker (2013), is now a crucial and pervasive part of the human aids control vocabulary and is used to define key organizational desires and results for personnel and leaders. (Liliana Rodrigues da Costa. & Sandra Maria CorreiaLoureiro, 2019, p.6) When people are glad and feature a financially, bodily, and digitally healthful painting environment bodily and digitally healthful paintings environment, they may want to do extra to get their paintings done, and if necessary, they collaborate internally with their colleagues or different departments.

When it involves worker engagement, management style and incentives are extraordinarily important. Leaders are regularly held responsible for worker engagement due to the fact they devise visions, encourage and encourage humans, release more than a few changes, and display proper situations for wishes. Their Wishes (Attridge, M. 2009) According to the literature, the researcher's leadership style is crucial to stimulating worker engagement. In the case of this observation, the researcher needed to recall the effect of leadership style on worker engagement.

The Ethiopian Military Foundation is a governmental business enterprise installed beneath Regulation No 179/2010 of the Council of Ministers for the motive of assembling the employee's wishes of the Ethiopian Armed Forces that aren't protected with the aid of using the kingdom budget. And Enhance their residing conditions. The purpose is to offer a complete variety of offerings so that individuals can commit all their time and sources to gratify their mission. To attain its desires, an enterprise is ruled with the aid of a board of directors, a couple of ranges of control, and lots of extraordinary forms of corporations inclusive of housing, manufacturing, hotels, delivery chains, and agriculture and different industries. The Ethiopian Army Organization has strived to set up itself as an independent business enterprise because of its inception, which specializes in budgeting, financing, and procurement procedures, in addition to human aid improvement and studies. The Studiesassist the business enterprise to attain its desires. The purpose of this observation became to enhance enterprise productiveness with the aid of using figuring out the results of best leadership patterns to boom worker engagement withinside the country's pinnacle army enterprise and simply enterprise. Business, and because of these studies, we can be capable of deciding the great management style.



## ***1.2. Statement of the Problem***

Khan (1990) examines the essential issues and considers that then; the variety of articles analyzing the effect of leaders and management on worker engagement has risen. Recent studies research has persisted to look at the character and length of the hyperlink. Certain researchers delve deeper into the type of management to discover the impact of leaders on worker engagement; for case in point, Hansen, Byrne, and Kiersch (2014) seemed into the connection between interpersonal management and worker engagement. Strom, Sears, and Kelly (2014), for instance, checked out diverse management patterns as moderators within the hyperlink to worker engagement. According to the findings, leadership patterns have an impact on the significance of worker engagement.

Further studies on leadership style and worker engagement, on the alternative contrary, have been carried out in lots of places and sectors. The Ethiopian Army Foundation, on the alternative extreme, has but to research the effect of leadership style on employee engagement. This military commercial enterprise organization became installed extra than a decade ago and considering that then, it has finished diverse corporations and encountered diverse problems. Among those challenges, the researcher seeks to attention to the management of worker involvement due to the fact the organization's call means that it's fareacharmy and commercial enterprise on the equal time. The researcher has discovered that the allocation of leaders in corporations is maximum of the time primarily based totally on army level in and rank, that's accurate within the case of army missions; however a commercial enterprise calls for commercial enterprise experts and one of a kind leadership patterns to fulfill the organization's purpose. This creates a gap.

The researcher's motive for the venture is to feature a few widespread prices to the plain gaps. The key motive is that the researcher will inspect a subject within the Ethiopian Army Foundation due to the fact many commercial enterprise gadgets are merging with inside the company organization. The commercial enterprise natures and traits of those several industrial entities vary, and the management is often appointed from the army. As a result, the researcher is keen to examine what, how, and what outcomes leadership has. And further this Ethiopian Army Foundation, as a brand new organization, has but to look at this unique studies topic, that's the effect of leadership style on employee engagement. As a result, of the use of the Ethiopian Army Foundation Head Quarter(EAFHQ) as a studies project, these paper ambitions to research present management patterns, leadership patterns, and the correlation and impact of transformational

leadership style, and transactional leadership style on employee engagement. This is due to the fact the Ethiopian Army Foundation needs to embody and enforce the right leadership style, that's essential for present and imminent leaders. After all, it affects employee engagement, motivation, and profitability, in addition to the organization's preferred goal.

### ***1.3. Research Questions***

The research has been centered on the following questions, and it will be expected to provide answers to these questions.

1. What is the practice of the existing Leadership Style in the Case of Army Foundation?
2. What is the extent of Employee Engagement in the Case of the Army Foundation?
3. What is the relationship between Leadership Style and Employee Engagement in the Case of the Army Foundation?
4. What is the effect of Leadership Style on Employee Engagement in the Case of the Army Foundation?

### ***1.4. Research Objectives***

#### **1.4.1. General objectives**

The primary objective of the study is to examine how the Ethiopian Army Foundation's leadership style affects employee engagement.

#### **1.4.2. Specific objectives**

The following are the research's specific objectives

1. To examine the leadership style of the current Ethiopian Army Foundation.
2. To evaluate employee engagement levels with the Ethiopian Army Foundation.
3. To analyze the connection between the Ethiopian Army Foundations' leadership style and employee engagement.
4. To look at how the Ethiopian Army Foundation's leadership style affects employee engagement.

### ***1.5. Significance of the study***

Afterwards when the research has been completed, the results will assist the Ethiopian Army Foundation board of directors, CEOs, and policy makers of these organizations used to create and amend the organization's policy and the Ethiopian Army Foundation Head Quarter by suggesting which leadership style is becoming more relevant than the others in achieving the organization's goals. It aids in the improvement of employee relationships as well as the organization's collective goals. It aids in maintaining the organization's leadership harmony between leaders and employees' interests. Generates a favorable and motivational climate in which an overall organizational capacity can be directed efficiently to meet its objectives. The findings of this study excite member organizations of the Head Quarter, resulting in increased pledges from various levels of leadership and employee involvement. Important For people who require to do more research, this can serve as a foundation for building study outcomes.

### ***1.6. Delimitation/Scope of the Study***

Geographically, utilizing information from the Ethiopian Army Foundation's Addis Abeba headquarters primarily focuses on the headquarters: which includes housing, funding, and the military supply chain, all of which are deputy CEO. For long-term success, each of these elements needs to be properly taken into account. The study's focus is on the high-level managers, middle-level managers, and staff members of the Ethiopian Army Foundation who take part in employee engagement at the organization's headquarters.

The time periods examined by the study range from the year 2009, the year the Ethiopian Army Foundation was founded, until the present.

Although the issue of leadership styles has a broad variety of methodological applications, the researcher concentrated on two particular leadership styles—transformational and transactional leadership styles—to examine how they influence the dependent variable of employee engagement.

### ***1.7. Limitations of the Study***

The research was planned to encompass the Ethiopian Army Foundation as a whole. However, significant limits were encountered in practice, such as the fact that the bulk of the Ethiopian

Army Foundations departments are involved in mission-related activities, forcing the researcher to rethink the scope of the study.

### ***1.8. Operational Definition of Key Terms***

**Employee Engagement (EE)** is a notion that encompasses the significance of understanding and improving individual and organizational performance that may be impacted by the leader, according to Baumruk (2004).

**Leadership** is defined as having the guts and energy to advance from whatever situation you find yourself into a position where you can make a difference in the world, and it is a team effort. (J. M. Kouzes and B. Z. Posner 2006)

**Leadership Style (LS)** At its most basic level, the idea of "leadership style" is straightforward: it refers to the manner in which a leader interacts with people who report to him or her. Clearly, there is an assumption here that there is a "good" and a "bad" way of doing things (Kippenberger, T. 2002).

**Leader** is in the case of EAF a group of individuals to influence and guide followers or other members of the person or who leads or commands above desk leaders to the board of directors (desk leaders, team leaders, managers, directors, CEO, and board of directors).

**The** way a leader behaves has often been referred to as his or her smartness and this behavior can be expressed in a variety of ways (Tony Kippenberger, 2002).

**Effect** The result or consequence of an action or phenomena is known as an effect.

### **1.9. Organization of the Study**

According to the researcher, the entire research has been divided into five chapters the first chapter includes introduction of the study and the organization, statement of the problem, research questions, study objectives (general and specific), hypothesis, definition of terms (conceptual and operational), study significance (practical and theoretical), delimitation/scope of the study, and limitations.

The literature review is in Chapter two, and it has been divided into three sections: theoretical framework, conceptual framework, and empirical review.

The third part of the research methodology section of the study covers the research strategy, research design, sample design, data source, research procedures, data collecting methods and processes, data analysis methods, reliability and validity, as well as ethical aspects.

The paper's findings and comments have been presented in Chapter four, which comprises the following sections: result and discussion, data presentation, data analysis, and data interpretations. The fifth and last chapter contains a summary of the findings, as well as conclusions and suggestions.

The paper has been organized around the five primary chapters listed above. The rest of the references, appendixes, and annexes will be found at the end of those chapters.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

A review of the literature is included in the chapter and is divided into three parts: theoretical framework, conceptual framework, and empirical review. Which are mostly acquired, assimilated, and evaluated from a number of sources, including books, articles from scholarly and professional journals, and online resources. Finding and identifying relevant papers and other sources for the research is aided by the literature search. Information may be found using search engines both online and in bibliographic databases. There are several processes involved in creating a literature review, including scanning, taking notes, organizing, writing, and gathering references.

#### **2.1. Theoretical Concepts**

Leaderships are diverse features that emerge from different views philosophically. Because there is a heated debate on the field about whether or not leaders are born, not made, or vice versa. Different leadership theories, on the other hand, are particularly useful for different types of companies and situations. In any organization with desired goals, the most dominant leadership styles are the most dominant. These findings illustrate that an organization's success or failure is determined by the characteristics of its leaders and their approach to maximizing the potential of its personnel. According to (Xinxin, Baoguo, Yongxing, 2018), the behaviorist approach detailed how employees gain moral standards, feelings, beliefs, and behavior patterns through leaders regarding the theoretical examination of styles of leadership. Furthermore, leadership styles are quite essential in the organization. Finally this indicates that leadership styles have a direct effect on employee engagement. Theoretically, it is assumed that the leader's treatments matter; if the leader treats his employees favorably, the outcome will be positive; if the leaders of the employees do not treat them positively, the employees will not react positively to their common goals.

### **2.1.1. Concepts of Employee Engagement**

E. Vigoda-Gadot and L. Eldor (2017). According to the author, employee engagement is one of the most contemporary and important concepts in human resource management. This occurrence denotes the birth of a new study topic in the field. Job happiness and the employee's thinking are more strongly tied to employee engagement. The link between organizational expressions and personnel expressions, on the other hand, is the subject of theoretical discussion.

### **2.1.2. Definition of Employee Engagement**

Employee engagement (EE) is described in various ways by various researchers. Some have evaluated the various interpretations and found that the meaning of employee engagement has varied over time depending on the description. However, in this study, the study concentrates on the employee. The major resource of the company is its human resources, and using these resources as efficiently as possible densely interconnected organizational goals is critical. Employee engagement is determined by how involved they are in their work in order to improve their performance toward common goals. Cheema, Akram, and Javed (2015) noted that employee engagement is important in achieving organizational goals.

B. Schneider and W. H. Macey (2008). Employee Engagement (EE) is a relatively new concept that has received much appreciation from human resource professionals. A variety of ways to employee engagement can be extrapolated from practitioners and past research. The word "employee engagement" does not have a simple definition. This is largely due to the "bottom-up" growth of the engagement notion inside the practitioner collective. The interpretations are the result of folk theory, the familiar insightful sense that individuals, particularly leaders in institutions, have about job involvement. According to these definitions, employee engagement is a distinguishing quality that has an overarching aim and symbolizes involvement, dedication, devotion, excitement, focused approach, and power, so it has both psychological and behavioral aspects.

### **2.1.3. Measurements of Employee engagement**

The Gallup measure (Harter, 2002) would be used to measure engagement, and the elements used to describe interaction are all measures informative of the environment through which individuals operate. The findings of questionnaire responses are utilized to conclude that reporting of these variables indicate engagement, but the state of engagement itself is not appraised, at least not in the sense that our suggested conception presupposes enthusiasm, dedication, participation, and so on. Engagement extends further than mere contentment with the enterprise agreement or basic commitment to the organization, both of which most organizations have measured for many years. Engagement, on the other hand, is about dedication and enthusiasm, the readiness to devote oneself and spend one's voluntary approach to helping the business in succeeding.

Georgiades, S. (2015). Various studies and literature reviews in the field of employee engagement reveal that there is a lack. This is meant to improve leaders' awareness and use of employee engagement in order to increase the organization's overall performance. In addition, there is a quandary regarding the amount of employee engagement difficulties; some require a comprehensive strategy, while others just measure groups or units. Shuck, B., and K. Wollard (2010).

In addition, Soane, E., Truss, C., Alfes, K., Shantz, A., Rees, C., and Gatenby, M. (2012) The cognitive, relational, and affective engagement framework was designed as a methodology for measuring employee engagement. The scale's objective was to create precise and meaningful elements of employee engagement, maintain a competitive advantage, and then quantify them. To attain the optimum testing output, it may be required to mix diverse variables from several employee engagement paradigms. Relationships were observed between the cognitive, psychosocial, and expressive involvement scale and employees' performance, organizational citizenship behavior, and turnover intentions. Soane et al. also discovered that social participation can influence turnover of employees.

According to Adikins (2015) Employee engagements are classified into three categories, with the employee present in their work based on the degree of engagements that affect organizational performance, whether successful or unsuccessful in achieving the common goals. Which are as follows: engaged, not engaged, and actively disengaged? These three criteria determine the organization's performance based on their level of engagement in achieving the goals.



### **2.1.4. Concepts of Leadership**

According to B. J. Avolio, R. J. Reichard, S. T. Hannah, F. O. Walumbwa, and A. Chan (2009)The concept of leadership is a very old practice in the history of leadership that dates back over a century. For a long time, however, there was no shared understanding of the nature of fields and their significance as a discipline. People have been focusing on getting guidance to attain a common objective since the twentieth century, even if the degree of this willingness is minor. Since 1930, this has evolved in academic centers initiating various studies on leadership professions. Universities participating in the field included Jowa in the 1930s, Michigan and Ohio in the 1950s, and others.

Bass, B. M., and Avolio, B. J. (1997)the study of leadership dates back to the dawn of modernity, when leaders were thought to be formed.This was apparent in the relationship between the leaders and history, specifically what the leaders did in specific historical periods that differed from the history of the leaders' reign.The historical record reveals why and how the leaders acted in the ways that they did. This crucial discipline had earned its place over time.Then, depending on the nature of the company and the situation, leadership becomes more important and dominant.These critical requirements drive the discipline's evolution, which includes guideline formulation, theoretical examination, and so on.In fact, stereotyping researchers are still working.

### **2.1.5. Definition of Leadership**

Since it has been viewed as a discipline, leadership is a very wide term that is difficult to define and obtain societal consensus on. According to McCleskey (2014), leadership study has lasted over a century and thousands of ways have been identified by different researchers as the development of leadership has evolved. Because there are so many different definitions of leadership, the most appropriate one should be chosen depending on the research topic and the study's emphasis.

According to P. G. Northouse (2021), to conclude, leadership is described in a variety of ways and dimensions that illustrate how individuals influence followers to reach a shared purpose. Most definitions focus around various components such as process, influence, groups, and common goals.This is one of the most commonly used terms to describe how leadership is understood in

the context of the relationship between leaders and followers. Leadership is described as a method of influencing a group of people to achieve a common goal.

There are several divergent definitions of leadership depending on the evolution of the field and the role, process, and influence that the leader has on the followers. However, the researcher focused more on the themes since this research more closely aligns with Stogdill's descriptions. According to Stogdill, R. M. (1950), the meaning does not describe how many leaders a company should have, whether an individual's leadership influence is continuous or intermittent, but rather that the leader's influence is for the company's or its stakeholders' benefit or detriment. It simply states that leaders can be distinguished from other members in terms of their ability to influence the organization's operations in order to attain its objectives.

Since leadership studies gained some respect as a genuine subject of investigation, Joseph C. Rost 1991, Defining leadership has been a topic of contention. Leadership was not commonly defined as something other than a leader's exercises in research conducted in the early twentieth century. Academics understood leadership as an influencing transition practices forward into accomplishing common ends by the mid-nineteenth century, though.

### **2.1.5. Leadership Theories**

Leadership theories are descriptions of how it is that various folks acquire leaders in order to improve their followers' performance. They concentrate on the characteristics and actions that people might acquire to improve their leadership talents and assist them achieve their objectives. Solid principles and strong values, as well as rallying his or her followers toward common goals, are among the top attributes that leaders feel are essential to excellent leadership. There are different leadership theories in this research the researcher has seen in detail which is Great Man Leadership Theory, Traits Leadership Theory, Contingency Leadership Theories, Behavioral Leadership Theory, Path Goal Leadership Theory, Transformational Leadership Theory, and Transactional Leadership Theory.

### **2.1.6. Great Man Leadership Theory**

In the early 1900s, one of the most popular leadership styles was Great Man Leadership. In actuality, this hypothesis has a single flaw: it assumes that the individual in power just ignored the society's legitimacy. According to Thomas Carlyle (1840), the Great Man Leadership Theory states that a leader is born with the qualities of a leader. These qualities are intrinsic with key personal features and are inherited, because each of these leaders has a unique personality. Also,

these sorts of leaders were regarded as divinely appointed rather than man-made leaders. However, following World War II, this notion has become obsolete, and the society's viability has been questioned.

### **2.1.7. Traits Leadership Theory**

O. Demirtas and M. Karaca (Eds.).(2020), Trait leadership theory is a type of determinant leadership in which the characteristics of leaders are measured in terms of how they solve problems, how they approach their subordinates informally, and the role of their leadership based on their current position, as well as how they compare to successful leaders. The majority of the publications said that the trait leadership theory's leading traits are around eight, but others argued that they are less than eight, indicating that there is no consensus. However, most sources view the characteristics mentioned by the researcher, which include intelligence, dominance, self-confidence, energy, task expertise, and diligence, as significant criteria to declare it is a trait. Leaders that exemplify those characteristics in their roles are deemed successful leaders. Finally, this does not imply that everyone agrees on this leadership idea. Because there are numerous types of positions, they are determined by the positions of the leaders. If one leadership is effective in one position, they may not be successful in others.

One of the earliest theories of leadership was trait leadership theory. This method concentrates on the fundamental characteristics of a leader, such as physical and personal characteristics, as well as the skills and abilities that a person possesses. It is founded on the premise that core personality features are the driving force behind leaders' persistent application in a range of scenarios. This method, like the Great Man theory, claims that leaders are born with certain attributes that they keep for a long time (Fleenor, John W., 2011). This notion is founded on the fact that most things are individual centered, and we have seen how leaders accomplish their objectives and keep their convictions.

### **2.1.8. Contingency Leadership Theories**

According to several reviews, there is no one-size-fits-all leadership theory that can be used to lead businesses indefinitely. Contingency leadership theory has become an organizational theory as a result of these factors. The Contingency Model states that the potency of interactions between different collectives needs to be based, or is contingent, on the appropriate match between leader

personality attributes, reflecting his or her motivational structure, and the degree to which the leader has situational control and influence, according to Fiedler, F. E. (1978). Undertaking leaders work perfectly while they have a rising or falling level of influence, whereas interaction leaders do greatest even if they have a balanced amount of influence and prominence.

The contingency leadership idea is beneficial to businesses because it allows them to learn from every circumstance. This allows them to gain valuable experience. However, there is debate regarding this theory, and one of the most important flaws is a significant weakness in the contingency leadership theory, which states that changing the leader is the most effective approach to handle problems because our natural leadership style is rigid. Because there is no one-size-fits-all strategy to directing organizations, Fiedler would not allow for leadership flexibility, preferring to focus on the process. Instead, situational leadership theory necessitates that companies examine their surroundings, which can be internal or external to the business.

### **2.1.9. Behavioral Leadership Theory**

P. G. Northouse (2019). Behavioral leadership theory mainly focuses as much on the behaviors of leaders, as stated by trait theory, which evolves on the qualities of leaders' personalities and what his actions have become with his employees in any circumstance. According to the previous studies, this theory established is formed of two primary sorts of behaviors, which are task behavior, which is about facilitating to support goal completion, and relationship behavior, which is also about supporting the subordinate sense possession from the inside to obtain themselves. The basic goals of behavioral leadership theory are stated in terms of how leaders use both behaviors to influence subordinates to enhance their productivity in order to attain their objectives.

Behavioral leadership theories are not a sophisticated theory that gives a perfectly structured set of recommendations for good leadership action. The behavioral approach, on the other hand, provides a framework for analyzing leadership in a wide sense, as conducted with a mission and interpersonal component. The behavioral method performs by defining the fundamental elements of leaders' conduct rather than teaching them how to conduct. Inclusive, the behavioral approach provides a method for measuring leaders' behaviors in a broad sense. It reminds leaders that their impact on others occurs both across the jobs they execute and into the connections they build.

Northouse, P. G. (2019). Behavioral leadership theory has its own limitations or gaps as a framework, the first of which is that the way leaders' behavior is connected with the achievement of results is not straightforward, and the second is that it has unsuccessful to establish a widespread situational leadership that will be successful covering nearly any circumstance, "high - high style and finally, come from a U.S.-centric perspective, reflecting the norms and values of U.S. culture".The consequences of environmental elements could explain the difficulties in finding plans are designed.

### **2.1.10. Path Goal Leadership Theory**

P. G. Northouse claims that (2019). Path-Goal Leadership theories mostly focused on how leaders influence their people to attain their goals. The goal of this idea is to motivate people to enhance their productivity depending on their corporate objectives. It all comes down to the relationship between the leadership style and the members' commitment to the organizational objectives.

House, R. J., and T. R. Mitchell claims that (1975). According to Path-Goal Leadership theory, a leader's behaviors are morally correct and pleasurable to followers to the extent that employees perceive such activity as either an instantaneous predictor of job happiness or a tool to fair return, and that the leader's behavior will be inspiring. According to these two models, the leader's strategic responsibilities include increasing subordinates' motivation to succeed, job satisfaction, and leadership acceptability. To briefly summarize according to P. G. Northouse claims that (2019). Path-goal theory is intended to describe how leaders can assist followers in reaching their objectives by choosing certain behavioral patterns that seem to be particularly appropriate to the demands of the subordinates and the context whereby the subordinates are functioning. Leaders raise the anticipations of their followers for accomplishment and contentment by selecting acceptable behaviors.

P. G. Northouse believes (2019). There are several critiques of Path-goal theory, including the following first, it is sophisticated and encompasses several various dimensions of leadership and relevant emergency situations that translating the school of thought can be perplexing; second, it has obtained only limited guidance from several empirical evidences studies done to verify its authenticity; and ultimately, the most latest controversy would be that the concept somehow doesn't responsible for sexual differences as far as how leadership is enforced or considered, and it fails to understand a number of phenomena. It implies that subordinates should be given

counseling, advice, and orientation in order to help them overcome hurdles as they strive to accomplish their objectives. In essence, this theory views leadership as an individual street.

### **2.1.11. Transformational Leadership Theory**

Transformational leaders are those who enable their employees to achieve exceptional results while also developing their own leadership abilities. Transformational leaders help subordinates grow and develop into leaders by meeting the needs of team members, empowering individuals, and connecting the purposes and goals of individual followers, the leader, the collective, and the entire organization. Further research has revealed that transformational leadership can motivate subordinates to exceed desired outcomes while also encouraging individuals and attachment to the team and institution (Bass, 1985).

R. E. Riggio and B. M. Bass (2006) Transformational leadership inspires team members to do anything more than they primarily designed, and often more than they probably think, in order to achieve greater achievement. This leadership is far more passionate about developing their subordinates while also focusing on the teammates' knowledge and individual advancement. Under certain contexts, it really is an extension of transactional leadership, which stresses the “transaction or exchange” that occurs between many leading figures, workmates, and subordinates as a result of the leader describing with others the necessary requirements and prizes that these others would obtain if those who accomplish them. Transformational leadership, on the other hand, takes leadership to an advanced rank by empowering subordinates to work together for a common vision and objectives for an institution or department, difficult the others to be revolutionary critical thinkers, and improving subordinates' leadership capabilities through counseling, tutoring, and the requirement including both difficulties and assistance.

### **2.1.12. Transactional Leadership Theory**

Odumeru, J. A., and I. G. Ogbonna argues (2013). Transactional Leadership Theory is also recognized as leadership behavior because it concentrates on the responsibility of oversight, institution, and team effectiveness; leadership is a form of process in which the leader improvement of environmental of his providing rewards and punishment system. Leaders who use the transactional approach, as opposed to transformational leadership, do not seek to change the future; rather, they seek to maintain the status quo. These leaders pay special attention to their

followers' work in order to identify flaws and variations. This approach is especially useful in times of difficulty and case of emergencies, rather than when tasks must be completed in a particular manner.

Transactional leaders, according to Odumeru, J. A., and Ogbonna, I. G. (2013), use an exchange model, with incentives offered for excellent performance or positive outcomes. Folks with all of this style of leadership, on the other hand, can penalize poor performance or negative outcomes until the problem is resolved. Transactional leadership focuses on lower level needs by emphasizing specific project efficiencies (Hargis et al, 2001). Transactional leaders play a critical role at completing specific tasks by handling each fraction separately.

J. A. Odumeru and I. G. Ogbonna (2013), Transactional leadership theory is more concerned with procedures than it was with new innovations. These leaders are concerned with contingent reward (also recognized as contingent positive encouragement) or contingent punishment (also known as contingent negative reinforcement). Contingent rewards (like admiration) are awarded when the set objectives are reached on time, onward of schedule, or to keep supervisor operating at a nice speed at various stages of implementation. When achievement quantity and quality drops below standard specifications or objectives, and tasks are not completed at all, contingent punishments (like dispersion) are imposed. Contingent punishments are frequently delivered on a management-by-exception ground, excepting somewhat causing the problem. There are active and passive management-by-exception pathways. Active management-by-exception entails the leader constantly reviewing each staffer's progress and making improvements to the subordinate's work to detect faults as they occur. Passive management-by-exception leaders pause for things to go wrong before addressing them. Transactional leadership, which would be more supervisory in style and is implemented to lower-level needs, serves as a basis for transformational leadership, which is implemented to higher-level needs.

### **2.1.13. Leadership Styles**

A leadership's style of offering vision for the future to his or her organization, incorporating desired plans to achieve organizational goals, and inspiring others who are involved in the plan are all influenced by the leadership style. Recently, there have been many distinct leadership styles

that leaders in the ideological, commercial, and perhaps other spheres have used to attain organizational goals.

Recently, good leadership is required in any company. Today's leadership requires a multi-dimensional view to comprehend the challenges of global events, necessitating the provision of the finest leadership alternatives concerning organizational and situational phenomena. Leadership styles according to the characteristics of the leadership have various ways of motivating and influencing employees to reach a goal.

There are different leadership styles in the leadership phenomena, but the researcher tries to see the effects of two new leadership styles found by their factors analysis of behavioral descriptions questionnaire called Multifactor Leadership Questionnaire (MLQ). In this research topic The Multifactor Leadership Questionnaire (MLQ) has already been widely utilized in analytical and experimental study is to investigate transformational and transactional leadership styles, according to Bass, B. M., and Avolio, B. J. (1995). The tool could be utilized for single, team, or organizational design and mentoring, including for selecting, transferring, and promotional strategies. The MLQ assesses eight different aspects of leadership. Transformational leadership is measured by the first five attributes (idealized influence attribute, idealized influence behaviors, inspirational motivation, intellectual stimulation, and individualized consideration); transactional leadership is measured by the remaining three attributes: Contingent rewards, leadership by exception.

#### **2.1.14. Transformational Leadership Styles**

Transformational leadership (TL) is primarily concerned with the growth of employees and their behavioral norms in relation to collective goals, depending on their needs and morals arrangements. These are the fundamental features of idealized influence that drive personnel to improve organizational performance and attain the required specified objectives. These help to build a shared knowledge of the company. The transformational leadership style is one of the most important leadership styles for achieving organizational visions through the efforts of the entire human resources. Since the features of this specific style are focused on transforming employees by examining the outcomes of visions' destinations and prioritizing the shared aim, they can be satisfied with their interactions while also having values.



By improving their level of understanding, encouraging people to increase the self, or changing their requirement degrees, transformational leadership pushes employees to accomplish further than they initially planned to achieve (Bass, 1985).

Transformational leaders arouse subordinates' aspirations for success and self-improvement whilst still fostering group and organizational growth. Rather than just replying to subordinates' immediate self-interest with something like "a carrot or a stick", transformational leaders increase subordinates' self-belief and work their way from considerations about survival to regards about accomplishment, progress, and growth.

Bass, B.M. and Avolio, B.J. (1990), the features of transformational leadership are built on the leaders' principles, ambition, attitude, and trusting in their people. By emphasizing such concerns, this method encourages the follower to accomplish more to achieve their goal. Transformational leaders influence how their staff are encouraged and supported, as well as how they communicate about their goal. These individuals are capable of articulating a vision for how to incorporate from a personal level in order to improve motivation of employees.

According to Bass, B. M., and Avolio, B. J. (1994), transformational leaders are defined as being capable of inspiring employees to think about challenges in inventive directions, allowing them to reach their highest performance and increasing the company's efficiency by four key dimensions or qualities known as the 4 I's of transformational leadership. Idealized influence, inspiring drive, intellectual stimulation, and individualized consideration are the four factors.

#### **2.1.14.1. Idealized Influence**

The leaders are attempting to modify the aims of followers for mutual benefit; they have obtained perceptions from followers and witnessed specific conduct of the leaders; they share risk with followers; and they have made inferences to the leaders as a result of how they view the leaders. According to B.M. Bass and B.J. Avolio (1990), is significant amongst leaders who already have a "vision and sense of mission", who obtain esteem, faith, and self-belief from subordinates, and who obtain the necessary desirable personal verification. Leaders with idealized influence can elicit the additional work necessary from members in order to attain maximum stage of growth and productivity.

One of the components of transformational leadership style is idealized inference, which is broken down into two significant dimensions at the same time. Since two perspectives have been realized in separate investigations the researcher attempted to consider both sides in this study. The first is idealized attributes, which are characteristics of something like a leadership who exudes confidence and strives much further than personality for such a team's advantage. The second category is idealized behaviors, which comprises the leadership's actions, such as adhering to the highest and discussing their greatest significant thoughts and principles in order to construct tight meaningful relationships with all the other coworkers and dramatically improve members (Tafvelin, S. 2013).

#### **2.1.14.2. Inspirational Motivation**

B.M. Bass and B.J. Avolio, respectively, claims that (1990). Leaders provide motivational speeches, instill hope and excitement, and confidently explain their views of achievable prospects. They give you a good perspective that gives you the motivation to achieve a better standard of achievement and growth. To cope with the demands of 1992 and elsewhere, companies will need transformational leadership. Such leadership will be required due to the environment in which European businesses will function and the kind of employees that will be joining those businesses in the coming.

#### **2.1.14.3. Intellectual Stimulation**

Leaders aggressively foster a different appearance at existing ways or issues, according to B.M. Bass and B.J. Avolio (1990). They inspire innovation and emphasize reconsideration and re-examination of underlying principles. To answer challenges, they employ both perception and much more rigorous arguments. Leaders that are cognitively fascinating inspire their employees to approach the issue from their own distinctive and creative viewpoints. With or without a leader's assistance, subordinates are becoming better problem solvers. They develop more innovative solution methods and approaches.

#### **2.1.14.4. Individualized Consideration**

It is especially true of leaders who appear to have a strong sense of purpose, as well as those who gain followers' admiration, faith, and self-belief, as B.M. Bass and B.J. Avolio (1990) mentioned in their articles. Leaders with idealized influence can elicit the extra labor that is required from subordinates in order to achieve the highest level of growth and production. Followers, on the other hand, are assuming more ownership for their individual improvement, which involves activities such as employment difficulties.

#### **2.1.15. Transactional Leadership Styles**

Transactional leadership identifies the demands of the subordinates and explains how well these requirements will be met in compensation for an acceptable organizational commitment (Bass, 1985).

According to B.M. Bass and B.J. Avolio (1990), transactional leadership is merely the foundation of effective leadership. Many aspects of what it takes to be a good leader are not included in similar programs. Transactional leadership, for instance, is unconcerned about developing subordinates to their maximum capabilities. In reality, "pure" transactional leaders are more concerned with achieving the standards of interpersonal interaction between themselves and their subordinates than with development.

Because each stakeholder in the organization has a specific duty to contribute to the attainment of the overall organizational objectives, Transactional Leadership has become one of the greatest styles for leading a firm. Employees play the most important role in achieving business objectives as long as they are working toward the same common aims. The leaders of transactional leadership styles try to lead their followers by rewarding them when they succeed and punishing them when they fail. This leads the followers to common and specific goals. Transactional leadership style can be described as give-and-take between leaders and followers to achieve their common goals. B. M. Bass and B. J. Avolio (1994) Transactional leaders are known for their situational compensation and management-by-exception leadership approaches. Basically, transactional leaders create trades or deals with their subordinates, highlighting whether they will acquire when they're doing something properly as well as undervalued.

According to Rowold, J., and Schlotz, W. (2009), contingent reward is a mission leadership style in which subordinates are offered prizes (materialistic or psychological) for completing certain tasks. To discourage erratic behavior, active management-by-exception demands the leader to constantly monitor and seek for violations of regulations and principles. If applicable, appropriate acts are taken into account. Management-by-exception passive, in contrast to aggressive supervisory style, defines a leadership that becomes engaged only when flaws are discovered or requirements are violated. Laissez-faire is a wholly passive leadership style defined by a lack of leadership. As a consequence, laissez-faire leadership varies from transformational and transactional leadership styles, both of which are active leadership types.

#### **2.1.15.1. Contingent Reward (CR)**

According to R. E. Riggio and B. M. Bass (2006), who define and refute constructive transactions in their book, has been demonstrated to be rationally important in encouraging everybody to accomplish faster growth and achievement, though not all of it as any of the transformation leadership elements. Contingent reward leadership entails the leader going to assign or acquire subordinate alliance around what needs to happen in transactions for promises made or real prizes in return for successfully completing this task. The leader explicitly states what someone can hope to collect when achievement objectives are reached, as an example of a contingent reward element. Whenever the reward is material, such as a prize, contingent reward is transactional. When the reward is psychological, such as admiration, contingent reward can be transformational (Antonakis, J., Avolio, B. J., & Sivasubramaniam, N. 2003).

#### **2.1.15.2. Management-By-Exception (MBE)**

Corrective transaction, as defined by R. E. Riggio and B. M. Bass (2006) in their book, is much more unproductive than contingent reward or the elements of the system of transformational leadership. The corrective transaction can be either active (MBE-A) or passive (MBE-P) (MBE-P). In active MBE, the leaders organize for the follower's appointments to be strictly monitored for deviations from requirements, misjudgments, and errors, and to take the appropriate action as needed. MBE-P suggests passively waiting for deviations, mistakes, and errors to occur before taking corrective action. In some cases, such as when prevention is critical, active MBE may be

necessary and productive. Leaders should use such passive MBE when they should be considered necessary to oversee a huge amount of employees who feed information to them.

The supervisor instructs consideration against breakdowns to meet requirements (active) and the supervisor refuses to act until concerns are obtained are two examples of MLQ components for management-by-exception (passive).

## **2.2. Empirical (previous) Study**

A. Mehrad, J. Fernández-Castro, and M. P. G. G. de Olmedo (2020) Predicated on these variables, the investigation will conduct a systematic review. Samples for this research were consolidated from Web of Knowledge, PsycARTICLES, Scopus, PsycINFO, Web of Science, and Google Scholar data warehouses. In data sources, a total of 165 records were found. Other references yielded 15 additional archives. Upon filtering the data, 149 data continues to remain. A total of 117 of this documentation were investigated, with 52 records being ignored. 65 comprehensive articles were selected to be analyzed, and then after the exclusion of 10 concluded publications, 55 literatures stayed for incorporation in the synthesizing. Ultimately, transformational leadership and transactional leadership were identified as two critical organizational components in achieving supportive structural results.

A. M. Amor, J. P. A. Vázquez, and J. A. Faa (2020) The goal of this study is to look into the contribution of organizational commitment in mitigating the positive relationship between transformational leadership and work engagement. The findings, based on self-reported questionnaires from 240 tourism workers in Galicia (northwest Spain), show that the correlation between transformational leadership and work engagement is partially mediated by structural empowerment.

According to Alem (2020), the study's goal is to assess the Effect of Leadership Styles on Employee Engagement in Ethiopia's private banking sector. A Correlational research design and a qualitative research approach were used in the survey's approaches. The proportional stratified sampling method was used. There were 343 questionnaires distributed, and 318 were collected and analyzed. The sample size was determined using SPSS version 25 analysis. A standardized questionnaire on leadership behavior is the Multifactor Leadership Questionnaire (MLQ) and the Utrecht Work Employees Engagement Rating Scale was used to assess employee engagement. The impact of transformational and transactional leadership styles on employee engagement was

investigated using correlation and linear multiple regression. According to the results of the regression analysis, transformational leadership styles have a significant positive impact on employee engagement. Transactional leadership styles, on the other hand, have had no effect on employee engagement.

Y. Li, G. Castao, and Y. Li (2018) the goal of this research is to look into the connection among leadership styles, psychological capital, and job engagement. The article's methodology is Responses were extracted from highly skilled people who had worked for at least one year in three high-tech enterprises in Henan Province, China. From August to October 2014, the research was carried out with the assistance of the human resource departments of the chosen businesses. Descriptive statistics, structural equation modeling (SEM), and bootstrap analysis were among the statistical techniques used. The findings revealed that leadership styles used to have a substantial effect on employees' psychological capital and work engagement; particularly, transformational and transactional leadership positively influenced employees' psychological capital and work engagement; transformational leadership had a greater predictive ability to employees' psychological empowerment and work engagement than transactional leadership; employees' psychological capital correlated positively their work engagement.

A. K. Othman, M. I. Hamzah, M. K. Abas, and N. M. Zakuan (2017) The goal of this study is to understand the effects of leadership style on employee engagement in Malaysia by taking into account the moderating effect of leadership communication patterns. Employees' email addresses were used to gather a total of 112 data points. According to the findings of a multiple regression analysis, employee orientation leadership style is a significant predictor of employee engagement. The relationship among production orientation and employee engagement is significantly moderated by joining style of communication.

K. N. Gangai and S. Agrawal (2017) the current study's goal is to investigate the association between perceived leadership styles and employee engagement in the hospitality industry. The study employed a descriptive survey method with cross-sectional information. A total of 450 credible questionnaires were obtained at random from respondents in India's private hospitality industry. Employee engagement has a substantial and favorable relationship with perceived leadership style, according to the research. Furthermore, the perceived leadership style has a large effect on employee engagement. For greater employee engagement, transformational leadership is much more important than transactional leadership. The findings have implications for

organizations to focus leaders with transformational leadership styles in work assignments and judgment in order to facilitate organizational change. One essential contribution of the findings is that a leader must be able to describe his or her own method that works best in a specific circumstance, as well as the needs of the workforce, in order to simply participant them and force them to exceed expectations.

G. Caesens and F. Stinglhamber (2014) The goal of the research was to look into the association between perceived organizational support and work engagement, as well as the consequences of this correlation. The techniques used were a survey website distributed to the workforce of two private sector companies. The employee commitment was then assessed by their immediate manager. The survey included 265 subordinates and 112 leaders in a combined amount. According to the report's findings, self-efficacy moderates the effect on the relationship among perception of organizational support and job engagement. Subsequently, this research contributes to a better understanding of employee engagement publications as well as organizational support theory.

E. Ndethiu (2014). The goal of this study was to see how types of leadership affected employee engagement at an international bank with a significant presence in Kenya. A descriptive survey design was used. The author used a stratified random sampling design and handpicked 205 participants. To collect the required information, a survey has been used as the exclusive survey instrument. Correlation has been used as an inferential statistical method, and measures were used as descriptive statistical methods. Data analysis was aided by the Statistical Package for the Social Sciences (SPSS) operating system. A multivariate regression technique is used to determine the relative importance of each variable in employee engagement. Eventually, the findings revealed that leadership styles influence employees' organization commitment.

The main objective of this study, according to Oliver (2012), was to examine the effect of leadership style, especially transformational and transactional leadership, on employee engagement. A quantitative approach was used on a survey of 104 workforces in a retail business, all of whom mentioned to someone. Participants were asked to complete the Multifactor Leadership Questionnaire, the Utrecht Work Engagement Scale, and a biographical questionnaire. Pearson correlations were calculated to probe the correlation between different variables. The findings show that there is a statistically significant correlation between both leadership styles and the as a whole aspects of employee engagement (namely, vigor, dedication and absorption).

Transactional leadership, on the other hand, had no effect on vigor. When comparing the two leadership styles, transformational leadership contributed a large responsibility.

M. Tims, A. B. Bakker, and D. Xanthopoulou (2011) the research is being carried out to determine how transformational leaders enhance their subordinates' everyday work engagement. Based on leadership theories and the job demand-resources prototype over the course of five successive weekend days, 42 subordinates completed an overall survey question and then a diary survey. The findings of solutions of various provided empirical evidence for their hypothesized relationships. Employees' daily engagement was highly correlated to daily transformational leadership, and day-levels of enthusiasm significantly moderated this correlation. Daily self-efficacy, on the other hand, did not yet act as a mediator. These findings add to prior empirical studies by shedding insights into the role of transformational leaders in encouraging employee work engagement.

S. R. Padmanathan (2010) the study was carried out to investigate the impact of transformational and transactional leadership styles on employee engagement at intel Malaysia. This study investigates the diagnostic accuracy of leadership styles to significantly predicted dimensions of employee engagement. Nevertheless, it does want to anticipate whether the quite effective style is transformational or transactional leadership because it will have more predictive power. This study is very important for intel Malaysia because we want to make sure the right prospective decisions are made to ensure that individuals are decided to keep involved at a greater extent. As a result, two research questions have been formulated to accomplish the original study goal. A structured questionnaire has been used in a quantitative approach. The target population of this study was the FES Organization's explicitly excluded tier at intel Penang. Following the facial expression reliability analysis, a printed copy survey was carried out on a sample of employees from diverse FES Institutions. According to the facts of the case, both transformational and transactional leadership have a good impact on employee engagement, with transactional leadership having a stronger impact than transformational leadership. Leadership literature consequences, constraints, and research perspectives were mentioned.

To summarize empirical studies on the subject, the findings demonstrate that leadership and employee engagement are the most important variables to organizational performance enhancement. As different studies have shown specifically as Valldeneu, M., Ferràs, X., &Tarrats-Pons, E. (2021)Cited that leadership especially in most case concerned with transformational



leadership than transactional leadership and only a few of studies have compared the effects of transformational leadership and transactional leadership on employees' work outcomes. Regarding the effects of leadership styles on employees' work engagement, in spite of more and more supportive evidence of the link between transformational leadership and work engagement (Breevaart et al., 2014; Ghadret al., 2013; Kovjanic et al., 2013; Raja, 2012; Song et al., 2012; Vincent-Höper et al., 2012), few studies have examined the relationship between transactional leadership and work engagement (Padmanathan, 2010). In addition, to our knowledge, no empirical research has explored the mechanism of these effects from the perspective of psychological capital. Therefore, theoretically, the present study bridges the research gap, contributing to the existing literature on leadership effectiveness, allowing a deeper understanding of how leaders can help followers improve psychological capital and maintain work engagement.

### 2.3. Conceptual Framework

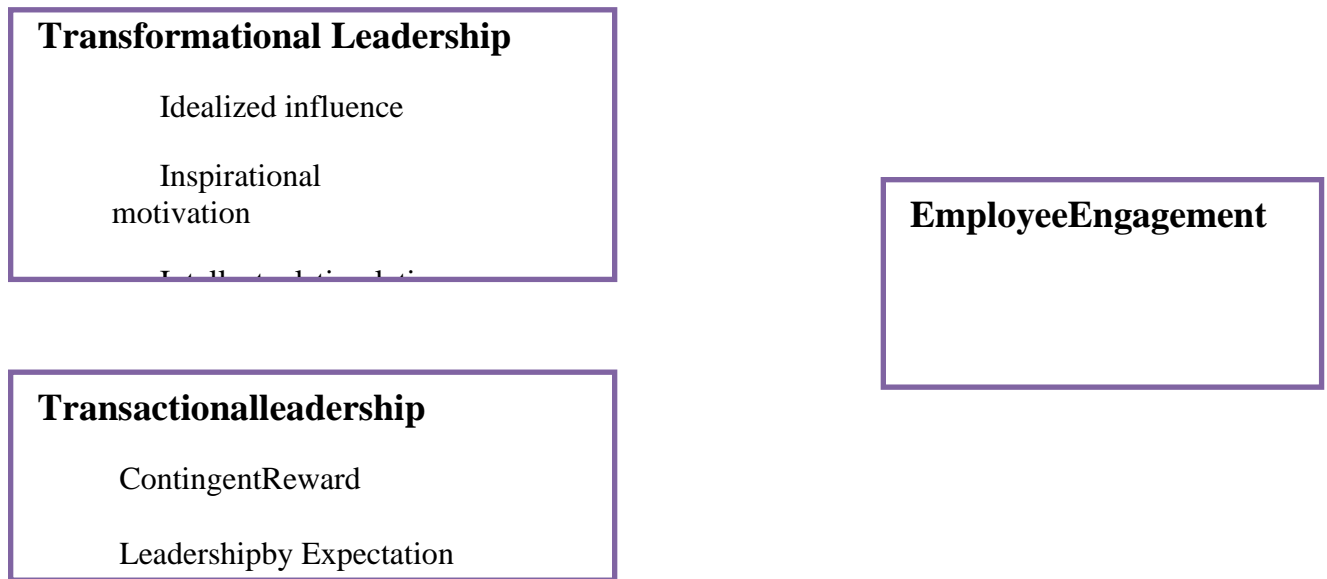
According to Rowley, J., and Slack, F. (2004) A Conceptual framework may aid in the creation of a full understanding of the research issue and can be used as tools to properly explain the study's emphasis and factors.

*Figure 2.1. Conceptual Framework*

**Independent Variable**

**Dependent Variable**

**Figure 2.1. Conceptual Framework**



*Source: (INTERDISCIPLINARY JOURNAL OF CONTEMPORARY RESEARCH IN BUSINESS, 2014)*

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

This chapter covers the research strategy, research design, sample design, data source, research procedures, data collection techniques and processes, data analysis methods, reliability, and validity, as well as ethical considerations.

#### **3.1. Research Approach**

There are three main categories of research methodologies: mixed, qualitative, and quantitative. This study employed quantitative research methods, which look at the relationships between different factors. To carry out this investigation, the researcher employed a quantitative approach. According to Kothari, C. R. (2004), research may be divided into inference, experimental, and simulation processes; the researcher in this study used a deductive approach. Because it involves building a database from which to infer characteristics or associations in a population, it typically refers to survey research, in which a sample of the population is studied and interviewed to explore its characteristics, under the assumption that the entire population shares these qualities. Finally, the association between independent leadership style and dependent employee participation as a variable was investigated using a quantitative technique in this study.

#### **3.2. Research Design**

Explanatory, descriptive, exploratory, and correlative study designs the four main categories of research are the key goals of research design, according to Ranjit Kumar (2018). The specifics of your inquiry are laid forth in the study design. As a consequence, a research design provides answers to questions that will aid in choosing the course of your research. A research design enables a researcher to choose the study design they want to use and to justify their choice to others. A descriptive research design was used for this investigation as systematic measurement of variables is at the heart of descriptive design.

### 3.3. Target Population of the study

The population of this study comprised Ethiopian Army Foundation Headquarter employees, including the three deputy CEOs who are based in Addis Ababa and are in charge of Housing, Financing, and Military Supply Chain, The Headquarter employs a total of 162 people. The researcher will select employees from these various organizational positions, including the organization's middle level executives and their staffs, as well as its staff department, to assess whether the Ethiopian Army Foundation's Headquarter leadership style has an effect on employee engagement in the organization.

*Table 1 Target Population*

No	Area of respondents	Location	Target Population	Proportion of population
1	Army Foundation HQ	A.A	49	30
2	Housing	A.A	66	41
3	Supply chain	A.A	16	10
4	Financing	A.A	31	19
Total			162	100

Source *EAF 2021-2022 9<sup>th</sup> Month or 3<sup>rd</sup> Quarter Reports*

### 3.4. Sampling Techniques

According to CR Kothari in 2004, there are two types of sample designs probability sampling Simple Random Sampling and non-probability sampling which are purposive sampling selection techniques. The researcher employs both techniques based on the limitations of the business, and all executives from CEO to Manager (grades 20 - 16) are censused to see the entire collection of observations taken at random because the number of leaders is so small, and the researchers of the investigation purposefully select the leaders of the Ethiopian Army Foundation Headquarter. The remainder of the population is made up of a diverse range of employees. To eliminate bias, participants from grades 15 to 01 are drawn at non-random from the EAF demographic. To ensure that every item in the population is represented in the sample, two sampling designs are used.

The data for this study will come from Ethiopian Army Foundation Headquarter leaders and employees. Respondents from CEO, Corporate level leaders and staff members such as Human Resource, Finance, Leadership and different departments, Ethiopian Army Foundation middle-level, will be included in the study sample. It's a mash-up of many socioeconomic categories; the researcher will use both random sampling and non-random techniques. According to Ranjit Kumar (2018). Let the population size be  $N$ , and if a component of size  $n$  (which is  $N$ ) of this population is picked according to some method for investigating some characteristic of the population, the group consisting of these  $n$  units is known as a sample' and the method of selection is known as a "sampling technique."

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

$N$  = required sample size = 162

$n$  = Population size = 115

$e$  = tolerable error (0.05 %)

$$n = \frac{162}{1+162(0.05)^2}$$

$$n = 115$$

$$e = 5\%$$

### 3.4.1. Sampling Frame and Sampling Unit

Table 2 Sample Frame

No	Sample Unit	Population	Sample Size	Data Gathering Tools	Sampling Technique
1	CEO	01	01	Survey	Randomly
2	DCEO	03	03	Survey	Randomly
3	Directorate Directors (DD)	07	07	Survey	Randomly
4	Managers(MGR)	05	05	Survey	Randomly
5	Group leaders (GL)	24	12	Survey	Randomly
6	Desk Leader (DL)	33	16	Survey	Randomly
7	Employee from level 1-13	155	71	Survey	Non-Randomly
Total		162	115	Survey	Both

*Source: EAF 2021-2022 9<sup>th</sup> Month or 3<sup>rd</sup> Quarter Reports*

### 3.5. Sampling procedure

The Ethiopian Army Foundation is a unique viable institution in Ethiopian corporate enterprise, consisting of a mix of military and civilians with a total headcount of 162. Military leaders have occupied the majority of the structure's positions. The researcher based on the formula decided 115% of the population would participate in the survey and used the census to determine who the leaders are because they are few in number. The estimated number of leaders is 44, and the rest of the population is made up of 71 nonrandom employees, totaling 115 of respondents.

### 3.6. Data Sources

This study's data will be gathered through a survey of Ethiopian Army foundation Headquarter leaders and employees. Data will be gathered from both primary and secondary sources. The core data is acquired through firsthand knowledge provided by Ethiopian Army Foundation Headquarter personnel who were chosen as responders since the instrument is a questionnaire survey. The Ethiopian Army Foundation Human Resource documents Information has been obtained secondhand.

### **3.7. Data Gathering Instruments and Methods**

Methods of data collection in this research will be on person questions distributed by researchers. The focus of the survey will be on the impact of leadership style on employee engagement in the context of an Ethiopian Army Foundation Headquarter, with each element and dimension associated with leadership style employee engagement described. Despite the fact that the Ethiopian Army Foundation Headquarter operates on the same principles and methods as the Army, the Ethiopia Army Foundation's many documents demonstrate that contact varies on a different level. To achieve a trustworthy representation of the target population, the survey will use a systematic random sampling approach.

In this study, the researchers used both the Multifactor Leadership Questionnaire (MLQ) established by (Bass and Avolio 1997) to assess the leadership style factors and the Gallup 12 Item developed by (Gallup organization, 2006) to determine the level of employee engagement. This survey is divided into three sections: demographic (6 questions), leadership style (18 questions), and employee engagement (12 questions). The rates of the variables are as follows (1) Strongly disagree (2) Disagree (3) Neutral (4) Agree and (5) Strongly Agree.

The data collection procedures will be started by taking official letters from the University to the Army foundation and based on the organization willingness will proceed to giving the questioner to the responders and after filling will be collected by the researcher.

### **3.8. Data Analysis and Data Presentation**

The survey findings will be compiled and entered into SPSS version 25, where they will be analyzed. Descriptive and inferential statistics will be extracted as needed. Thematic and coding will be used to evaluate the quantitative data acquired from the survey. According to Ranjit Kumar (2018), the main focus of data analysis in quantitative research is to identify how you will analyze information acquired in response to each question you asked your respondents.

To examine quantitative data, statistical approaches are applied. In this study, the researcher will use descriptive and inferential statistics. Both descriptive and inferential statistics are used in statistical analysis. Inferential analysis should include variables and methodologies. The

researcher will employ statistical techniques such as correlation analysis and regression analysis to calculate inferential statistics.

### 3.9. Validity and Reliability of Instruments

Cronbach's alpha is a measure of how reliable something is. It usually runs from 0 to 1. The following are George and Mallery's (2003) thumb rules " >.9 – Excellent, >.8 – Good, >.7 – Acceptable, >.6 – Doubtful, >.5 – Poor, and >.5 – Inacceptable" (p. 231). So, the Cronbach's alpha reliability for this study is 0.947, indicating that the data received from EAF interviewees was accurate and stable with the scale.

The Cronbach's alpha testing technique will be capable of delivering consistent and accurate findings and this research will use quantitative ways to assess the reliability. Because there are multiple-question Likert scale surveys in the research, they are dependable. To ensure that this study is genuine, the researcher will gather data on the same issue utilizing triangulation. This procedure makes use of a variety of samples. This helps to capture numerous facets of the topic's phenomenon as well as its validity. Table 3 shows an overview of the reliability statistics for the data from SPSS version 25.

*Table 3 Reliability statistics*

Reliability statistics		
	Cronbach's Alpha	Numbers of items
Contingent Reward	.932	3
Leadership By Exception	.919	3
Idealized Influence	.908	3
Inspirational Motivation	.907	3
Intellectual Simulation	.911	3
Individual Consideration	.907	3
<b>Leadership style</b>	<b>.947</b>	<b>18</b>

*Source: Own survey, 2022*



### **3.10. Ethical Considerations**

Due to the perceived abuse of people participating in the study in scientific investigations since the 1940s, the ethical behavior of scholars has attracted much interest (Bums & Grove, 1987). The data obtained from various persons from the Ethiopian Army Foundation Headquarter has its own function as a research project. For the protection of their privacy, the responder employee's response is kept highly private. Because respondents have a right to safety, the researcher must respect their privacy. Because participants have a right to know what the research is about, the researcher will explain the goal of the study. To avoid the usage of names on the questionnaire survey, the study will solely utilize a unique identifier.

## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS, AND DISCUSSIONS

In this chapter, descriptive statistics, such as frequencies, percentages, and means, as well as inferential statistics, such as correlation and regression analyses, are used to present, analyze, and interpret the data. The findings, which have been shown, have also been presented.

#### 4.1. Response rate of respondents

*Table 4.1. Respondents' response rate*

<i>Questionnaires Distributed</i>	<i>Questionnaires Returned</i>	<i>Percentage</i>
115	114	99.1%

*Source: Own survey, 2022*

As shown in table 4.1 above, about response rate, 115 questionnaires were distributed to respondents and 114 were appropriately filled and returned with the rate of 99.1%. According to Ruta, (2017), response rate of 50% is satisfactory, 60% is good and 70% and above is excellent for a study. Hence, based on this sample size, i.e., 114 (99.1%) the next analysis was carried out.

#### 4.2. Demographic Characteristics of the Respondents

This section of the chapter focuses on describing and describing the present situation. Gender, age, educational level, job position, experience, and marital status are among the demographic characteristics of EAF respondents presented in the tables below using descriptive statistics of frequency and percentile.

**Table 4.2: Respondents profile**

No	Factors (Variables)	Categories/ Characteristics	Frequency	%
1	Sex	Male	67	58.8
		Female	47	41.2
2	Age	18-25	14	12.3
		26-35	41	36.0
		36-45	38	33.3
		46-55	17	14.9
		56 AND ABOVE	4	3.5
3	Educational level	CERTIFICATE	12	10.5
		DIPLOMA	24	21.1
		DEGREE	69	60.5
		MASTERS	9	7.9
4	Position	GROUPLEADER AND UNDER GROUP	105	92.1
		MANAGER	1	.9
		DIRECTOR	5	4.4
		DCEO	2	1.8
		CEO	1	.9
5	Work experience	1-5	25	21.9
		6-10	38	33.3
		11-15	19	16.7
		16 AND ABOVE	32	28.1
6	Marital Status	SINGLE	43	37.7
		MARRIED	71	62.3

*Source Own Survey (2022)*

As shown in table 4.2 above, concerning gender distribution of respondents, 47 (41.2%) were females whereas 67 (58.8%) males. This shows that the majority of the responders are men.

According to the age of respondents, as shown in the table 4.2 above 14 (12.3%) of the respondents are between the ages of 18 and 25, 41 (36%) are between the ages of 26 and 35, 38 (33.3%) are between the ages of 36 and 45, 17 (14.9%) are between the ages of 46 and 55, and the

rest 4 (3.5%) are over the age of 56. This indicates the age range in this study is not proportional among the five categories, with the older and younger groups holding the lowest numbers.

In accordance with table 4.2 above shows the respondents' educational background. The degree of education of the respondents is also taken into account while gathering this information, with 12 (10.5%) in possession of certificates and 24 (21.1%) in possession of diplomas. 69 (60.5%) of those polled had a bachelor's degree, while 9 (7.9%) have an MA/MSc. This demonstrates that all responders have at least one certification and are capable of comprehending the EAF's leadership practices.

The job status of the respondents is also displayed in Table 4.2, with 105 (92.1%) group leaders and group members, 1 (0.9%) manager, 5 (4.4%) directors, 2 (1.8%) deputy CEOs, and 1 (0.8%) CEO. This shows that the bulk of Ethiopian Army Foundation employees have positions ranging from group leaders to level one, indicating that most employees are more concentrated at the lower levels where they may still be productive.

The experience of the respondents is shown in Table 4.2, which reveals that 25 (21.9%) served the EAF for 1–5 years, 38 (33.3%) for 6–10 years, 19 (16.7%) for 11–15 years, and the remaining 32 (28.1%) for the same period. Most respondents had been employed with the EAF for six to 10 years. This suggests that how the Ethiopian Army Foundation treats its employees might influence how content, effective, and driven they are. Their firm might benefit greatly from the improved production. Teams that are committed are prepared to succeed and are capable of providing successful performances.

The respondents' marital status is shown in Table 4.2. This survey also takes into account the participants' marital status, with 43 (37.7%) of the respondents being single and 71 (62.3%) of the respondents being married. The results show that married people outweigh single people. Since most Ethiopian Army foundations are married, people would most likely be given higher performance reviews and be promoted more frequently.

### 4.3. The practice of the existing Leadership Style in the Case of Army Foundation

Indicate the mean and standard deviation of respondent replies to the 18 questions on the MLQ scale about their impressions of the transactional and transformational Leadership styles variables in Tables 4.3 and 4.4 All of the variables have extremely comparable standard deviations. This means there is a congress of responses since the dispersion from the average response in all variables tested is very uniform.

#### 4.3.1. Descriptive Analysis of Transactional Leadership Style

The practice of the current transaction leadership style in the Ethiopian Army Foundation shows in full the findings of descriptive data like the mean and standard deviation for each dimension of transactional leadership styles. The findings of the descriptive statistics for Contingent Reward and Management by Exception were thus reported next.

*Table 4.3 Analysis of Transactional leadership style*

Descriptive Statistics			
Transactional leadership	N	Mean	Std. Deviation
<b>Contingent Reward (CR)</b>	<b>114</b>	<b>2.4883</b>	<b>.97680</b>
My supervisor tells others what to do if they want to be rewarded for their work.	114	2.4737	1.16140
My supervisor provides recognition/rewards when others reach their goals	114	2.5000	1.25684
My supervisor calls attention to what others can get for what they accomplish	114	2.4912	1.09904
<b>LeadershipBy Exception (MBE)</b>	<b>114</b>	<b>3.0409</b>	<b>.96664</b>
My supervisor is always satisfied when others meet agreed- upon standards.	114	3.1053	1.29238
As long as things are working, my supervisor does not try to change anything.	114	2.8509	1.34515
My supervisor tells us the standards we have to know to carry out our work.	114	3.1667	1.30294
<b>Transactional leadership</b>	<b>114</b>	<b>2.7646</b>	<b>.86980</b>

*Source Own Survey (2022)*

Table 4.3 shows the statistical assessment of transactional leadership style at the Ethiopian Army Foundation Head Quarter. It shows that it has six questions in two dimensions, with answers

ranging from  $M=2.4883(S.D = 0.97680)$  to  $M=3.0409(S-D= 0.96664)$ . Respondents are Ethiopian Army Foundation personnel who answered questions on a scale of 1 to 5. All transactional leadership styles have an average mean score of ( $M = 2.7646, S.D = 0.86980$ ). According to Bass and Avolio (1995), transactional leadership requires a mean score of at least 2.5 in order to be effective. This minimum criterion is exceeded by the mean rating of transactional leadership style ( $M = 2.7646$ ). As a result, the report demonstrates that there is enough data to indicate that transactional leadership is beneficial even when contingent reward leadership is the dominating leadership feature. Finally, the results show that in the Ethiopian Army Foundation HeadQuarter leadership style, contingent reward is the dominant incentive depending on the dimensions' limits. It's feasible to argue that transactional leadership is an effective type of leadership. Transactional leadership style, on the other hand, is less effective than transformational leadership style when the two factors are compared.

#### 4.3.2. Descriptive Analysis of Transformational Leadership Style

The Ethiopian Army Foundation's current transformation leadership practice fully displays descriptive statistics like the mean and standard deviation for each dimension of transformational leadership styles. The results of the descriptive statistics for Idealized Influence, Inspirational Motivation, Intellectual Stimulation, and Individual Consideration were thus provided next.

*Table 4.4 Analysis of Transformational leadership style*

<b>Descriptive Statistics</b>			
<b>Transformational leadership</b>	N	Mean	Std. Deviation
<b>Idealized Influence (II)</b>	<b>114</b>	<b>3.3187</b>	<b>1.10722</b>
My supervisor makes others feel good to be around him/her.	114	3.1754	1.24975
I have complete faith in my supervisor.	114	3.3596	1.31113
I am proud to be associated with my supervisor.	114	3.4211	1.21855
<b>Inspirational Motivation (IM)</b>	<b>114</b>	<b>3.0936</b>	<b>1.13971</b>
My supervisor expresses in a few simple words what we could and should do.	114	3.2982	1.34316
My supervisor provides appealing images about what we can do.	114	2.8333	1.21871
My supervisor helps me find meaning in my work.	114	3.1491	1.33193
<b>Intellectual Stimulation (IS)</b>	<b>114</b>	<b>2.8889</b>	<b>1.05658</b>
My supervisor enables others to think about old	114	2.9386	1.22138

problems in new ways			
My supervisor provides others with new ways of looking at puzzling things.	114	2.8070	1.23286
My supervisor gets others to rethink ideas that they had never questioned before.	114	2.9211	1.20577
<b>Individual Consideration (IC)</b>	<b>114</b>	<b>3.1901</b>	<b>1.11128</b>
My supervisor helps others develop themselves.	114	3.1930	1.32956
My supervisor lets others know how he/she thinks we are doing.	114	3.3596	1.22024
My supervisor gives personal attention to others who seem rejected	114	3.0175	1.22642
<b>Transformational leadership style</b>	<b>114</b>	<b>3.1228</b>	<b>1.00565</b>

*Source Own Survey (2022)*

To show the influential leadership styles based on the respondent's answers of the Ethiopian Army Foundation headQuarter leaders are used is calculated through the SPSS version 25. Table 4.4 shows the statistical assessment of transformational leadership style at the Ethiopian Army Foundation Head Quarter. It shows that it has twelve questions in four dimensions, with answers ranging from  $M=2.8889$  ( $S.D = 1.05658$ ) to  $M=3.3187$  ( $S-D= 1.10722$ ). The respondents are Ethiopian army foundation personnel who answered the questions on a scale of 1 to 5. Transformational leadership styles have an average mean score of ( $M = 3.1228$ ,  $S.D = 1.00565$ ). Idealized Influence received the highest mean score ( $M = 3.3187$ ,  $SD = 1.10722$ ), second by Individual Consideration ( $M = 3.1901$ ,  $SD = 1.11128$ ). Inspirational Motivation had the third highest mean score ( $M = 3.0936$ ,  $SD = 1.13971$ ), while intellectual stimulation had the lowest mean score ( $M = 2.8889$ ,  $SD = 1.05658$ ). As a result, Idealized Influence ( $M = 3.3187$ ,  $SD = 1.10722$ ) has the highest mean score in the transformational leadership styles aspects, while Intellectual Simulation ( $M = 2.8889$ ,  $SD = 1.05658$ ) has the lowest. However, based on these mean scores ( $M = 3.1228$ ,  $S.D = 1.00565$ ), the total transformational leadership style Overall mean score necessary for good leadership, according to Bass and Avolio (1999), is greater than 3 for all characteristics of transformational leadership style. Since this mean score including all dimensions of transformational leadership style was over the necessary standard for leadership effectiveness, it is reasonable to state that the administrators of Ethiopia Army Foundation Head Quarter were much more effective transformational leaders.

Obtaining this style of leadership in organizations such as the Ethiopian Army Foundation is critical today in order to transform company communication and work toward a single purpose

or vision. It excels in recognizing the requirements of its employees, allowing it to devise strategies for motivating employees to give their all in pursuit of a common objective. Also, it's an opportunity to foster cooperation among Ethiopian Army Foundations personnel. Finally, it improves organizational productivity, promotes rapid growth, motivates individuals to be involved in their work, and reduces attrition.

#### **4.4. The extent of Employee Engagement the Case of Army Foundation**

Employee engagement is measured using SPSS version 25 and 12 Gallup surveys, according to table 13 The mean and standard deviation of the twelve questions about employee engagement is shown in the table. The researcher utilizes this survey to gauge the involvement of Ethiopian Army Foundation employees in their jobs. The questions are typical Gallup design. From 1 to 5, or strongly disagree to strongly agree, the scale is used.

This poll was completed by 70% of the Ethiopian Army Foundation employees. According to Gallup, employee engagement is moderately influenced by activity, with a mean range of 2.5 to 3.5. As a result,  $M = 3.4247$ ,  $S.D = 0.66185$  is the total average mean of the Ethiopian Army Foundation Head Quarter Employees response. To further explain the scale, eight EAFHQ employees responded with scores ranging from 3.5 to 4.5, suggesting that EAFHQ personnel are very involved. The remaining four indicate employee engagement levels ranging from 2.5 to 3.5, indicating moderate levels of staff engagement.

*Table 4.5 Analysis Employee Engagement*

<b>Descriptive Statistics</b>			
<b>Employee Engagement</b>	N	Mean	Std. Deviation
Know what is expected of me at work.	114	4.3158	.97141
I have the materials and equipment I need to do my work right.	114	3.6140	1.06021
At work, I have the opportunity to do what I do best every day.	114	3.5263	1.21357
In the last seven days, I received recognition or praise for doing good work.	114	2.5000	1.09099
My supervisor, or someone at work, seems to care about me as a person.	114	3.5965	1.02809
There is someone at work who encourages my	114	3.3509	1.25495



development			
At work my opinions seem to count.	114	3.5000	.97989
The mission/purpose of my company makes me feel my job is important.	114	3.5877	1.09554
My associates (fellow employees) committed to doing quality work.	114	3.6316	1.00673
I have a best friend at work.	114	3.8158	.99170
In the last six months, someone at work talked to me about my progress.	114	2.8860	1.13480
In the last year, I had opportunities at work to learn and grow.	114	2.7719	1.32395
<b>Employee Engagement</b>	<b>114</b>	<b>3.4247</b>	<b>.66185</b>

*Source Own Survey (2022)*

#### 4.4.1. Summary of Responses on Independent and Dependent Variables

To explore how the effects of leadership style affect employee engagement in the Ethiopian Army Foundation, the two variables employed their own standard surveys. The mean rating from the five-point Likert scale multifactor leadership assessment, which ranges from 1 to 5, reveals how frequently the Ethiopian Army Foundation's leadership style suits the participant. As a result, a 1-point scale shows that the style strongly disagrees, implying that the response does not suit the style, whereas a 5 point scale indicates that the style firmly agrees, implying that the answer does fit the style. Employee engagement is rated on a 5-point scale, with 1 indicating that the Ethiopian Army Foundation headquarters staff is not involved and 5 indicating that they are very involved in their work.

*Table 4.6 Summary of Responses*

<b>Descriptive Statistics</b>			
<b>Summary of Responses</b>	Mean	Std. Deviation	N
Employee Engagement	3.4247	.66185	114
Transactional leadership style	2.7646	.86980	114
Transformational leadership style	3.1228	1.00565	114

*Source Own Survey (2022)*

Creswell (2012) defines mean value as Key  $\geq 4.5$  = Very High, 3.51–4.51= High, 2.51–3.5= Moderate, 1.51–2.5= Low;  $< 1.5$ = Very Low. In the reply on independent and dependent variables, as shown in table 4.6 , the mean value was 3.4247, indicating that the variable is more than half

of the scale from 1 to 5, indicating moderate employment engagements in the Ethiopian Army Foundation Head Quarter, with a standard deviation of 0.66185. As a result, the majority of Ethiopian Army Foundation Headquarters staff is more involved with their work when compared to other aspects of employee involvement with their employment.

Transactional Leadership Style has a mean value of 2.7646 and a standard deviation of 0.86980. Moderate, according to Creswell's mean score range of 2.51 to 3.5. According to the findings, participants at the Ethiopian Army Foundation Head Quarter observed a moderate Transactional Leadership Style.

The mean for Transformational Leadership Style was 3.1228, with a 1.00565 standard deviation. According to Creswell (2012), the mean score between 2.51 and 3.5 is moderate, indicating that this is the dominant leadership style in the Ethiopian Army Foundation Head Quarter

## **4.5. The relationship between Leadership Style and Employee Engagement the Case of Army Foundation**

### **4.5.1. Analysis of Correlation**

The ultimate result of correlation analysis, according to Gogtay, N. J., and Thatte, U. M. (2017), is a Correlation coefficient with values ranging from -1 to +1. A correlation value of +1 means the two variables are perfectly associated in a positive way, while a correlation coefficient of -1 means they are exactly related in a negative one. A correlation coefficient of zero indicates that the two variables being studied have no linear relationship. The strength and the direction of linear relationships between pairs of continuous data are measured using correlation coefficients. Pearson's correlation coefficient "r" is used when both variables are regularly distributed. Otherwise, we utilize the non-parametric Spearman's correlation coefficient rho ( $\rho$ ), which is more resilient to outliers than Pearson's correlation coefficient "r".

According to Dennis and Duncan (2000), correlation values between 0.10 and 0.30 are considered weak, 0.40 and 0.60 are moderate, and 0.70 and 0.90 are considered.

*Table 4.7 Correlations between leadership style and employee engagement*

Correlations				
		Transactional leadership style	Transformational leadership style	Employee Engagement
Transactional leadership style	Pearson Correlation	1	.757**	.590**
	Sig. (2-tailed)		.000	.000
	N	114	114	114
Transformational leadership style	Pearson Correlation	.757**	1	.653**
	Sig. (2-tailed)	.000		.000
	N	114	114	114
Employee Engagement	Pearson Correlation	.590**	.653**	1
	Sig. (2-tailed)	.000	.000	
	N	114	114	114
**. Correlation is significant at the 0.01 level (2-tailed).				

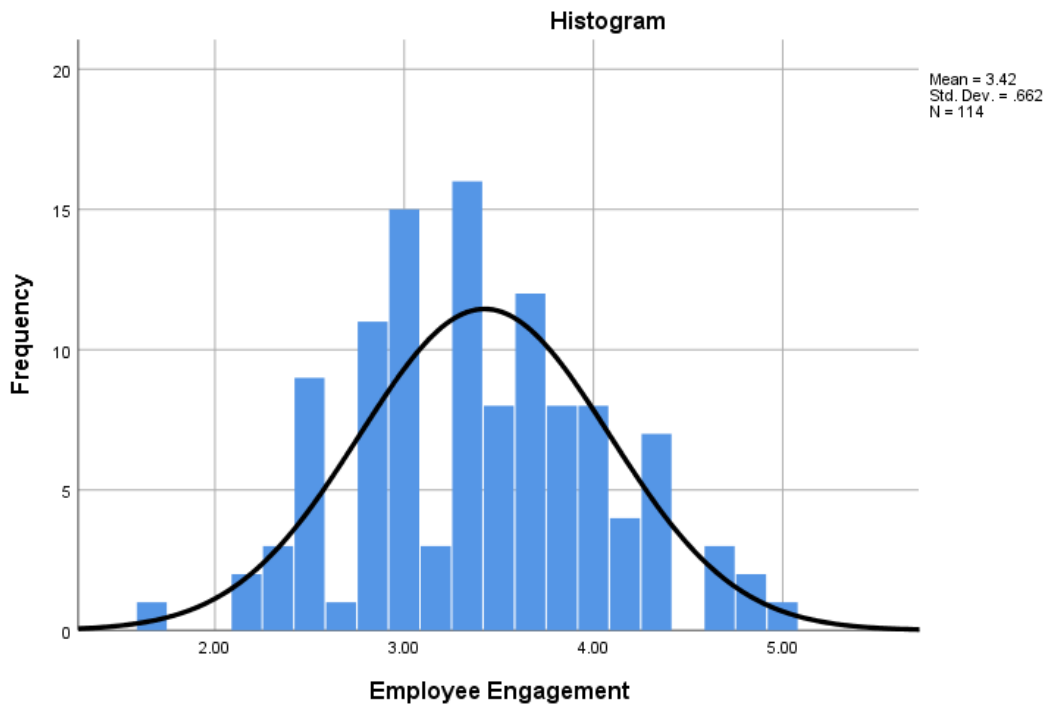
*Source Own Survey (2022)*

A table 4.7 shows that transactional with employee engagement has a Pearson correlation coefficient of 0.590, indicating a positive relationship between the two variables. The correlation coefficient between transformational and employee engagement is 0.653, indicating that the two factors have a favorable association. As a result, the conclusion implies that independent variables and employee engagement have a positive association. The Pearson correlation coefficients,  $r$ , are 0.590 and 0.653, respectively and statistically significant at  $p = 0.000$  in both cases. This suggests that the independent factors and the dependent variable have a positive and significant association, with transformational being slightly stronger.

## 4.6. The effect of Leadership Style on Employee Engagement the Case of Army Foundation

### 4.6.1. Tests of Assumptions for Regression Model

#### 4.6.1.1. Normality Assumptions Test



The histogram should have a bell shape if the residuals are regularly distributed. Bryman,(1988). Since the histogram is bell-shaped in the previous graphic, it follows that the residuals are distributed regularly. As a result, the normalcy assumption is true.

#### 4.6.2. Regression Result

The initial analysis of the data is a table of descriptive statistics for all of the variables under consideration, including mean, standard deviation, and the number of respondents who completed the questionnaires. The mean value describes the most common response in the given data. Referring to the mean values in Table 16.below, it's clear that the lowest mean value of 2.7646 for 'transactional leadership style' suggests that the participants are roughly neutral on the transactional leadership style.

#### 4.6.2.1. Model summary

Table 4.8. Model summary

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.669 <sup>a</sup>	.448	.438	.49614	1.992
a. Predictors (Constant), Transformational leadership style, Transactional leadership style					
b. Dependent Variable Employee Engagement					

Source Own Survey (2022)

The R-square value was 0.448, as shown in table 4.8 of the model summary. This means that in DB, Transformational Leadership and Transactional Leadership can account for 44.8 percent of the variance in employee engagement. Each of the hypotheses that were suggested was scientifically examined and explored.

Table 4.9. ANOVA

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.176	2	11.088	45.046	.000 <sup>b</sup>
	Residual	27.323	111	.246		
	Total	49.500	113			
a. Dependent Variable Employee Engagement						
b. Predictors (Constant), Transformational leadership style, Transactional leadership style						

Source Own Survey (2022)

The worth of importance study is usually conducted with a 95 percent confidence interval or a threshold of significance of 5%. As a result, the sig value should not exceed 0.05. It is 0.000 in the preceding table 4.9. As a result, the outcome is notable. The F-ratio is a metric that indicates how effectively a model can estimate a variable after accounting for the model's flaws. The F-ratio of efficient models is greater than 1. Table shows a value of 45.046, which is regarded as appropriate.

The results show that the null hypothesis is likely to be rejected in further investigation, as shown in table 4.9 sig value is less than the acceptable test statistic because these ANOVA p-values for all variables are 0.000. The regression model accurately predicts the dependent variable,

according to this table. This value represents the regression model's statistical significance. The value of p 0.005, it's less than 0.05, indicates that the regression model forecasts the result quantitatively substantially in general (i.e., it is a good fit for the data).

Table 4.10 Coefficients of Regression Analysis

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.960	.163		12.006	.000
	Transactional leadership style	.169	.082	.222	2.058	.042
	Transformational leadership style	.319	.071	.485	4.493	.000
a. Dependent Variable Employee Engagement						

Source Own Survey (2022)

Table 4.10 shows that, based on the regression results, transactional leadership has a positive and significant effect on employee engagement. The unstandardized Transactional Leadership Coefficient is 0.169, meaning that increasing transactional leadership by 1% increases employee engagement by 16.9% on average, and vice versa. According to the research, employee engagement can affect employee engagement.

The regression results for the transformational leadership style reveal that it has a statistically significant and beneficial effect on employee engagement, as shown in table 4.10. Transformational Leadership has an unstandardized coefficient of 0.319. This suggests that improving the transformational leadership style by 1% will result in a 31.9 percent increase in employee engagement, Percent on average and likewise. As a result of the analysis, it is reasonable to state that transformative leadership has an effect on employee engagement. In summary, as stated at the outset, the primary goal of this research is to investigate the effect of transformational and transactional leadership styles on employee engagement at the Ethiopian Army Foundation Headquarters. According to these findings, both transformational and transactional leadership styles had a 5percent significance level effect on employee engagement. The Coefficients table gives us the data we need to forecast price from income and see if income

has a statistically significant impact on the model. The numbers in the "B" column under "Unstandardized Coefficients" can also be used.  $EP = 1.960 + \text{Transactional} (0.169)$  r  $EP = 1.960 + \text{Transformational} (0.169)$  r  $EP = 1.960 + \text{Transformational} (0.319)$  Transformational has nearly twice the influence on EP as Transactional for every one point. Both have a big and favorable impact on EP.

## CHAPTER FIVE

### SUMMARY OF CONCLUSION AND RECOMMENDATION

The research summary, conclusion, and recommendations are all included in this chapter. The Ethiopian Army Foundations HeadQuarters would be advised based on the findings of the research. In general, this would point to a research gap that has to be filled in the future.

#### 5.1. Summary of Major Findings

This descriptive analysis articulated by the percentage and frequency of the investigated Ethiopian Army foundation HeadQuarters respondents used the mean and standard deviations to be able to recognize which independent variable is overriding leadership style and employee engagement at The Ethiopian Army Foundation Head Quarter. Based on the demographic analysis the researcher is looking to summarize the dominant characteristics of the respondents' results such as

According to the study's findings, the supervisors or managers at the Ethiopian Army Foundation Head Quarter encountered Leadership by Exception (MBE) conduct of transactional leadership style fairly moderately ( $M = 3.0409$ ,  $SD = 0.96664$ ). While Contingent Reward (CR) was the feature that managers and supervisors used the least frequently ( $M = 2.4883$ ;  $SD = 97680$ ).

The results of the study show that Idealized Influence (II) conduct of transformational leadership style was somewhat considerably experienced by managers or supervisors at the Ethiopian Army Foundation Head Quarter ( $M = 3.3187$ ,  $SD = 1.10722$ ). Managers and supervisors utilized the Intellectual Stimulation (IS) feature the least ( $M = 2.8889$ ,  $SD = 1.05658$ ).

According to the Ethiopian Army Foundation HeadQuarter Employees' answer, which had a mean range of 3.4247 and a standard deviation of 0.66185, activity has a fairly positive impact on employee engagement.

The results of their relationship show that, In the response on independent and dependent variables, the mean value was 3.4247, indicating that the variable is more than half of the scale



from 1 to 5, indicating moderate employment engagements in the Ethiopian Army Foundation Head Quarter, with a standard deviation of 0.66185.

The findings show that the Pearson correlation analyses were utilized to reveal the relationship between leadership style factors and the effect of employee engagement on the examination. Transformational leadership style and worker engagement in EAF are significantly connected ( $r = 0.653$ ,  $p\text{-cost} = 0.00$ ), and transactional leadership style and worker engagement in EAF are significantly correlated ( $r = 0.590$ ,  $p\text{-cost} = 0.000$ ), according to the correlation end result.

As a result of the regression, it was determined that the R-square value was 0.448. Thus, the independent or Transformational and transactional leadership variables explain 43.8% of the variability of the dependent or employee engagement variable. In addition, the remaining 56.2% of the variability is different from what was predicted by this model.

## **5.2. Conclusions**

Examining how leadership style affects employee engagement at the Ethiopian Army Foundation was the main objective of the study. The results show that the two leadership styles are used in a hybrid way. While some leaders are transactional in their approach, others are transformative.

The study's findings show that employee engagement subscales are significantly affected by both transactional and transformational leadership. Employee engagement is positively correlated with the leadership styles of the Ethiopian Army Foundation, transformational leadership, and transactional leadership. Transformational leadership is more often used to increase employee engagement than transactional leadership.

### **5.3. Recommendation**

The results show that both leadership styles have a significant relationship with employee engagement. Therefore, the leaders of the Ethiopian Army Foundation and the human resources division should employ a hybrid of both transformational and transactional leadership styles, however with due consideration for the circumstances and nature of their subunits and the employees who will be carrying out the task at hand.

The senior leadership of the Ethiopian Army Foundation and the human resources department should make an effort to comprehend the crucial elements that affect the performance of the Ethiopian Army Foundation members and the strategic and operational options like training, encouragement, and performance evaluation that should be implemented to improve workers.

In order to improve or constrain the organizational performance of the Ethiopian Army Foundation, the leaders and research and development department of the organization should comprehensively and integrated examine other variables or the post of the transformational and transactional leadership styles. Then, they should creatively apply the appropriate sub-variables or constituents of the leadership style.

Conducting this research with similar organizational structures and alternative performance indicators might also be convenient. A further extensive analysis of the whole Ethiopian Army Foundation organizations would undoubtedly be required to provide additional insight on the many variables analyzed, as the current original study drawback was that it only looked at Ethiopian Army Foundation Headquarters Incorporated. To enable consistency with the data of the ideas of leadership styles as they relate to and have an effect on employee engagement, having similar study may also be conducted in other firms locally and internationally.

The other recommendations are that while appointing and hiring leaders from the army or the market, the top Ethiopian Army Foundation leaders, and human resource department specialists should evaluate transformational and transactional leadership. The human resources department should create professional development opportunities to help with the development and enhancement of transformational and transactional leadership factors on performance. The

correlation between transformative and transactional leadership and employee engagement is very clear, as evidenced by the statistical information. As a result, the leader must constructively seek to create a corporate inclusive work environment that fosters progression. Multiple obstacles hinder the process, including both leadership policy direction in boosting employee engagement, which must constantly be designed to be addressed by the Human Resource department and Ethiopian Army Foundation management and leadership.

Future research suggests the research's focus was just on the EAFHQs and its geographic reach was restricted to Addis Ababa. Other researchers would examine the entire company, though. And there are many more leadership styles in addition to the two that were examined in this study. The study's narrow emphasis on transformational and transactional leadership styles makes it impossible to discern the leadership style at the headquarters of the Ethiopian Army Foundation, the researcher contends, and she urges further investigation in this area. Since the research was done using both quantitative and qualitative methods, the researcher will provide a hybrid approach.

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# **APPENDIXS**

## **ANNEX I**

### **RESEARCH QUESTIONNAIRE**

**Addis Ababa University School of Commerce Department of Business**

**Leadership**

**Research Title the Effect of Leadership Style on Employee Engagement the  
Case of Ethiopian Army Foundation**

**Dear Respondent,**

The goal of the survey is to learn more about the link between leadership style and employee engagement. The research is being carried out for the Business Leadership project, which is part of the Masters of Business Leadership (MBL) program at Addis Ababa University's School of Commerce. The information you submit will be used solely for the purposes of this study, and its confidentiality will be maintained. As a result, I respectfully seek your truthful comments. I appreciate your time and cooperation. It's worth noting that you're not obligated to write your name.

Please contact me at the email address or phone number below if you require any clarifications or further information.

PHONE No. **+251922477474**

E-mail. [Gosaye.tilahun@aau.edu.et](mailto:Gosaye.tilahun@aau.edu.et)

*Sincerely,*

Gosaye Tilahun



## Section I Demography Information

**1 Gender**

Male

Female

**2 Age(inyears)**

18 -25

25 -35

36 -45

46 -55

56andabove

**3 Education level**

Certificate

Diploma

Degree

Masters

PhD

**4 Job Position**

CEO

CEO

DR

MGR

GL

DL

**5 Experience  
(inyears)**

1 -5

5-10

11-15

>15

**6 Marital Status**

Single

Married

## Section II Leadership Style Questionnaire Rater Form

The questions in this collection are designed to assist you evaluate your sentiments or thoughts about your immediate leader's leadership style. So, please rate the significance of each factor that you believe are relevant to leadership style on employee engagement in Ethiopian Army Foundation in the table below to show your level of agreement with what the statement suggests.

Use the scale below to assign a rating

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>

No.	The Person Iamrating...	1	2	3	4	5
	<b>TRANSACTIONAL LEADERSHIP</b>					
	<b>Contingent Reward (CR)</b>					
1	My supervisor tells others what to do if they want to be rewarded for their work.					
2	My supervisor provides recognition/rewards when others reach their goals.					
3	My supervisor calls attention to what others can get for what they accomplish.					
	<b>LeadershipBy Exception (MBE)</b>					
4	My supervisor is always satisfied when others meet agreed-upon standards.					
5	As long as things are working my supervisor does not try to change anything.					
6	My supervisor tells us the standards we have to know to carry out our work.					
	<b>TRANSFORMATIONAL LEADERSHIP</b>					
	<b>Idealized Influence (II)</b>					
7	My supervisor makes others feel good to be around him/her.					

8	I have complete faith in my supervisor.					
9	I am proud to be associated with my supervisor.					
	<b>Inspirational Motivation (IM)</b>					
10	My supervisor expresses in a few simple words what we could and should do.					
11	My supervisor provides appealing images about what we Cando.					
12	My supervisor helps me find meaning in my work.					
	<b>Intellectual Simulation (IS)</b>					
13	My supervisor enables others to think about old problems in new ways.					
14	My supervisor provides others with new ways of looking at puzzling things.					
15	My supervisor gets others to rethink ideas that they had never questioned before.					
	<b>Individual Consideration (IC)</b>					
16	My supervisor helps others develop themselves.					
17	My supervisor lets others know how he/she thinks we are doing.					
18	My supervisor gives personal attention to others who seem rejected.					

*Source* Adopted from Bass and Avolio (1992).

### Section III

#### Employee Engagement Rating Form

Please think about each item and whether you have ever felt this way about your career. To show your self-assessment of your own engagement, you must grade yourself against each statement, with the following ratings Please check the box that corresponds to your suitable level of participation and rate the number (from 1 to 5) that best describes how frequently you feel that way. The following statements are intended to assist you in evaluating your engagement at the Ethiopian Army Foundation.

**Use the following scale to provide a rating**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>

No.	Questions	1	2	3	4	5
1	I know what is expected of me at work.					
2	I have the materials and equipment I need to do my work right.					
3	At work, I have the opportunity to do what I do best every day.					
4	In the last seven days, I received recognition or praise for doing good work.					
5	My supervisor, or someone at work, seems to care about me as a person.					
6	There is someone at work who encourages my development					
7	At work my opinions seem to count.					
8	The mission/purpose of my company makes me feel my job is important.					
9	My associates (fellow employees) committed to					

	doing quality work.					
10	I have a best friend at work.					
11	In the last six months, someone at work talked to me about my progress.					
12	In the last year, I had opportunities at work to learn and grow.					

**ANNEX-II**  
**DOCUMENT ANALYSIS CHECKLIST**

Army Foundation Establishment Council of Minister Regulation... Page 5276, Regulation No. 179/2010.Ethiopia Army Foundation Annual Plan and Report, as well as other supporting documentation Literature sources for secondary data.

### ANNEX-III

**Table 2 demographic description of respondents**

Demographic characteristics		frequency	percentage
Sex	Male	67	58.77%
	Female	47	41.23%
Experience	Above 16 years	32	28.1 %
	Below 16 years	82	71.9 %
Position	Above manager positions	9	7.9 %
	Below manager positions	105	92.1%

*Source Researchers Own Survey*



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**ADDIS ABABA UNIVERSITY**  
**College of Business and Economics (CoBE)**  
**SCHOOL OF COMMERCE**

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**To: Ethiopian Army Foundation**  
**Addis Ababa**

The Addis Ababa University School of Commerce currently runs five Masters level programs and one Doctoral Program: Human Resource Management (MA), Project Management (MA), Marketing Management (MA), Supply Chain and Logistics Management (MA), Business Leadership (MA, PhD) In addition to this, the School is also Preparing itself to launch some more expedient Programs very soon.

As an immediate and direct stakeholder to this socioeconomically pragmatic move, we would like you to cooperate with us by way of assisting our students to conduct academic researches and case analyses in your organization. As such, we kindly request your esteemed organization to provide student **Gosaye Tilahun ID.No GSE/6617/12** with information pertaining **The Effect of Leadership Style on Employee Engagement : In the Case of Ethiopian Army Foundation**. A copy of the paper produced may be provided to you if so demanded.

Thanking for your earnest Cooperation, we remain

Sincerely Yours

*Dr. Wasihun Mokrremed*  
BAIS Department Head

