



Impact of Leadership Styles on Improving Employee's Performance in Ethiopia: The Case of Dessie City Administration

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Abstract

Leadership style is a vital factor for the success or failure of the socioeconomic development of any state in the world. It is also one of the factors that play a significant role in enhancing or retarding the interest and commitment of the individuals in the organization. However, research on how empowerment of strategic publics contributes to the effectiveness of public relations or the leadership practices in both decreasing and increasing the workers/employees performance in work place has been scarce. In doing so, this study using a cross section descriptive survey research strategy and descriptive and inferential statistical techniques; it aimed at investigating the effect of leadership styles on employees' performance at Dessie city Administration. It also investigates which one of these leadership styles (transformational, transactional, autocratic, and laissez-faire) have a positive impact on employees' performance in Dessie city Administration. Finally it contributes a recommendation for future leadership practices to apply in the study area.

Keywords:- Leadership style; Transformational, Transactional, Authoritative, and Laissez fare leadership; Leader; Employee performance and Dessie City Administration

1. Introduction

Leadership style is a key determinant factor for the success or failure of any states in the world. It is the manner and approach of providing direction, implementing plans, and motivating people (Fu-Jin et al., 2011). According to Ngambi et al. (2010) and Ngambi (2011), leadership is a process of influencing others' commitment towards realizing their full potential in achieving a value-added, shared vision, with passion and integrity. The nature of this influence is such that the members of the team cooperate voluntarily with each other in order to achieve the objectives which the leader has set for each member, as well as for the group. The relationships between the leader and employee, as well as the quality of employees' performance, are significantly influenced by the leadership style adopted by the leader (Azlin, et al., 2016).

Leadership style in an organization is one of the factors that play significant role in enhancing or retarding the interest and commitment of the individuals in the organization (Obiwuru et al., 2011). It is a critical management skill, involving the ability to encourage a group of people towards common goal. It focuses on the development of followers and their needs. It also focuses on the development of value system of employees, their motivational

level and moralities with the development of their skills (Ismail et al., 2009). It basically helps followers achieve their goals as they work in the organizational setting; it encourages followers to be expressive and adaptive to new and improved practices and changes in the environment as well as it has a direct cause and effect relationship upon organizations and their success (Azka et al., 2011).

On the other hand, according to Azka (2011), a leader is a person who influences, directs, and motivates others to perform specific tasks and also inspire his subordinates for efficient performance towards the accomplishment of the stated corporate objectives. Leaders also determine values, culture, change tolerance and employee motivation. They shape institutional strategies including their execution and effectiveness. Leaders can appear at any level of an institution and are not exclusive to management. Successful leaders do, however, have one thing in common. They influence those around them in order to reap maximum benefit from the organization's resources, including its most vital and expensive.

However, as noted by Werder and Holzhausen (2009), despite the extensive research on the construct of leadership in the disciplines of management, business, and marketing, a strong scholarly discourse on leadership is lacking in public relations. Recently, initiatives have been undertaken to examine the characteristics of leadership in public relations. Nevertheless, little scholarly attention has been paid to understand whether and how leadership, as an organizational antecedent factor, influences public relations effectiveness (Ibid, 2009).

Moreover, management scholars have demonstrated that effective leadership acts through empowering employees to engage them and improve work outcomes. Although not much literature exists on empowerment in public relations, the concept is not new in public relations research (Asika, 2004). He distinguished holding power over others and empowerment of everyone as asymmetrical and symmetrical. Previous studies in public relations on empowerment have mainly focused on two approaches: first, empowerment of public relations functions (i.e., why public relations managers should be part of or have access to the dominant coalition, and how to get them seated at the corporate decision-making table) and, second, empowerment of minorities in public relations (Humphreys, 2002).

However, research on how empowerment of strategic publics contributes to the effectiveness of public relations has been sparse. In developing country like Ethiopia, leadership affect an employee's self-image and result potential in either a positive or negative way by being supportive, fair, and encouraging, or unsupportive, inconsistent, and critical. In addition, they can even affect an employee's health and energy level by creating a stimulating work climate or one filled with tension and fear, which results the failure of organizational performance (Yukl, 1994).

The influence of a leadership reaches greater proportions as the effects on individuals begin to have a cumulative effect on group performance. There are no doubt variables other than a leader's style that affect employee performance and satisfaction. Certainly, job

challenge and interest, organizational working conditions and work climate, opportunities for growth and advancement, and peer relations among other factors are which decreases the workers performance. In order to increase workers performance leader should give some motivational factors such as training, promotion, participating them in decision making, and communicating the subordinate without any fear to express their opinion. Furthermore leaders are the most expected body of the organization to deal with complaints to put up public image of the organization and/or for removing terrible image which become possible through good leadership practices(Hayward, et al.,2003).

By the same token, the work of municipality is based on the effectiveness of leadership and the workers performance is determined through the role of leaders in which it influences the workers(Ibid, 2003). Most of the time workers of municipality like '*Dessie City Administration*', raise many problems related to the work such as training, promotion, suitable working condition, empowerment and participating in decision making. These problems may be lead to decrease workers performance in providing service delivery to the community. In order to give adequate service to the community the factors which affects the workers performance and leadership practice should be examined.

Therefore, based on such debates, the objects of this study is designed to examine which types of leadership practices is the best mechanism in the organization for improving employees' work performance of Dessie city administration. Second, how the leadership practices affects both positive and negative contribution for improving workers/employees performance and decrease the workers performance in Dessie city administration. The structure of the article is; as follows: Section two, briefly discusses the concepts and theories of leadership ; Section three, elaborates the methodology of the study; Section four to explore the data presentation, interpretation and discussion of leadership style in Dessie city administration; Section five, provides the conclusion and recommendation remark.

2. Concepts and Theories of Leadership

According to Sikula(1996), leadership has different meanings to various authors. Some have interpreted leaders in simple term such as the influence, the art or process of influencing people so that they will strive willingly and enthusiastically towards achievement of group goals. Leadership has also been interpreted more specifically as the use of authority in decision making exercised as an attribute of position, personal knowledge or wisdom. It defined as a social influence process in which the leader seeks voluntary participation of subordinates in an effort to reach organizational objectives (Ejiofor, 1989).

Similarly, Tennenbaunet.al (1968) defined leadership, as interpersonal influence exercised in situations and directed through the communication, towards the attainment of 'a specific goals. It also defined leadership as the process of influencing and directing the activities of an organized group towards the achievement of the group of organization set objectives. The foregoing Lions *show* leadership been based on function of personality, behavioral category, the role of a leader and their ability to achieve effective performance

from others, the interpersonal behavior and the process of communications (Adebakin and Gbadamosi, 1996).

Having this in mind, this paper defined the transformational, transactional, autocratic, and laissez-faire leadership styles. In doing so, Adebakin and Gbadamosi (1996) described that an autocratic leader as one who is very conscious of his position and has little trust or faith in the subordinates, he feels that pay is a just reward for work and it is only the reward that can motivate. The leader gives order and insists they must be carried out. Whereas, Laissez-faire type of leadership is at the other end of the continuum from the autocratic style. With this type, leaders attempt to pass the responsibility of decision making process to the group. The group is loosely structured, as the leader has no confidence in his leadership ability. Decision making under this leadership is performed by whoever that is willing to accept it. Decision making is also very slow and there can be a great deal of "buck passing". As a result, the task may not be undertaken and the conditionally becomes chaotic (Flippoet.al, 1982; Akpala, 1990).

The other type of leadership is transactional. It tries to motivate their followers through extrinsic rewards. The roots of Transactional leadership theory is grounded in the social learning and social exchange theories, which recognize the equal nature of leadership. Onosode (1988) described transactional leadership in terms of two characteristics: the use of contingent rewards and management by exception. They described contingent reward as the reward that the leader will give to the subordinate once the latter has achieved goals that were agreed to. Contingent reward is therefore the exchange of rewards for meeting agreed-on objectives. Transactional leaders can also act by relying on active management by exception which occurs when the leader monitors followers to ensure mistakes are not made. In passive management by exception, the leader intervenes only when things go wrong.

While transformational leadership theory focuses more on change, and inspires followers to have a shared vision and goals of an organization, challenges them to be innovative, problem solvers, and also helps to develop followers' leadership capabilities through coaching, mentoring, and by providing both challenge and support to the followers. In a transformational theory, the purposes and goals of leaders and followers become related that might have begun as separate". A transformational leader influences his or her followers to look beyond their self-interest for the good of the group. From a transformational leadership perspective, leadership is considered to be about doing what has never been done, and it includes visionary and charismatic leadership (Achua and Lussier, 2013).

Contemporary research shows that, research studies conducted on the effect of leadership style on employee performance confirmed that employee performance is greatly influenced by leadership styles (Burns, 1978). A lot of modern literatures have implied that leadership has demonstrated that leadership behaviors influence employee performance that strong leaders outperform weak leaders, and that transformational leadership generates higher performance than transactional leadership (Bass, 1990). Research (Meyer & Botha, 2000) in organizational behavior has identified transformational leadership as the most suitable for modern-day organizations. The current business environment requires this innovative kind of

leadership style; a style that empowers employees and raises employee performance in an effort to improve organizational performance and continued existence.

Evidence has been gathered in service, retail and manufacturing sectors, as well in the armed forces of the United States, Canada and Germany that points towards the marginal impact transactional leaders have on the effectiveness of their subordinates in contrast to the strong, positive effects of transformational leaders (Burns,1978).Furthermore, in the Canadian financial industry it was found that transformational leadership is more strongly correlated with higher employee satisfaction and individual/organizational performance than transactional leadership (Meyer & Botha, 2000).

On the basis then of the literature, it could be proposed that transformational leadership as opposed to transactional leadership would be more effective in achieving higher levels of employee performance.Under transformational leaders, employees may receive individualized attention from the leader. As a result, they tend to reciprocate by supporting the leader's agenda and performing beyond expectations. Hence, transformational leaders can develop high quality leader member exchange relationships with followers, through which they influence followers' performance. Although the initial stage may be transactional, it can be transformational if the last stage is reached (Wang et al.,2005). In Bass's (1985) conceptualization, transactional leadership clarifies expectations toward followers' performance and provides rewards to followers contingently on the level of their performance.Followers will be motivated to meet performance expectations and fulfill their end of the contract in order to be rewarded accordingly.

A strong empirical support for the relationship between leaders' contingent reward and employee performance has been found. However, transformational leadership inspires followers with attractive vision, expresses optimism and high expectations for excellence and performance on the part of followers. It should be able to move followers beyond their normal level of performance (Bass, 1985).A positive relationship between transformational leadership and employee performance has been found in the lab field (Bass, 1985) settings. Thus both transformational and transactional leadership are expected to have positive direct effect on employee performance.

Raja and Palanichamy (2015) examined the effect of leadership styles on employee performance in public vs. private sector enterprises in India. From *43 middle-level managers and 156 subordinates, the study results indicate* sufficient evidence, at the 5% level of significance, that there is a linear positive relationship between transformational leadership and employee performance, there is a significant positive relationship between transactional leadership employee performances. However, the study found that *laissez-faire leadership had a negative relationship with the employee performance/outcomes*".

Leaders and their leadership styles is one of the mostly researched topics in the recent past. A number of studies have been conducted on the effects of leadership styles on employee performance. Rassol et al (2015) studied leadership styles and its impact on employee's performance in health sector of Pakistan and concluded that transformational

leadership styles have more positive effect on employee performance than transactional leadership. They found out that transformational leadership can perform better in highly organic environment where focus is on competitive advantages. Results of their study also explored that the impact of transactional leadership was not much stronger as compared to transformational leadership on job performance. According to Ngambi (2011), leadership is positively linked with employee performance for both transformational leadership behaviors and transactional contingent reward leadership behaviors. The managers, who are perceived to demonstrate strong leadership behaviors, whether transformational or transactional, are seen to be engaging in increasing the employees' performance.

On the other hand, Nuhu (2010) points out that the many researchers who have done studies on leadership style have not come up with a specific style suitable for specific issue, however he advises that it is important to note that different styles are needed for different situations and leaders just need to know when to use a particular approach and by using appropriate leadership styles, leaders can affect employee job satisfaction, commitment, productivity and ultimately the organization's performance through its employees. The amount of direction and social support a leader gives to subordinates/ followers depend greatly on their styles to fit the situation.

Empirical evidence by Nuhu (2010) who sought to study the effect of leadership styles on employee performance in Kampala City Council reveals that laissez faire leadership was practiced especially in higher offices and also the laissez faire leadership was existent especially in lower offices. Authoritative leadership style has a positive relationship with employee performance (Ibid), most employees believed that authoritative leadership brought about performance the autocratic way (coerced), yet other forms of leadership would approach the employee from a more humanistic manner.

According to Nuhu (2010) Laissez fare leadership style has a positive relationship with employee performance. Since most employees believed that they would rather be made comfortable at work rather than coarse them around like kids. Infact this was eminent in some departments that supervisors or managers where naturally approachable, friendly and not arrogant at employees. Since the correlation his study showed that laissez-faire leadership leads to performance, this implied that that in these departments, employee performance actually existed however on a slow pace, rather than in the authoritative leadership which was filled with Tension.

A study in Uganda on the effect of leadership styles on performance of local governments, a case of Mbale district done by Aboshaiqah, et al (2014) concluded that there is a moderate high positive and significant relationship between the three leadership styles (autocratic, lassies-faire, democratic), and performance in Mbale local government. The researchers revealed further findings that Mbale local government leaders use autocratic style of leadership to influence employees to perform their duties, but laissez- fair style of leadership dominated Mbale local leadership which could have caused delay in meeting deadlines. The findings also revealed that the local government has realized some performance in terms of increased work forces, high speed of accomplishment of work,

effectiveness and timeliness due to democratic leadership. It was therefore concluded that Mbale local government tries to integrate the three leadership styles though autocratic and laissez faire dominated.

As TemesgenTeshome (2011) examined the relationship between Leadership Styles and Employee Commitment in Private Higher Education Institutions at Addis Ababa City leader questionnaires and 138 subordinate .questionnaires whereas 20 leader and 95 subordinate questionnaires were successfully completed and returned with a non-response rate of 4.8 % and 31.2%, respectively. Finally, the total sample size of 115 respondents, including leaders and instructors, that there is a positive correlation between transformational leadership and employee commitment. However, the study found that laissez-faire leadership had a negative relationship with the employee performance. In line with these leadership styles, this study will examine which type of leadership style is appropriate in Dessie city administration.

3. RESEARCH METHODOLOGY

This research uses both primary and secondary data. The primary data collected from individual respondents and key informants from Dessie city administration departments. Secondary sources include different text books, reports, articles and related sources. Data collected using questionnaire and interview. The sampling frame of the study was employees engaged in Dessie city administration. Among 27 (twenty-seven) sectors in Dessie city administration, only 25 (twenty-five) sectors were considered for the study and the study sample sizes assumed representative samples from each targeted sector employee. The following table shows the target sectors that the researcher collected data.

Table.1.Dessie city administration target sectors and their employees’ number

No.	Name of the sector	Number of employees			Sample
		Male	Female	Total	
1.	Civil Service Directive	18	19	37	6
2.	Labor and Social Affairs Directive	13	12	25	4
3.	Chief of Construction Office	13	6	19	3
4.	Construction Directive	72	45	117	19
5.	Agriculture Directive	59	28	87	14
6.	Ombudsman Office	3	1	4	1
7.	Mayor Office	24	12	36	6
8.	Communication Directive	3	8	11	2
9.	Administrative and Security Office	9	4	13	2
10.	Finance and Economy Directive	15	36	51	8
11.	Education Directive	54	25	79	13
12.	Women and Children Directive	6	10	16	3
13.	Entrepreneurship and Food Security Office	13	3	16	3
14.	Technical Vocational Training and Industry Development Directive	27	22	49	8

15.	Culture, Tourism, Youth and Sport Directive	49	9	58	10
16.	Trade, Industry and Market Development Directive	54	16	70	12
17.	Urban Land Possession Registration Office	14	9	23	4
18.	Environmental Protection and Beautification Office	16	3	19	3
19.	Transport Office	16	8	24	4
20.	Cooperative office	15	7	22	4
21.	Health Protection Directive	16	14	30	5
22.	Justice Directive	8	9	17	3
23.	First Level Court	6	5	11	2
24.	Appeal Hearing Office	2	8	10	2
25.	Customer Service Office	49	9	56	9
Total		574	328	902	150

4. DATA PRESENTATION, INTERPRETATION AND DISCUSSION

To analyze the effect of leadership styles on employee’s performance in Dessie city administration, 150 structured questionnaires were distributed to the different sectors of the city administration. Among the total distributed questionnaires, all were responded which is the response rate was 100 percent.

4.1. Description of Target Respondents

This section presents and discusses results of descriptive analysis on the general information of target respondents in the study area. The target respondents in Dessie city administration was officers/employees and discussed their age, sex, education level and work experience of the respondents.

4.1.1. Age of the Respondents

Table (4.1) represents the frequency and the percentage of respondents by each age group, respectively. As in can be seen in the Table (4.1) the majority of respondents (60 percent) were between 25 and 35 years old, meaning most of them were young. Only 13.3 percent were found less than 25 and 16 percent were above 40 years. Respondents whose age found between 35 and 40 years were 10.7 percent.

Table 4.1: Age of the Respondent

Age	Frequency	Percent
Less than 25 years	20	13.3
Between 25-30 years	46	30.7
Between 31-35 years	44	29.3
Between 36-40 years	16	10.7
Above 40 years	24	16.0
Total	150	100.0

Source: Own survey, 2018

4.1.2. Sex of Respondents

Table (4.2) represents the frequency percentage of respondents based on their gender. The data indicated that about 56.0 percent of the respondents were male and the rest (44.0 percent) were female.

Table 4.2: Sex of the Respondent

Sex	Frequency	Percent
Female	66	44.0
Male	84	56.0
Total	150	100.0

Source: Own survey, 2018

4.1.3. Educational Level of Respondents

Table (4.3) presents the frequency and the percentage of respondents by educational status. According to Table (4.3) presentation the majority of respondents (66.7 percent) were degree holders, meaning most of them have an access to education to upgrade their academic position. Only 10.3 percent have Master degree and 22.7 percent have diploma.

Table 4.3: Educational Status of the Respondent

Educational Status	Frequency	Percent
Diploma	34	22.7
Degree	100	66.7
Master	16	10.7
Total	150	100.0

Source: Own survey, 2018

4.1.4. Working Experience of Respondents

Table (4.4) displays the frequency and the percentage of respondents by working experience they have in the institution. As presented in Table (4.4) the longest working experience of respondents (above 10 years) only account 13.3 percent. This indicates the longest stay in the institutions is minimal. The shortest working experience (less than 1 year) accounts 20 percent. The majority respondents (29.3 percent) have a working experience between 2 - 5 years. The next majority respondents (21.3 percent) have a working experience between 1 - 2 years. Average working experience of employees' in the institutions seems fair. Only 16 percent of the respondents have a working experience between 5 - 10 years.

Table 4.4: Work Experience of the Respondent

Working Experience	Frequency	Percent
Less than 1 years	30	20.0
Between 1 -2 years	32	21.3

Between 2-5 years	44	29.3
Between 5 -10 years	24	16.0
Above 10 years	20	13.3
Total	150	100.0

Source: Own survey, 2018

4.2. Descriptive Statistics of Leadership Styles

The employees’ performance can be measured by the leadership styles followed by the institution’s leaders. The respondents were given with various questions to measure the leadership styles which have required the respondents to score level of their agreement. The questions are given with Likert scale. The scale ranged from 1-5 where 5 = strongly agree, 4 = agree, 3 = neutral, 2 = disagree and 1 = strongly disagree. The study computed means and standard deviation to help measure the respondents’ feedback about the performance of employees’ in the institutions. The descriptive statistics also the degree of importance of mean with 3 class of interval Nooraldeen A. AlShaikhly (2017).

Class Interval =

$$= \frac{\text{Maximum Class} - \text{Minimum Class}}{\text{Number of levels}}$$

$$\text{Class Interval} = \frac{5 - 1}{3} = 1.33$$

The Low degree importance from 1- less than 2.33

The Medium degree importance from 2.33 - 3.66

The High degree importance from 3.67 - 5

Their responses and the analysis are organized in the following the following sections.

4.2.1. Descriptive Statistics of Transformational Leadership

Based on the table (4.5), the average minimum and maximum Likert scale value given to transformational leadership questions is 2 and 5 which represent disagree and strongly agree, respectively. The mean and standard deviation values are also calculated. Accordingly, questions asked regarding transformational leadership style has the lowest mean value 3.69 with standard deviation value of 1.205 and the highest mean value 4.03 with standard deviation value 1.114. The overall mean value and standard deviation of transformational leadership style are 3.93 and 1.135, respectively. This indicates that transformational leadership style is highly correlated with employee performance.

Table 4.5: Descriptive Statistics of Transformational Leadership

Transformational Leadership	N	Minimum	Maximum	Mean	Std. Deviation	Remark
My supervisor priorities’ the interests of workers need	150	2	5	3.88	1.105	

My supervisor act as role models for employees	150	2	5	3.95	1.169	
My supervisor inspires me to perform beyond the expectations	150	1	5	3.69	1.205	
I am proud to be associated with my supervisor	150	2	5	4.03	1.114	
My supervisor informs in a clear word what we could and should do	150	2	5	3.94	1.148	
My supervisor promotes team sprite among employees	150	2	5	4.01	1.120	
My supervisor influences followers to look beyond their self-interest for the good of the group	150	2	5	3.99	1.087	
Transformational Leadership (Overall)	150	1.9	5	3.93	1.135	
Valid N (listwise)	150					

Source: Own survey, 2018

4.2.2. Descriptive Statistics Transactional Leadership

According to the table (4.5), the average minimum and maximum Likert scale value given to transitional leadership questions is 1 and 5 which represent strongly disagree and strongly agree, respectively. The mean and standard deviation values are also calculated. Accordingly, questions asked regarding transitional leadership style has the lowest mean value and standard deviation value are 2.79 and 1.206, respectively. Whereas, the highest mean value and standard deviation value are 3.23 and 0.752, respectively.

The overall mean value corresponds to 3.03 with standard deviation value of 0.995. This indicates that transactional leadership style is moderately correlated with employee performance. When we compared to transformational leadership style transactional leadership style has lesser importance for employee performance.

Table 4.6: Descriptive Statistics Transactional Leadership

Transactional leadership	N	Minimum	Maximum	Mean	Std. Deviation
My supervisor creates favorable work environment to workers develop themselves	150	2	5	3.14	0.844
My supervisor lets others know how he /she thinks we are doing	150	2	5	3.23	0.752
My supervisor gives personal attention to others who feel ignored.	150	1	5	3.09	1.068
My supervisor believed on exchange of reward and benefits after the successful completion of	150	1	5	3.07	0.977

task and assignments					
My supervisor provides rewards and punishments for meeting particular objectives	150	1	5	2.83	1.120
My supervisor uses contingent rewards and management by exception	150	1	5	2.79	1.206
Transactional Leadership (Overall)	150	1	5	3.03	0.995
Valid N (listwise)	150				

Source: Own survey, 2018

4.2.3. Descriptive Statistics Laissez Faire Leadership

In the table (4.7), the average minimum and maximum Likert scale value given to laissez-faire leadership questions is 1 and 5 which represent strongly disagree and strongly agree, respectively. The mean and standard deviation values are also calculated. Accordingly, from questions asked regarding laissez-fair leadership style, the highest mean value corresponding to 3.01 and standard deviation value of 1.266. In contrast, the lowest mean value equivalent to 2.72 and standard deviation value of 1.277. The overall mean value and standard deviation value recorded as 2.87 and 1.244, respectively. This shows that laissez-faire leadership style has moderately important for employees' performance is moderately correlated with employee performance. However, when we compared to transitional leadership style it is has lesser influence for employee performance

Table 4.7: Descriptive Statistics Laissez-faire Leadership

Laissez-faire Leadership	N	Minimum	Maximum	Mean	Std. Deviation
My supervisor leaves me to work to my own	150	1	5	2.89	1.240
My supervisor stays out of the way as do my work	150	1	5	3.01	1.266
My supervisor makes me to appraise my own task	150	1	5	2.88	1.242
My supervisor gives me complete freedom to solve problems on my own	150	1	5	2.91	1.274
In most situations I prefer little input from my supervisor	150	1	5	2.93	1.221
My supervisor lacks confidence in his leadership ability	150	1	5	2.71	1.277
Officially, my supervisor believes, it's best to leave subordinates alone	150	1	5	2.96	1.192
Decision making is very slow	150	1	5	2.71	1.239
Laissez-faire Leadership (Overall)		1	5	2.87	1.244
Valid N (listwise)	150				

Source: Own survey, 2018

4.2.4. Descriptive Statistics Autocratic Leadership

Based on the table (4.8), the average minimum and maximum Likert scale value given to autocratic leadership questions is 1 and 5 which represent strongly disagree and strongly

agree, respectively. The mean and standard deviation values are also calculated. Accordingly, from questions asked regarding autocratic leadership style has the highest mean value is 2.99 and standard deviation value of 1.218. The lowest mean value is also 2.75 with standard deviation 1.242. Autocratic leadership overall mean value is 2.50 with standard deviation value 1.200 indicating that autocratic leadership style is still moderately important for employee’s performance. Although it is moderately important for employees’ performance, autocratic leadership has a least influence on employees’ performance.

Table 4.8: Descriptive Statistics Autocratic Leadership

Autocratic Leadership	N	Minimum	Maximum	Mean	Std. Deviation
My boss has little trust / faith in the subordinates	150	1	5	2.77	1.126
My supervisor has absolute power over their employees	150	1	5	2.81	1.091
As a rule, my supervisor believes that employees must be given rewards or punishments in order to motivate them to achieve organizational objectives	150	1	5	2.81	1.185
I feel insecure about my work and need direction	150	1	5	2.89	1.210
My supervisor is the chief judge of the achievements of employees	150	1	5	2.99	1.218
My supervisor gives orders and clarifies procedures	150	1	5	2.95	1.241
In our department, making decisions is unilaterally	150	1	5	2.75	1.242
My supervisor believes that most employees in the general population are lazy	150	1	5	2.84	1.285
Authoritative Leadership (Overall)	150	1	5	2.50	1.200
Valid N (listwise)	150				

Source: Own survey, 2018

4.2.5. Descriptive Statistics of Performance Employees’

Table (4.9) showed that the average minimum and maximum Likert scale value given to performance of employees’ questions is 1 and 5 which represent strongly disagree and strongly agree, respectively. The mean and standard deviation values are also calculated. Accordingly, mean value and standard deviation of questions asked regarding employees’ performance. The highest and lowest mean values with standard deviations are 3.97 (0.995) and 3.43 (1.126), respectively. The overall mean and standard deviation of employees’ performance is also 3.75 (1.051) indicates that a highly importance of employees’ performance. Then result from interview of key informants also showed that the performance of employees is determined by the role of leadership styles followed by supervisors and managers.

Table 4.9: Descriptive Statistics of Performance Employees’

Performance Employees’	N	Minimum	Maximum	Mean	Std. Deviation
I am aware of that the work that I do is important for the job	150	1	5	3.80	1.147
I can learn new things while doing my work at municipality	150	1	5	3.55	1.065
The work that I do requires qualified employees and everybody cannot do it	150	1	5	3.43	1.126
I can use my potential fully in my work	150	1	5	3.83	1.022
The work that I do is worth doing	150	1	5	3.97	.955
I am aware of losses that the municipality will incur if I don’t do my work as it should be done	150	1	5	3.92	.993
Performance (Overall)		1	5	3.75	1.051
Valid N (listwise)	150				

Source: Own survey, 2018

4.4 .Analysis of Inferential Statistics Results

The study is done to evaluate the effect of leadership styles on employees’ performance. For this purpose, inferential statistics of correlation and regression analysis have been used and the results are presented in the below sections.

4.4.1. Normality Test

A normality test is used to determine whether sample data has been drawn from a normally distributed population (within some tolerance). The researcher conducted the Kurtosis and Skewness test. Kurtosis is a measure of whether the data are heavy-tailed or light-tailed relative to a normal distribution, Skewness is a measure of symmetry, or more precisely, the lack of symmetry. A collected data is symmetric if it looks the same to the left and right of the center point. According to Sekaran (2013), if the value of Skewness is less than 1 and the value of Kurtosis is less than 7, then it indicates that the sample of this study represents the study population. Skewness and Kurtosis test are used to test the normality of the data. The following table (4.10) shows that Skewness results ranged between (-0.240) whereas Kurtosis results ranged between (0.39).

Table 4.10: Normal Distribution of Study Variables

Variables	N	Mean	Std. Dev.	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. E.	Statistic	Std. E.
Transformation leadership	150	3.93	1.135	-.271	.198	-.869	.394
Transaction leadership	150	3.03	1.022	-.143	.198	-.852	.394
Autocratic leadership	150	2.87	.829	-.101	.198	-.505	.394

Laissez-faire leadership	150	2.50	.944	-.152	.198	-.629	.394
Valid N (listwise)	150						

Source: Own survey, 2018

4.4.2 Correlation Analysis

Pearson correlation coefficients reveal magnitude and direction of relationships (either positive or negative) and the intensity of the relationship (-1.0 to +1.0). Correlations are perhaps the most basic and most useful measure of association between two or more variables (Marczyk, Dematteo and Festinger, 2005). As per Marczyk, Dematteo and Festinger, (2005) correlations of 0.01 to 0.30 are considered small, correlations of 0.30 to 0.70 are considered moderate, correlations of 0.70 to 0.90 are considered large, and correlations of 0.90 to 1.00 are considered very large.

Table (4.11) presents the results of bivariate correlation based on Pearson correlation statistics. The results of correlation analysis indicated transformational leadership had positive correlations with employee's general performance ($r = 0.254$) and it is significant at $p < 0.01$ significance level. The strength of the correlation is small (weak) and the implication is that change in the style of transformational leadership has smaller influence on employee's performance. Therefore, when the style of leadership is changed to transformational leadership, the employee's performance is increased by 25.4 percent.

Transactional leadership and autocratic leadership had insignificant positive correlations with employee performance ($r = 0.044$ and $r = 0.073$, respectively). The relationship is also weak (small) and since it is insignificant no need of explaining the implication of the relationship. Laissez-faire leadership exhibited positive significant correlation with employee performance ($r = 0.218$) at $p < 0.01$ level of significance. The strength of the relationship is weak (small) and its implication is that change in the style of laissez-faire leadership has a smaller influence on employee's performance. As a result, when the style of leadership is changed to laissez-faire leadership, the employee's performance is increased by 21.8 percent.

Table 4.11: Correlation Analysis

Correlations						
		Transformational Leadership	Transactional Leadership	Autocratic Leadership	Laissez faire Leadership	Performance of Employees
Transformational Leadership	Pearson Correlation	1	.599**	.435**	.519**	.254**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	150	150	150	150	150
Transactional Leadership	Pearson	.599**	1	.249**	.599**	.044

nal Leadership	Correlation					
	Sig. (2-tailed)	.000		.000	.000	.437
	N	150	150	150	150	150
Autocratic Leadership	Pearson Correlation	.435**	.249**	1	.435**	.038
	Sig. (2-tailed)	.000	.000		.000	.073
	N	150	150	150	150	150
Laissez-faire Leadership	Pearson Correlation	.519**	.599**	.435**	1	.218**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	150	150	150	150	150
Performance of employees	Pearson Correlation	.254**	.044	.038	.218**	1
	Sig. (2-tailed)	.000	.437	.073	.000	
	N	150	150	150	150	150

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

Source: Own survey, 2018

4.4.3. Multiple Regression Analysis

The multiple regression analysis was carried out to estimate the effect of leadership styles (independent variables) on employees' performance (dependent variable). Results are presented in Tables (4.12-4.14). R^2 is the ratio of the explained variation compared to the total variation; thus, it is interpreted as the fraction of the sample variation in dependent variable that is explained by independent variable. The value of R^2 is always between zero and one where R^2 equals to zero indicates that very little variation in dependent variable explained by independent variable; and R^2 equals to 1 indicates that very high variation in dependent variable is explained by independent variable. When interpreting R^2 , we usually multiply it by 100 to change it into a percent and R^2 is the percentage of the sample variation in dependent variable that is explained by independent variable. Therefore, Table 4.12 presents a summary of the model in which the item of interest is R Square statistics, which is .102. This suggests leadership styles accounts for 10.2% of the variation in employees' performance. In the social sciences, low R-squared in regression equations are not uncommon, especially for cross-sectional analysis. However, low R-squared does not necessarily mean that a regression equation is useless (Jeffrey M. Wooldridge, 2013).

Table 4.12: Model Summary

Model Summary										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin - Watso
					R Square	F Change	df1	df2	Sig. F Chan	

					Change				ge	n
1	.320 ^a	.102	.078	.731	.102	4.132	4	145	.003	1.616
a. Predictors: (Constant), Laissez-faire Leadership, Autocratic Leadership, Transactional Leadership, Transformational Leadership b. Dependent Variable: Performance Employees'										

Source: Own survey, 2018

Table 4.13 presents the analysis of variance (ANOVA) results. It is also known as model fit results. Of interest in this table are the F-statistics and its associated significance value. The results show that the F-statistics is 4.132% ($p < 0.01$). The results indicate that the model's hypothesis that the "model has no power to predict employees' performance from leadership style scores" could not be accepted. They therefore suggest that the model has power to predict employees' performance significantly from the leadership style scores.

Table 4.13: Model Fit Results

ANOVA ^a						
	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8.830	4	2.208	4.132	.003 ^b
	Residual	77.463	145	.534		
	Total	86.293	149			

a. Dependent Variable: Performance of employees

b. Predictors: (Constant), Laissez-faire Leadership, Autocratic Leadership, Transactional Leadership, Transformational Leadership

Source: Own survey, 2018

Table 4.14 presents the results on the coefficients of the regression model. The coefficients results show that transformational leadership positively predict employee performance, standardized B = .266, ($p < 0.01$). These results suggest that performance of employees whose immediate supervisor exhibited transformational leadership characteristics increased significantly by 26.6 percent. Laissez-faire Leadership also positively predict employee performance, standardized B = .212, ($p < 0.05$).

These results suggest that performance of employees whose immediate supervisor exhibited laissez-faire Leadership characteristics increased significantly by 21.2 percent. The results also show that transactional leadership and authoritative leadership styles insignificantly negatively predict employees' performance at $p < 0.05$ level of significance.

Multicollinearity statistics show tolerance figures ranging from 0.566 to 0.807 while Variance Inflation factors (VIFs) ranged from 1.238 to 1.767. These figures suggest that multicollinearity not suspected amongst the independent variables. Field (2005) suggests that multicollinearity would be suspected is tolerance figures are below 0.10 or if VIF statistics are 10.0 or higher.

Table 4.14: Regression Coefficients

Model		Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.292	.300		10.974	.000		
	Transformational Leadership	.216	.082	.266	2.638	.009	.609	1.641
	Transactional Leadership	-.173	.095	-.184	-1.823	.070	.609	1.642
	Autocratic Leadership	-.078	.081	-.085	-.972	.333	.807	1.238
	Laissez-faire Leadership	.154	.076	.212	2.024	.045	.566	1.767

a. Dependent Variable: Performance of employees

Source: Own survey, 2018

Multiple regression analysis indicated that, transformational leadership positively predicted employee performance (Beta= 0.266) and it is significance at $p < 0.01$ level of significance. The result is interpreted as if supervisors exhibited/applied more transformational leadership, the employees will have higher employee performance. Transformational leadership positively affects employee performance that when the transformational leadership styles more applied, the employees' performance increased by 26.6 percent. As predicted, this result accepted alternative hypothesis (Transformational Leadership has positive effect on the employee performance) and rejected the null hypothesis (Transformational Leadership has not positive effect on the employee performance).

Therefore, transformational leadership has positive and significant influence employee's performance in Dessie city Administration. The results of transformational leadership were consistent with studies like Raja and Palanichamy (2015) for sample of employees in public and private sector enterprises in India; Aboshaiqah *et al.* (2014) on a sample of hospital nurses, Pradeep and Prabhu (2011) in India, Kehinde and Banjo (2014) and Ejere and Abasilim (2013), both in Nigeria, Tsigu and Rao (2012) and Gimuguniet *al.* (2014) in Ethiopian banking industry and Ugandan local government authorities respectively.

Transactional leadership negatively affects employee performance (Beta= -0.184) but it is insignificant at $p < 0.05$ level of significance. The implication of this result is that application of transactional leadership styles decreases the employee's performance by 18.4 percent but the influenced showed that insignificant. Therefore, the alternative hypothesis of this study which stated that "Transactional Leadership has positive effect on the employee performance" in Dessie city administration could not be supported. As a result, the null hypothesis which is "Transactional Leadership has not positive effect on the employee

performance”. Consequently, transactional leadership has negative and insignificant influence employee’s performance in Dessie city Administration. These findings are inconsistent with the many studies reported that transactional leadership style significantly positively affected employees’ performance. For example: studies by Pradeep and Prabhu (2011), Kehinde and Banjo (2014) and Ejere and Abasilim (2013).

Autocratic leadership was found to have negative effect on employees’ performance (Beta = -0.085) but it is insignificant at $p < 0.05$ level of significance. The implication of this result is interpreted as application of autocratic leadership styles decreases the employee’s performance by 8.5 percent but the influenced showed that insignificant. This suggests that the hypothesis that “Autocratic Leadership style has positive effect on the employee performance” in Dessie city administration could not be supported. Hence, autocratic leadership has negative and insignificant influence employee’s performance in Dessie city Administration. Furthermore, the study findings are inconsistent with those reported earlier in Gimuguni, *et al.* (2014) and in Nuhu (2010) both of whom reported positive relationship between autocratic leadership styles and employees’ performance.

Lastly, the study found that laissez-faire leadership styles are significantly positively affecting employee performance (Beta = 0.212) and it is significant at $p < 0.05$ level of significance. This result is interpreted as application of laissez-faire leadership styles increases the employee’s performance by 21.2 percent. As predicted, this result accepted alternative hypothesis “Laissez-faire or free rain style Leadership has positive effect on employee performance” and rejected the null hypothesis “Laissez-faire or free rain style Leadership has not positive effect on employee performance”. Hence, laissez-faire leadership has positive and significant influence employee’s performance in Dessie city Administration. The results lend weak support to the previous evidence which reported negative relationship, e.g. Aboushaqah *et al.* (2014), Nuhu (2010). However, the same results are inconsistent with those which reported a positive relationship between laissez-faire leadership style and employee performance. See for example, Gimuguni, *et al.* (2014).

The study should contribute to the expansion of knowledge in the human resource field on how leadership styles can be used to achieve employee performance. It also tried to close a gap in current literature in which studies of leadership styles and employee performance in the government institution have not been fully and efficiently explored. Thus, the study added empirical evidence on the topic by providing evidence from government institutions.

5. CONCLUSION AND RECOMMENDATION

5.2. Conclusion

This study has analyzed the effect of leadership styles on improvement of employee’s performance in the Dessie city administration. The results of this study revealed that there is a positive and significant relationship between transformational and laissez-faire leadership

styles and employee's performance. However, transformational leadership style (Beta= 0.266) has more influential than laissez-faire leadership style (Beta= 0.212). This shows that the effect of change in transformational leadership style is also increasing the employee's performance by 21.6 percent. The effect of change in laissez-faire leadership style is increasing the employee's performance by 21.2 percent.

In contrast, there is a negative and insignificant relationship between transactional and autocratic leadership styles and employee's performance. On the basis of the findings of this study, it can be concluded that leadership style has both positive and negative effect on employee's performance. The study found that transformational leadership style, in which employees are allowed to have sense of belonging, carry out higher responsibility with little supervision, and followers are helped to achieve their visions and needs enhance organizational efficiency. Surprisingly laissez-faire leadership style also has positive and significant effect on employee's performance. The reason behind positive and significant relationship of laissez-faire leadership style would be the implementation of different civil service reforms increase the freedom and autonomy of employees on their job. Therefore, it is concluded that transformational and laissez-faire leadership styles are the best for the management of Dessie city administration sectors/offices to be adopted in order for them to succeed the annual and strategic objectives.

From the study findings it can be concluded that supervisors who are driven by the desire to achieve better performance from his/her employees should try and exhibit more of transformation leadership style and somehow laissez faire leadership style and less of the rest of the styles (transactional and authoritative leadership styles).

5.2. Recommendation

Employees in government institutions perform once the institutions leaders and supervisors give the activities plan and allocated the budget for them. The results of this study provided insights into what employees need from their supervisors and the kind of leadership behaviors they prefer. This information could be used to help develop strategies and meet institutional needs through leadership behavior development. According to the results, some strategies for improving supervisor's leadership and employee performance could be suggested. It indicated that transformational leadership and somehow laissez faire leadership behavior would lead to higher employee performance. The leaders or supervisors should be aware of what is important for the subordinates and the institutions as a whole and encourage the employees to see the opportunities and challenges around them creatively. The supervisors should also have their own visions and development plans for followers, working in groups and champion team work spirit.

As presented both in descriptive and inferential statistics result, leaders and supervisors authoritative leadership styles will decrease employee performance. So, they should try to avoid this type of leadership style. Regarding to the results of correlation

analysis, it indicated that transformational leadership and laissez faire leadership have significant correlations with employee performance. The group of specific behaviors factors of transformational leadership positively correlated with employee performance. Therefore, as mentioned before, leaders or supervisors should be aware of the importance of transformational leadership style and try to put it in practice.

Authoritative leadership had a negative correlation with employee performance. It was obvious to see that authoritative leadership is not an effective leadership style. So, supervisors should try to avoid this style. Supervisors should enrich the knowledge about the perceptions of leaders' behaviors and how these behaviors relate to employee performance. Based on the results of the current study, leadership development programs could help leaders understand the relationships between effective leadership styles and employee performance. Transitional leadership style also had negative correlation with employee performance. This due to those government institutions specifically those which deliver service to the public have less reward and incentives to offer for employees. That why it has no correlation with employee's performance.

Institutions can develop certain training programs or mentoring by professionals for the supervisors and leaders. Professionals and trainers can use the results from the current study to develop training programs that support leadership development. Institutions can provide leadership training program or interventions to improve supervisor's leadership. The leadership training program can be designed based on employee needs and organizational needs to achieve the very best from such particular programs. And also, psychological interventions are needed to clarify for the employees about the relationship with supervisors, and the effects of leadership styles on loyalty employee performance, including leader's daily practice, leadership behaviors, and the importance of feedback.

The institution and supervisors should involve employees in decision making and leadership improvement and provide training and teamwork facilitation. In addition, policies and practices related to rewards or feedback system in the organizations can be adjusted to meet employees' needs in order to improve employee performance. This study examined that how different leadership styles affected employee performance in Dessie city administration. The high level of employee performance was due to supervisor's leadership style, but there are still other factors that would affect employee performance. Future research could focus on other factors that might also affect employee performance and not only the few leadership styles.

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