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The Effects of Leadership Styles on Organizational Performance: A Survey of Selected Federal Civil Service Institutions in Ethiopia

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Abstract

This study aimed to examine the effects of leadership styles on organization performance of Ethiopian Civil Service Institutions at federal level. The study employed quantitative research method with correlational design. The respondents of this study were 400 middle and lower level managers, experts, and employees from six federal public organizations and selected using simple random and proportional sampling. Participants were informed of the objectives of the study and assured of the confidentiality of the research. The reliability test showed that all variables scored above 0.7 Cronbach alpha coefficients. Percentage, mean, standard deviations, Pearson and Spearman rho correlations, multiple regression and MANOVA were used to analyze the data. The findings revealed that leadership styles predict 49.1 percent of organizational performance, both transformational and transactional leadership styles strongly and positively correlated with organizational performance while laissez-faire leadership style is negatively correlated. It is concluded that leadership style has effects on organizational performance, and leaders who exercised both transformational and transactional leadership styles attained more organizational performance than leaders who practiced laissez-faire leadership style. Thus, leaders in civil service sector need training as well as education developing executive leadership package. Moreover, the research calls for leaders to use combined leadership styles to ensure high organizational performance. The findings of the study add to limited but growing body of research on civil service sector leadership and organizational performance.

Key words: Leadership styles, transformational leadership, transactional leadership, laissez-faire leadership, organizational performance.

1. Introduction

Since it is very difficult to give a precise definition of the term leadership, scholars define it in their own way (Russell, 2005, Bennis, 2007, Hackman & Wageman, 2007). While Asika (2004) suggests that leadership is the process of influencing people to direct their efforts towards achievement of some organizational goals, Chris and Ukaidi, (2016) posits that leadership has to do with the role someone plays in influencing followers in order to achieve organizational goals. Similarly, Rue and Byres (2009) define leadership as "the ability to influence people to willingly follow one's guidance or adhere to one's decisions." Furthermore, Northouse (2010:5) defines

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leadership as a "process whereby an individual influences a group of individuals to achieve an organizational goal." Even though each definition uses different factors, the general tenet of the leadership is that leadership is a process that influences the behavior of the followers to perform tasks efficiently and effectively which again calls for appropriate exercise of leadership style (Bass, 2000).

Studies show that organization performance and leadership effectiveness depends on the styles or methods that the leaders use (Harris et al., 2007). Scholars confirm that behind any organization's success or failure, there is leadership style that organizations adopt. According to Ebrahim (2018: 2), leadership style is "a combination of different characteristics, traits and behaviors that are used by leaders for interacting with their subordinates." According to Ojokuku et al. (2012: 202), leadership style is a key determinant of the success or failure of any organization and is the ways of providing direction, implementing plans, and motivating people. Hence, the literature describe that leadership style influences the performance of an organization.

Research suggests that effective leadership styles can facilitate the improvement of performance of organizations. The attainment of organizational goals depends on the leadership styles (Chris & Ukaidi, 2016). The behavior that leaders adopt or the method they practice determines effectiveness of the organizational performance positively or negatively. Studies that were conducted on leadership and organization performance reveal that leadership style of top management directly affects the performance of public sector organizations (Fu-Jin et al., 2011; Ojokuku et al., 2012). Similarly, McGrath and MacMillan (2000) declare that there is significant relationship between leadership styles and organizational performance.

Leadership styles can be categorized as transformational, transactional, laissez-faire, culture-based style, charismatic and visionary leadership styles (Soughi et al., 2015; Harris et al., 2007; Yukl, 1994), autocratic, laissez faire and democratic or participatory (Chris & Ukaidi, 2016), Transformational and Transactional leadership styles (Wahab et al., 2015). This study uses the three major leadership styles (transformational, transactional, and laissez-faire) which comprise in one or other ways all the aforementioned leadership styles.

The above discussions indicate that there is relationship between the organizational performance and leadership styles. The discussion also points out that civil service institutions and their leaders should be cautious and transforming the existing leadership styles of public sector organizations to implement the visualized changes is important. Lately the Federal Civil Service Commission (2019/20) evaluated the performance of several federal civil service institutions. The commission used BSC based indicators to measure the performance of these organizations then ranked them high, medium and low performers.

Even though there would be several factors such as work environment (Akintayo, 2012), employees attitude and employee commitment (Igbaekemen & Odivawri, 2015) that contribute to organizational performance, several studies (Fu-Jin Wang, et al., 2011; Ebrahim, 2018; Chris and Ukaidi, 2016; Ojokuku et al., 2012; Obiwuru et al., 2011) state that organizations' performance and their success are largely the consequence of leadership style. Thus, the purpose of this study is to investigate which leadership styles in selected institutions are practiced and to what extent such leadership styles affect the organizational performance of federal civil service institutions in Ethiopia.

1.2 Problem Statement

Improving organizational performance is among the challenges that public sector leader's face. They must toil to satisfy the ever increasing and demanding needs of their customers. Recently Federal Civil Service Commission (FCSC, 2019/20) evaluated the overall change implementation performance of the federal civil service institutes and announced their ranks based on checklists that the commission developed. As per the evaluation checklist, organizations were ranked as High, Medium and Low performers (FCSC, 2019/20). It used organizational change execution (institutional change leadership, building strong change agents, result oriented system, customers' satisfaction) and good governance (tackling internal and external good governance problems, rent seeking attitude and practice, complaint management and citizens' charter) indicators as criteria to rank the performance of these institutions. Though the Commission ranked 27 federal organizations according to their performance, the study did not specifically indicate what factors explain the level of performance in the public sector. Moreover, except Simret (2020) no study is conducted on what were the elements connected with very high or low performance of these organizations.

Furthermore, while few leaders understand that the leadership styles strongly influence their organizations' performance and goal achievement; most leaders may not understand that leadership styles do make a difference in their organizational performance. Thus, the limited research in this area, unexplored issue regarding leadership styles at public service institutions' context triggered the researcher to investigate further the effects of leadership styles on organizational performance. While the general objective of this study is to examine the effects of leadership styles on organizational performance at federal public sector organizations in Ethiopia, the specific objectives of this study are to: 1) Examine the effect of transformational leadership style on organizational performance at federal public sector organizations in Ethiopia; 2) Identify the effect of transactional leadership style on the organizational performance at federal public sector organizations in Ethiopia; 3) Examine the effect of laissez-faire leadership style on organizational performance at federal public sector organizations in Ethiopia; and 4) Investigate which leadership style has more effect on organization's performance at federal public sector organizations in Ethiopia.

1.3 Significance of the study

This research will provide several practical inputs to public sector leaders and their organizations. It will contribute to the understanding of the role of leadership styles on improving organizational performance. This research demonstrates that the change in leadership styles will provide unique and significant information about how to transform an organization. The study forwards to policy makers what is behind the performance outcomes that discriminate between high, medium and low performing organizations. Moreover, the findings of the study energize top leaders to examine their leadership practices to change their behaviors or styles. The result of this study serves as input to leadership development programs. Furthermore, this research contributes new findings to existing literature on Ethiopian context. Finally, it is believed that this research can be seen as a starting point for research using MLQ 5X (Bass & Avolio, 2000) measurement in Ethiopian public sector organizations, thereby instigating further research to provide valuable insight for both academics and practitioners.

1.4 Scope of the Study

The purpose of this study is to investigate the effects of leadership styles on organizational performance. Though organization performance could be affected by several factors, research shows that leadership style takes the major share (Fu-Jin Wang et al., 2010; Ebraham, 2018; Chris and Ukaidi, 2016; Ojokuku et al., 2012; Obiwuru et al., 2011). Thus, in this study the effect of leadership style on organizational performance was examined. Although there are different leadership styles, because of their comprehensiveness and availability of sufficient literature, the researcher focused on transformational, transactional, and laissez-faire styles in this study. In this research, leadership style is conceptualized by transformational leadership style (leaders become role models, inspiring, stimulating, and considers individual differences), transactional leadership (contingent rewards or exchange relationship) and laissez-faire (avoidant leader). Organizational performance (OP) is also conceptualized as the degree to which an organization achieves its goals/objectives. The financial performance, internal business processes, customer perspectives, and growth/innovations and learning mechanisms will be adopted as the dimensions of OP. The study used three major leadership styles (transformational, transactional, and laissez-faire) as independent variables and organizational BSC performance (financial performance, internal business processes, customer perspectives, and innovations and learning) as dependent variable (Kaplan & Norton, 1992).

While Multifactor Leadership Questionnaire (MLQ-5X) developed by Bass and Avolio (2000) was used to measure the effect of leadership styles, to measure organizational performance the researcher used a self-developed questionnaire. Methodologically, the study utilized quantitative research approach with correlation research design. This study is delimited to federal civil service institutions (Ministry of Innovation and Technology, Ministry of Labor and Social Affairs, Ministry of Transport, Ministry of Foreign Affairs, Ministry of Plan and Development, and Ministry of Minerals and Mines) located in Addis Ababa, Ethiopia. Because of time and funding constraints, the researcher selected the above six institutions (three from high performers, two from medium and one from low performers) from 27 institutions that were evaluated by FCSC. The six institutions are specifically selected using lottery method.

2. Review of the Related Literature

2.1. The Concept of Leadership

Leadership is a construct whose conceptualization is often shaped by the nature of theoretical traditions advocated by its researchers. Hence, depending on schools of thought, researchers offer different definitions of leadership. For instance, scholars like Yukl (2010), McManus (2006), Koestenbaum (2002) and Blanchard (2007) variously define the term leadership in accordance with their perspective. Yukl, after a comprehensive review of the literature, states that leadership is a way of influencing an individual to work toward the personal or organizational goals or objectives willingly. It is also a process of bringing people together to strive to achieve shared goals (2010:20). While willingness to be influenced and shared objectives are key issues to Yukl, McManus (2006:12) argues that leadership is a process of establishing a team and team spirit using empowerment as a tool to get positive outcomes.

Northouse (2001: 3) presented that a potential leader is such that he/she can influence others and ensure that they follow him/her. Leadership is a process in which we find the involvement of both leaders and followers. Nevertheless it is the leader who initiates this process to be feasible more than their followers. It is one of these characters that distinguishes a leader from his

followers. According to Plunkett, Attner, and Allen (2008: 434-435), leadership comprises three sets of variables, namely: the leader, followers, and the organization and state of affairs in which both the leader and the follower are interacting and continuously altering. Both the leader and those being led are human beings with various proficiencies, traits, understandings, and attitudes developed through experiences that shape their personalities, personal viewpoints, and ethical beliefs. These factors can contribute to or reduce from the leader's ability to influence others. They are the sources of the individual's strengths or weaknesses.

To the researcher, leadership makes people feel important and then inspire them to exert their maximum effort to achieve the goals. Koestenbaum (2002:19-21) states that leadership is greatness in all one does. Greatness is a style that leaders practice in their daily activities such as: innovativeness, foresight, effectiveness, and flexibility giving high value for people and their willingness to take risk. Blanchard (2007:3) notes that leadership is the process of touching the 'thoughts and actions of others'. Likewise, Sashkin and Sashkin (2003:39) define leadership as the art of transforming people and organizations with the aim of improving the organization's performance.

Leadership and its potential outcome on organizational performance and enduring experience are at the front position of the agenda of organizations of the world. Hence, in this era of globalization, all organizations, be it profit making or not-for-profit, need high-quality leadership at all tiers. There is also growing evidence that senior leaders can play a crucial role in the design and success of service delivery and employment to meet the needs of an increasingly diverse population.

Thus, from the literature, leadership may be considered a process of influencing and leading followers and situations which improve organizational performance. Since the focus of this study is on leadership styles of civil service institutes at federal level, it is logical to review the most common leadership styles.

2.2 Leadership Styles

Leadership style plays an important role in today's organizations. According to Haque et al. (2015), leadership style is a method that a leader exercises to motivate employees towards the achievement of the organization goals. Leadership style is a behavior that a leader uses in dealing with employees and situation at a given time within an organization (Ukaidi, 2016). The leadership style of a leader has a major role in improving the performance that the organization is expecting (Wang et al., 2010).

Chris and Ukaidi (2016) argue that by implementing the suitable leadership style, a leader can positively impact the performance of his/her organization. Effective leadership style can increase organizational performance, bring employee satisfaction, and boost employee commitment. Accordingly, Harris et al. (2007) argue that the leadership style has immense contribution on organization performance, has impact on employee job satisfaction (Yahaya et al., 2012), and employees' commitment. The study of Bass and Riggio (2006) found that leadership style has 45-65% effect (positive or negative) on organization performance. Thus, the extent of success depends on the style of the leader and the systematic environment created for staff.

Ojokuku et al. (2012: 202) state that leadership style is a key determinant of the success or failure of any organization and is important in providing direction, implementing plans, and motivating people. Similarly, Ebrahim (2018: 2) points out that leadership styles are "a combination of different characteristics, traits and behaviors that are used by leaders for interacting with their subordinates." The behavior that the leaders adopt or the method they

practice determines effectiveness of the organizational performance positively or negatively. Since the attainment of organizational goals depends on the leadership styles (Chris and Ukaidi, 2016), the leadership style of top management directly affects the performance of public sector organizations (Fu-Jin et al., 2010; Ojokuku et al., 2012).

Though there are numerous styles of leadership, in this study the researcher considered the transformational, transactional, and laissez-faire leadership styles. The transformational leadership style is more innovative, productive, effective, and satisfying to followers as both parties work towards the good of the organization and they both come together by shared visions and values while they exercise mutual trust and respect (Bass & Riggio, 2006). A leader who employs transactional leadership style tends to motivate followers by appealing to his/her self-interest. This leader motivates followers to achieve expected levels of performance by helping them to recognize task division, identify goals and strength the relation about meeting wanted performance level (Bass & Avolio, 2004), though laissez-faire style is totally passive leadership (Bass & Riggio, 2006). Leaders must understand that their leadership styles influence their subordinates' commitment and behavior to support their leaders, and above all their organizational performance (Saleem, 2015).

2.3 Organizational Performance

The ability to implement an institute's objectives efficiently and effectively is called organizational performance (Sofi & Devanadhen, 2015; Longe, 2014). According to Ojokuku et al. (2012), organizational performance is the successful attainment of organizational objectives. Until the introduction of BSC there were no well-established instruments that measured organization's performance. Though financial dimensions did not measure sufficiently, it was the common method in measuring institutes' performance. This gap called for the inclusion of non-financial perspectives in measuring OP. BSC which was introduced by Kaplan and Norton (1992) found a solution on how to understand and develop the system of non-financial measurements.

According to Kaplan and Norton (1992), the BSC method suggests four perspectives to be considered when measuring quality of performance. These perspectives are: Client perspective (How do the organizations' customers see it?); Internal process perspective (What are the business's processes that the organizations must excel at in order to satisfy the shareholders and customers?); Learning perspective (How should the organization strengthen its abilities and competences in order to meet the external environment requirements?) and Financial perspective (How does the organization satisfy shareholders?). Since the purpose of this research is to examine the effect of leadership style on civil service institutions' performance, it is logical to use BSC and its four perspectives to measure the performance of these institutions.

2.4 Leadership Styles and Organizational Performance

The common leadership styles are transformational, transactional, and Laissez-faire leadership styles. There is considerable impact from the leadership styles on organizational performance. The leadership style influences the culture of the organization which, in turn, influences the organizational performance. It is important to understand the effects of leadership on performance given that researchers perceive it as key factor to improve organizations performance (Obiwuru et al., 2011). Moreover, Mehra et al. (2006) argue that if an organization wants to be best from other similar organizations for long, a lasting approach should be to focus

on the effects of leadership. Bass and Avolio (2004) suggest that leaders and their leadership behavior/style have effect on both their followers and organizational outcome.

Transformational leadership style and organizational performance

Transformational leadership style focuses on developing the followers and considering their needs. The managers who appreciate transformational leadership style focus particularly on developing the overall value system of employees, development of moralities, skills, and their motivation level. Transformational leaders act as strong bridge between followers and leaders, to develop clear understanding associated with the motivational level, values, and interests. Bass and Avolio (1994) state that transformational leadership demonstrates the superior leadership performance. The transformational leadership, according to Bass and Avolio (1994), occurs when the leaders broaden or elevate the interest of the employees. The transformational leaders are the ones who encourage the employees to look beyond their self-interest.

The transformational leaders are effective because of several reasons including that the leaders may be charismatic in terms of inspiring employees, the leaders may meet the emotional needs of employees, or they may stimulate employees intellectually (Bass & Avolio, 1994).

Wang et al. (2011) found that the transformational leadership and individual level performance is positively linked. Further, the study indicated that transformational leadership and performance of teams at organizational level are associated positively. Xu and Wang (2008) state that performance is the function of skills, abilities, knowledge, and motivation which are directed towards a prescribed behavior. Hence, it can be said that transformational leadership and organizational performance are positively associated (Jyoti & Bhau, 2015). Sofi and Devanadhen (2015) stated that transformational leadership has significant impact on the performance of the organization. They conducted research on banking organizations with the help of statistical tools such as SEM and SPSS and reached the same conclusion that transformational leadership has a direct positive relationship with organization's performance.

Transactional leadership style and organizational performance

A leader is known as a transactional leader if he/she is always willing to give something in return for something they consider valuable (Uchenwamgbe, 2013). This can include a number of things like promotion, pay raise, performance reviews, new responsibilities, etc. The major problem with this type of leadership is the expectation. Hence, transactional leadership can be defined as the exchange of targets and rewards between the management and the employees (Ojokuku et al., 2012). The study by Longe (2014) revealed that transactional leadership style has a positive impact on the organizational performance. The transactional leadership style helps in creating as well as sustaining the context in which organizational and human capabilities are maximized as employees are always able to achieve the tangible and intangible rewards. This leadership style particularly helps in creating an environment that is optimal for performance and also articulates the compelling vision that enhances the overall organizational performance (Longe, 2014).

According to research conducted by Sofi and Devanadhen (2015), transactional leadership was not found to have a direct impact on organization performance. This leadership style does not encourage creativity and innovation among employees and hence the employees do not perform as per the expectations of the organization.

Laissez-faire leadership and Organizational Performance

Laissez-faire leadership style has been defined by Northouse (2015) as the leadership style that sets the direction of what is to be accomplished by the followers with very little supervision. This style allows complete freedom to group decision without leader's participation. Subordinates are free to do what they like. The main role the leader plays is just to supply materials. The leader does not interfere with or participate in the course of events determined by the group.

Laissez-faire type of leadership is at the other end of the continuum from the transaction 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 is willing to accept it. Decision-making is also very slow and there can be a great deal of low reliability (Ojokuku et al., 2012).

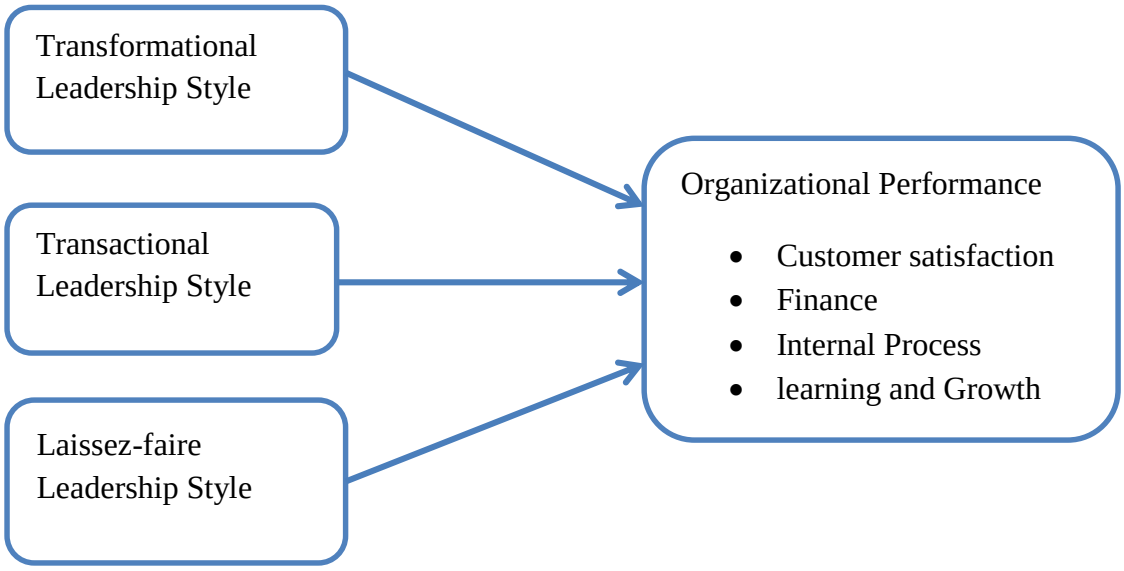


Figure 2.1 Conceptual Framework (own based on Bass & Avolio, 2000 and Kaplan & Norton, 1992).

3. Research Methodology

3.1 Research Approach and Design

This study employed the quantitative research approach. A descriptive explanatory survey research based on the view of middle and lower level managers, and employees in six (6) federal civil service institutions in Ethiopia was undertaken. The survey design is appropriate for this kind of study as it provides a quantitative description of attitudes, experience and opinions of the sample population (Bryman, 2008). Its analysis is based on primary data collected through structured questionnaires administered on respondents.

3.2 Population and Sampling Strategies

The population of the study consists of employees of 27 Federal Civil Service Institutions that were supervised by Federal Civil Service Commission (FCSC, 2019) and leveled as 'High', 'Medium' and 'Low' performer in change and good governance implementation. Among these institutions, 15 were leveled Very High, 10 were Medium and 2 were Low. The target population

is categorized based on their level of performance. So, the level (high, medium and low) was used for stratification. Accordingly, among 15 institutions that scored 'High', three institutions; from 10 institutions that scored 'Medium', two; and from 2 institutions that scored 'Low', 1 institution is selected using proportional sampling. Then the six institutions were identified through lottery method. From high performers Ministry of Innovation and Technology, Ministry of Trade and Ministry of Transport are drawn. From medium performers Ministry of Foreign Affairs and National Plan Commission, from low performers Ministry of Mining was drawn out of 27 institutions. The advantage of using a lottery method is to avoid the chance of systematic errors and sampling biases (Kotari, 2004).

The sample respondents for the study were drawn from a total of 5220 employees working in selected organizations. The number of sample respondents from each organization was determined proportionally and selected using a three-stage sampling. Each sample organization was first divided into directorates/departments at stage one and representative directorates were selected, while the selection of sample units/wings from each sample directorates was carried out at stage two. Finally, the selection of individual respondents from each sample units was carried out at stage three. In all cases simple random sampling procedure was used since it gives every individual the same probability of being selected and the selection of an individual in no way affects selection of another individual.

3.3 Sample Size of the Study

Data from Federal Civil Service Commission (2019/20) shows that 27 federal level civil service institutions were supervised as per indicators that the commission developed, and among these organization 15 (fifteen) were labeled high scorer, 10 (ten) were medium and 2 (two) were labeled low. From each levels of performance, the researcher planned to take six institutions (three from high, two from medium and one from low) which selected using lottery system of sampling. These organizations are Ministry of Innovation and Technology, Ministry of Trade, Ministry of Transport, Ministry of Foreign Affairs, Federal Plan Commission, and Ministry of Mining. Thus, the sample size of the study determined based on target population of these organizations.

The sample size is selected depending on the type of the research design being considered, the desired level of confidence in the result, the amount of accuracy wanted, and the characteristics of the population. Thus, to estimate the sample size the researcher employed the formula introduced by Yamane (1967) by considering a 95% confidence level and estimated characteristics of the study population (P=0.5) and level of accuracy or sampling error (e2=0.5). The selected organizations have more than 5420 employees. Since the population of the selected organizations is known, the researcher used Yamane (1967) formula to calculate the sample size of the study. Thus, the sample size for this study is determined as follows:

The formula runs as: n = N/1+N (e2):

5220/5220+1 (0.05) 2

= 399.909 which is nearly 400

Table 3.1: Proportional distribution of the sample size

No.	Name of the organization	Number of employees	Proportional calculation	Sample size
1	MInT	741	741* 400/5220	57
2	MoT	893	893*400/5220	68
3	MoTs	800	800*400/5220	61
4	MoFA	976	976*400/5220	75
5	Plan Comm.	722	722*400/5220	55
6	MoMi	1088	1088*400/5220	84
Total		5220		400

Source: field data, 2022

3.4 Data Collection Tools

In this study two data collection questionnaires, namely Multifactor Leadership Questionnaire (MLQ 5X) and self-developed questionnaire were employed. MLQ has two forms. The first is the Leader Form and the second one is Rater Form (MLQ 5X) which needs followers to rate their leader's leadership style. This study used only MLQ 5X, because research showed that self-rating questionnaires mostly tend to exaggeration and partiality. According to Bass and Riggio (2006:20), self-ratings of one's own leader behavior are prone and bias. Similarly, Bolton (2010:51) revealed that leaders look at their transformational leadership styles in an inflated way. Hence the more reliable and important version to study leadership style is the rater form.

Therefore, the MLQ version that used in this study was Multifactor Leadership Questionnaire (MLQ-5X). MLQ 5X served to collect data regarding leadership style, while self-developed questionnaire served to collect data about the organizational performance. Organizational performance questionnaire was constructed based on the BSC four dimensions which were developed by Norton and Kaplan (1992). The MLQ 5X short is a 45-item questionnaire that measures transformational, transactional, and laissez-faire leadership styles using a five-point Likert Scale (Bass & Avolio, 2000; Bass & Avolio, 2004). There are 45 items that measure the leadership styles and the leadership outcomes. Numerical values are given for each of the responses for the leadership factors. The values are as follows: 5 = to a very great extent, 4 = to a great extent, 3 = to a moderate extent, 2 = to a slight extent and 1 = not at all.

3.5 Data Analysis

The study used quantitative research methods of data analysis. The collected data was analyzed using descriptive and inferential statistical measures. Both descriptive and inferential statistics were employed. To run these statistics the Statistical Package for Social Science (SPSS version 25) was used. While percentages, frequencies and mean were computed using descriptive statistics, correlation and multiple regression were used to analyze and interpret the relationship between variables, significance difference, and statistically significant relationship observed between dependent and independent variables. The mean ratings were used, by employing MANOVA, to identify the prime leadership styles that affect organizational performance. The effect of the leadership styles (transformational, transactional, and laissez-faire) on organizational performance was analyzed using multiple regressions.

3.6 Validity and Reliability of the Study

In this study, internal validity of the MLQ for the three styles of transformational, transactional, and laissez-faire and self-developed questionnaire (BSC) was measured using Cronbach Alpha. Hence, the reliability of Total Transformational Leadership (TTFL), Total Transactional Leadership (TTSL) and Total Laissez-faire (TSL) is .921, .775 and .754, respectively. Both data were translated from English to Amharic. Particularly the MLQ (5X) was translated to Amharic considering the Ethiopian context and retranslated to English getting a translator who is excellent in both languages. Moreover, the self-developed questionnaire was pilot tested with 50 (fifty) respondents in comparable institution which is not part of the study. Furthermore, the content validity for measures of organizational performance was assessed by professionals in the field.

4. Data Presentation, Analysis and Interpretation.

4.1 Response Rate and Reliability Test of the Scale

As assessment of the survey indicated that all (400) surveys were returned properly completed. The collected questionnaires that fulfilled the prerequisite were encoded into SPSS Version 25. The reliability test of the scale was computed before commencing the data analysis. One of the most commonly used indictors of the scale's internal consistency is Cronbach's alpha coefficient (Pallant, 2010). According to Tabachnick and Fidell (2019), Cronbach's alpha coefficient of a scale should be at least 0.7. Hence, in this study while the Aggregate Leadership Style (ALS) is .907, the Aggregate Organizational Performance (AOP) is .944. Moreover, the reliability of Total Transformational Leadership (TTFL), Total Transactional Leadership (TTSL) and Total Laissez-faire (TSL) is .921, .775 and .754 respectively. Hence, as per the lists in Table 4.1, all variables have more than coefficient of 0 .7 which witness the internal consistency between items.

Table 4.1: Reliability Test

Variables	Cronbach's Alpha	N of Items
ALS	.907	32
TTFL	.921	20
TTSL	.775	8
TLS	.754	4
AOP	.944	24

Source: Field survey, 2022

The research has three independent (TFL, TSL and LS) and one dependent (OP) variables. While running the test, the researcher spotted four items which could drop the reliability of the scale below the minimum level of the coefficient. Thus, in order to maintain methodological acceptability, these four items were deleted from leadership styles and this made the analyzed number of items decreased from 36 to 32.

4.2 Demographic Data of Respondents

Table 4.2 shows that among 400 respondents 233 (58.3%) were male and 167 (41.8%) were female. Though the number of males exceeds that of females, the researcher believes that the obtained number is sufficient to get females' opinion regarding the subject. Table 4.2 displays

that 68 (17%) of the respondents are aged 18-27 while 184 (46.0%) are aged 28-37. Moreover, when respondents that aged 38-57 are 145 (36.3%) respondents that aged above 57 are (8 %). The overall data on age tells us that most of the respondents are young and at their prime working age. If the leaders use appropriate leadership styles they will be an asset to their organization.

Table 4.2: Demographic Data of Respondents

		Frequency	Percent	Valid Percent
Valid	Male	233	58.3	58.3
	Female	167	41.8	41.8
	Total	400	100.0	100.0
Age	18-27	68	17.0	17.0
	28-37	184	46.0	46.0
	38-47	104	25.0	25.0
	48-57	41	10.3	10.3
	58 and above	3	.8	.8
	Total	400	100.0	100.0
Education Level	Diploma	13	3.3	3.3
	First degree	241	60.3	60.3
	Second degree	141	35.3	35.3
	Other	5	1.3	1.3
	Total	400	100.0	100.0
Service Year	6 Mon. up to 5 yrs	206	51.5	51.5
	6 up to 10 years	127	31.8	31.8
	11 up to 15 year	30	7.5	7.5
	16 up to 20 year	21	5.3	5.3
	21 and above	16	4.0	4.0
	Total	400	100.0	100.0
Position	Director or Process Head	35	8.8	8.8
	Team leader	57	14.2	14.2
	Expert	297	74.3	74.3
	Other	11	2.8	2.8
	Total	400	100.0	100.0
Structure	Core process	232	58.0	58.0
	Support process	168	42.0	41.8
	Total	400	100.0	100.0

Source: Field data, 2022

The other demographic variable that analyzed was the respondents' educational level. More than 95.6 percent of the respondents held their first (241) and second degrees (141), while 18 (4.6%) respondents had diploma and other kinds of certifications. Therefore, it is possible to conclude that besides well understanding and critically examine the survey items, the sampled organizations have highly qualified human resource, if properly led they could be worthwhile asset. Table 4.2 shows that majority 206 (51.5%) of the respondents have served in current organization up to 5 years while 127 (31.8%) of respondents have served 6-10 years. While 51 (12.8%) of the respondents have served 11-20, 16 (4.0) of the respondents have served more than

21 years in their current organization. From the data, there is clear demonstration that the respondents are seasoned and able to evaluate their leaders from their rich experience. Organizations are considered strong if they have more long-serving employees.

Table 4.2 depicts that 92 (23.0%) of respondents are directors or process head and team leaders while 297 (74.3%) of the respondents are senior experts working with leaders in very near proximity. From this data it could be possible to infer that the mix of respondents give advantage to this study to find out diverse responses. Moreover, respondents are from two major organizational structure-core and support wings. While 232 (58.0%) of the respondents are from core positions, 168 (42.0%) of the respondents are from support staff. Since the leadership is revealed over the whole organizations performance, having respondents from both wings make the findings more balanced and dependable.

Data were collected from six federal public ministries namely Ministry of Transport and Logistics, Ministry of Plan and Development, Ministry of Labor and Women Affairs, Ministry of Foreign Affairs, Ministry of Mining and Ministry of Innovation and Technology. The sampled employees working in these organizations completed the survey personally. The sample size involved 400 directors, process heads, team leaders and experts.

The surveys consisted of three parts: the first part contains demographic, the second part contains leadership styles and the third part comprises items that requests about organization performance. The demographic characteristics contain seven items and these are: sex, age, and education level, work experience in current organization, and whether respondents were working under core or support process.

4.1.3 Checking Assumptions

Multiple regressions is used to explore the predictive ability of a set of IV on one continuous DV (Pallant, 2010). There are different types of multiple regression and they allow researchers to compare the predictive ability of particular independent variables and to find the best set of variables to predict dependent variables (Tabachnick & Fidell, 2019). Before commencing the actual regression, it is mandatory to check the normality, linearity, absence of outliers and multicollinearity.

The purpose of normality test is to check whether the respondents' response distributed evenly or not. This was done looking at the Histograms and Normal Q-Q Plot. The Histogram (Figure 4.1) scores appear to be reasonably normally distributed. Moreover, Normal Q-Q Plot (Figure 4.2) also shows that the value for each score is plotted against the expected value from the normal distribution. Hence, the Normal Q-Q Plot looks reasonably straight line and this suggests a normal distribution (Pallant, 2010).

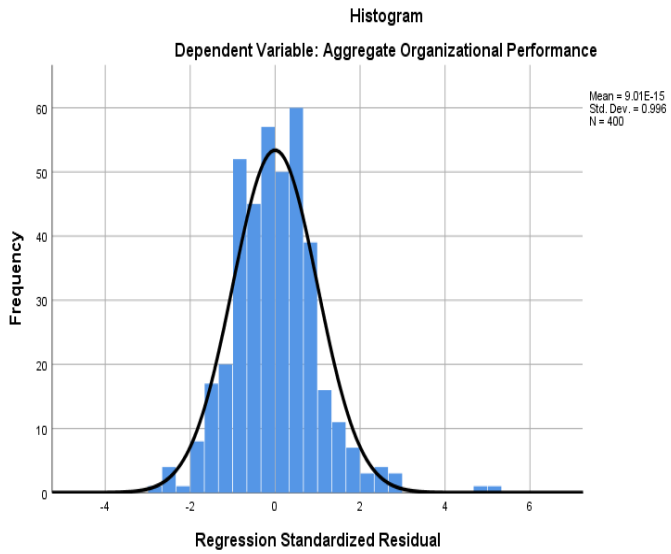


Figure 4.1: Histogram (normality test)

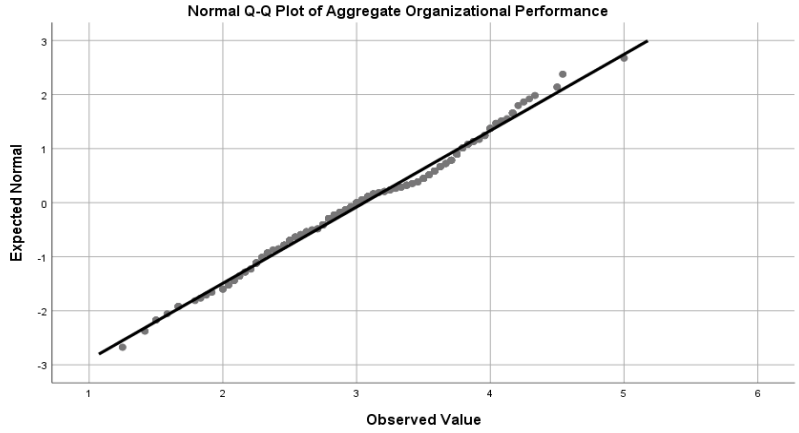


Figure 4.2: Distribution of cases

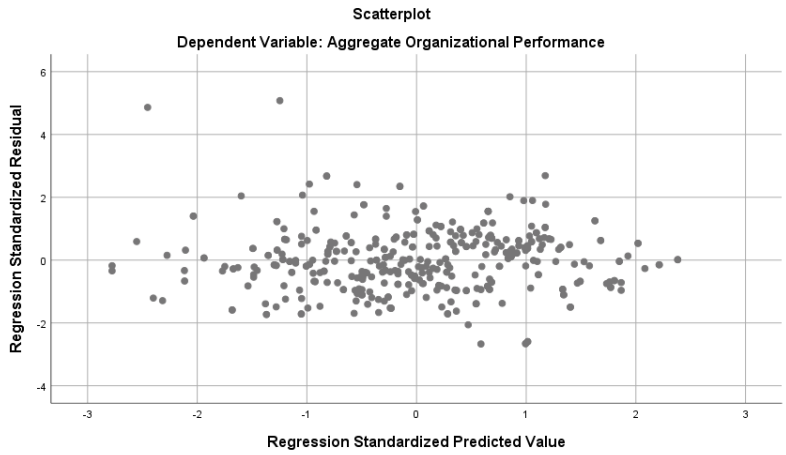


Figure 4.3: Scatterplot
Source: field data, 2022

Multicollinearity

Multicollinearity is a process to check that the independent variables have relationship with the dependent variable. To identify the problem of multicollinearity, two variables are calculated (Tolerance and VIF). According to Pallant (2010), Tolerance is an indicator of how much of the variability of the specified independent is not explained by other IV variables in the model and is calculated using formula 1-R squared for each variable while VIF is the inverse of Tolerance value. If the Tolerance value is less than .10, it indicates that the multiple correlations with other variables are high or there is possibility of multicollinearity.

VIF (Variance inflation factor) value Pallant (2010) recommends tolerance value of less than .10, or a VIF value above 10 as the cut-off point for determining the presence of multicollinearity. In this study (Table 4.3) the tolerance value for transformational leadership is .426 and VIF is 2.348; Transactional leadership is .449 and VIF 2.229; and the tolerance value for laissez-faire is .920 and VIF is 1.087. In this study the tolerance value for TTFL, TTSL, TLS are .426, .449, and .920, respectively. All are not less than .10, implying that the multicollinearity assumption is not violated. Similarly, the VIF value for TTFL, TTSL, TLS are 2.348, 2.229, and 1.087 showing that the values are below the cut-off point of .10 and the assumption is not violated.

Table 4.3: Multicollinearity test of leadership styles

	Collinearity statistics	
Independent Variables	Tolerance	VIF
TFL	.426	2.348
TSL	.449	2.229
TLS	.920	1.087

Source: Survey 2022

The data were scrutinized further to examine the assumptions using Normal Plot (P-P) and Scatterplot. The Normal Plot (P-P) shows that the points lie in a straight diagonal line from bottom left to top right which indicates no major deviations from normality. The Scatterplot also shows that, according to Pallant (2010), if the residuals are distributed in a roughly rectangular way and most of the scores concentrated in the center there could be no major violation of normality. In the Figure 4.3, majority of the scores centralized along the 0 point. Thus, it is possible to conclude that the model is acceptable and to proceed to conduct regression.

4.3 The Effect of Leadership Styles on Organizational Performance

The major objective of the study is to examine the effect of leadership styles on organizational performance. Thus, the first step of the data analysis was to investigate the leadership styles practiced in selected organizations and relationship between variables (IV and DV), next the effect of each leadership styles (TTFL, TTSL and TLS) on organizational performance then examining which leadership style has more effect on organizational performance.

4.3.1 The leadership styles practiced, relationship between leadership styles and organizational performance

In this study Transformational, Transactional, and Laissez-faire leaderships were major dimensions of leadership styles (Bass and Avolio, 2004). It is logical to find which leadership

style is practiced in sampled civil service institutions. Table 4.4 presents the composite mean and standard deviation of transactional, transformational, and laissez-faire leadership styles that are practiced in sampled institutes.

Table 4.4: Descriptive of the practiced leadership styles

	N	Minimum	Maximum	Mean	Std. Deviation
Total Transactional Leadership Style	400	1.00	5.00	3.0941	.70123
Total Transformational Leadership	400	1.00	4.60	3.0319	.70299
Total Lassie-faire Leadership	400	1.00	5.00	2.7950	.78311
Valid N (listwise)	400				

Table 4.4 shows that there is mean difference between transactional, transformational, and laissez-faire leadership styles that are practiced in sampled institutions. While the composite mean value of transactional (3.09) and transformational (3.03), the composite mean of laissez-faire leadership style is found (2.79). This implies that though there is mean difference between the practiced leadership styles, leaders in the sampled federal civil service institutions are practicing transactional, transformational and laissez-faire leadership styles.

To determine whether there is relationship between transformational, transactional, and lassie-faire leadership styles and to determine the strength of the relationship between these variables correlation was computed. According to Field (2005) and Cohen (1988), correlations of 0.1-0.29 are considered small, 0.30-0.49 are moderate and 0.5 and above are considered large. Hence, this study identified relationship between the three leadership styles and organizational performance. Table 4.5 portrays relationship between leadership styles and organizational performance of federal public sector organizations.

Table 4.5: Relationship between Leadership styles and organizational performance

Correlations

		AOP	TTSL	TTFL	TLS
OP	Pearson Correlation	1	.606**	.682**	-.207**
	Sig. (2-tailed)		.000	.000	.000
	N	400	400	400	400

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

Source: Field survey, 2022

Table 4.5 depicts that transactional leadership (TTSL) is correlated with organizational performance (r=.606, p<0.01), transformational leadership (TTFL) is correlated with organizational performance (r=.682, p<0.01), and the correlation index for the relationship between lassie-faire leadership (TLS) style and organizational performance (AOP) is (r=.-207, p<0.01). The result of the relationship between the leadership style (represented by three variables) and organization performance revealed that both transformational and transactional leaderships have positive and strong relationship while lassie-faire leadership has negative and weak or small relationship with organizational performance. However, all the three variables have significant relationship with the organizational performance (AOP).

Regression analysis could be performed to explain to what extent independent variables explain the dependent variables. In this study regression was made to analyze the effect of

leadership style that is represented by Transformational, Transactional, and Lassie-faire leadership on organizational performance.

Table 4.6: Model Summary

Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.704a	.495	.491	.50517

a. Predictors: (Constant), TLS, TFL, TLS

b. Dependent Variable: Aggregate Organizational Performance

The model summary reveals that the effect of leadership style on organizational performance is .491. Therefore, in this study the (R2) is .491 which explains 49.1% variance in organizational performance. The model summary explains that 49.1 % change of organizational performance can be predicted by the combination of the three leadership styles (Transformational, transactional, and lassie-faire leadership).

Moreover, to assess the statistically significant of the result, ANOVA (Table: 4.7) was computed and its F-ratio is 129.350 thus it is significant at p<.005 which permits to conclude that the model discloses that leadership styles (TTFL, TTSL, TLS) significantly predict organizational performance (AOP).

Table 4.7: Analysis of Variance (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	99.031	3	33.010	129.350	.000b
	Residual	101.060	396	.255		
	Total	200.091	399			

a. Dependent Variable: Aggregate Organizational Performance

b. Predictors: (Constant), Total Transactional, Total Transformational and Total Laissefaire Leadership

The model of regression in the Table 4.8 also indicates that the level of the contribution of leadership styles to organizational performance and their level of significance. The beta values and standard error of transformational and transactional leadership are (B=.487, SE=055) and (B=.248, SE=.054), respectively while the beta value of lassies-faire leadership is (B=.-070, SE=034).

Table 4.8: Coefficient of leadership styles on organizational performance

	B	Std. Error	Beta	t	Sig.
(Constant)	1.008	.166		6.085	.000
TFL	.487	.055	.484	8.840	.000
TLS	-.070	.034	-.078	-2.090	.037
TTSL	.248	.054	.246	4.608	.000

Dependent variable: Aggregate Organizational Performance

Though laissez-faire leadership has shown negative relationship, the beta values of the three leadership styles are greater than their standard error and their t values are statistically significant. Therefore, a unit improvement of transformational, transaction, and lassie-faire would lead to about .487, .248, -070, respectively are contributing to the organizational performance in federal public sector organizations.

4.3.2 The effect of transformational leadership on organizational performance

One of the basic questions of this study was to examine what is the effect of transformational leadership on the performance of organizations. The correlation in Table 4.5 shows that transformational leadership has positive statistically significant relationship (r=.682, P<0.001) with organizational performance. This portrays that transformational leadership is independent predicator to organizational performance and it enables the organization and their employees to perform better. Moreover, to identify the contribution of transformational leadership style the researcher looked at the output box labeled coefficient. Since the purpose of this research question is to compare which leadership style has more effect than the others, the researcher used standardized coefficients of beta value (Table 4.8).

At the Beta column among the leadership styles (independent variables) a variable that contains the largest beta value is transformational leadership. Transformational leadership has the largest beta coefficients (.484). The aforementioned result shows that transformational leadership makes the strongest unique contribution to explaining the dependent variable (organizational performance), when the variance explained by all other variables in the model is controlled for (Pallant, 2010). Moreover, the sig value confirms that transformational leadership style is making a statistically significant unique contribution to the prediction of the dependent variable. Furthermore, the Part correlation coefficient result shows that transformational leadership explains 10 percent of the variance in total organizational performance scores.

4.3.3 The effect of transactional leadership on organizational performance

The second basic question was explaining the effect of transactional leadership on the organizational performance of federal level public sector organizations. According to Table 4.5, transactional leadership has positive statistically significant relationship (r=.606, P<0.001) with organizational performance. This shows that transactional leadership is independent predicator to organizational performance and it makes the organization and their employees to perform better.
Moreover, at the Beta column transactional leadership held the second largest beta value. The transactional leadership style's beta coefficient is (.248). This result indicates that transactional leadership creates moderately strong unique contribution to explain the dependent variable, when the variance explained by all other variables in the model is controlled for (Pallant, 2010). Since its sig value is less than .05, transactional leadership is making a statistically significant unique contribution to the equation, and the Part correlation coefficient result of it portrays that this leadership style explains 3 percent of the variance in total organizational performance scores.

4.3.4 The effect of laissez-faire leadership on organizational performance

Laissez-faire leadership style is among the leadership style that was examined whether it has effect on the organizational performance of federal level public sector organizations. The correlation at Table 4.4 describes that laissez-faire leadership has negative relationship (r= -.207, P<0.001) with organizational performance. Moreover, the correlation between laissez-faire leadership and organizational performance was negative as well as significant and this shows that the more the leaders exercise a laissez-faire leadership style, the less the organizational performance or the performance of the organizations could deteriorate.

In the Table (4.7) the Beta column of laissez-faire leadership is -.070. This result indicates that laissez-faire leadership creates low unique contribution to explain the dependent variable, when the variance explained by all other variables in the model is controlled for (Pallant, 2010).

Even though its sig value is less than .05, laissez-faire leadership made less of a unique contribution to the dependent variable.

4.3.5 The leadership style that has more effect on organization's performance

Federal organizations namely MoFA, MoLSA, MoMi, MoPD, MInT and MoT were sampled for this study. While MoLSA, MInT and MoT were selected among the organizations that were leveled high, MoFA and MoPD were from medium and MoMi was included from low. The leveling was done by their organizational performance (FCSC, 2019/20).

Table 4.9: Multivariate analysis of variance (MANOVA)

Descriptive Statistics

Variable	Organization	Mean	S.D	N
Total Transactional Leadership Style	MoFA	3.2433	.57682	75
	MoLSA	2.6820	.59477	68
	MoMi	3.1369	.80674	84
	MoPD	3.2318	.63438	55
	MoST	3.0044	.77415	57
	MoT	3.2705	.60259	61
	Total	3.0948	.66490	400
Total Transformational Leadership	MoFA	3.0867	.53659	75
	MoLSA	2.5647	.72940	68
	MoMi	3.0411	.80690	84
	MoPD	3.2964	.50624	55
	MoST	2.9456	.72088	57
	MoT	3.3148	.56313	61
	Total	3.0415	.64385	400
Total Lassie-faire Leadership	MoFA	2.9033	.80737	75
	MoLSA	2.8493	.77765	68
	MoMi	2.6637	.76883	84
	MoPD	2.7500	.75920	55
	MoST	3.0395	.74820	57
	MoT	2.5943	.77347	61
	Total	2.8000	.77245	400
Aggregate Organizational Performance	MoFA	3.0172	.58051	75
	MoLSA	2.4884	.56816	68
	MoMi	3.1850	.67674	84
	MoPD	3.0924	.55217	55
	MoST	3.0906	.80074	57
	MoT	3.4980	.67903	61
	Total	3.0619	.64289	400

Source: Field survey (2022).

Even though the correlation and regression results have shown us the perceived types of leadership styles that are practiced by the leaders of these organizations, the statistics did not reveal to what extent they differ in their leadership styles and organizational performance or which leadership style has more effect on OP. To know the extent of difference between these organizations, multivariate analysis of variance (MANOVA) was conducted.

Table 4.9 above shows that organizations and the leadership styles they exercised were different in their mean and standard deviation. Except MoLSA (M=2.68, SD .59477), the remaining five organizations MoFA (M= 3.2433, SD=.57682), MoMi (M=3.1369, SD=.80674), MoPD (M=3.2318, SD=.63438), MInT (M=3.0044, SD=.77415), and MoT (M=3.2705, SD=.60259) have comparable mean and standard deviations on Transactional leadership. Therefore, it could be possible to conclude that with the exception of MoLSA, all organizations have nearly similar mean and standard deviation on transactional leadership style. Regarding the transformational leadership style, MoLSA (M=2.56, SD.72940), MInT (M=2.94, SD=.72088), MoMi (M=3.0411, SD=.80690), MoFA (M=3.0867, SD=.53659), MoPD (M=3.2964, SD=.50624), and MoT (M=3.3148, SD=.56313). While MoLSA and MInT scored below three in their mean, MoMi and MoFA (M=3.04-3.01) and MoPD and MoT (M=3.29-3.31) scored closely similar mean and standard deviation. This implies that there is difference between organization in mean and standard deviations on transformational leadership.

The third dimension of leadership style is laissez-faire leadership style. Concerning laissez-faire leadership (TLS), the organizations scored MoLSA (M=2.8493, SD.77765), MInT (M=3.0395, SD=.74820), MoMi (M=2.6637, SD=.76883), MoFA (M=2.9033, SD=.80737), MoPD (M=2.7500, SD=.75920), and MoT (M=2.5943, SD=.77347). In the case of laissez-faire, MInT scored slightly higher mean (M=3.04) than organizations that were considered in this study. Hence, it could be concluded that there is slight difference between organizations that are included in this study.

Table 4.9 exhibits the studied organizations and their performance mean and standard deviations. Accordingly, the scores of organizations on AOP were, MoFA (M=3.0172, SD=); MoLSA (M=2.4884, SD=.56816); MInT (M=3.0906, SD=.80074); MoMi (M=, SD=); MoPD (M=, SD=); and MoT (M=3.4980, SD=.67903). When MoT scored the highest mean (M=3.4980, SD=.67903), MoLSA scored the lowest mean (M=2.4884, SD=.56816). The other four organizations score almost similar mean and standard deviations on organizational performance (AOP) which tells us there is no much difference between organizations that are considered in this study.

4.4. Results and Discussion

The objective of this study is to explain the effect of leadership styles on organizational performance of federal level public organizations. The finding of the study revealed that leadership styles have strong relationship with organizational performance. Among the leadership styles TFL and TSL have strong positive effect while the effect of TLS (lassie-faire) was small and negative. Moreover, the study found that 49.1 % change of organizational performance can be predicted by the combination of the three leadership styles.

4.4.1 The overall effect of leadership styles on organizational performance

There is wide agreement that organization performance depends on the leadership style that the incumbent implements. For example, the study of Wang et al. (2010) revealed that a style a leader adopted has effect on organizational performance.

This study examined which leadership style practiced and the effect of leadership styles (ALS) on organizational performance (OP) and the findings revealed that leaders are practicing all the three leadership styles and the considered leadership styles have effect on organizational performance. The aggregate leadership style has shown strong significant correlation (r=675, $p<0.001$) with organizational performance. In this case the (R2) value is .491 which explains

49.1% variance in organizational performance and showed that Aggregate leadership styles have large effect size. Moreover, the beta value in the regression analysis is .217 which reveals that the presence of one unit of ALS in the organization increases organizational performance by .217, p<.05. Generally, leadership styles (TFL, TSL and TLS) predicted the organizational performance in joint manner. The findings of the study in agreement with the proposition of (Bass & Avolio, 1978; Arif & Akram, 2018; Widodo et al., 2017) confirm that leadership style adopted influences organizational performance.

4.4.2 The effect of transformational leadership on organizational performance

Most research findings show that transformational leadership style has positive relationship with organizational performance (Howell & Avolio, 1993; Wang et al., 2010; Jyoti & Bhou, 2015). Researchers also argue that transformational leadership style makes huge contributions on the improvement of organizational performance (Sofi & Devanadhen, 2015). In this study, the contribution of transformational leadership style was examined looking at its effect on organizational performance. Hence, the finding discloses that there is strong correlation (r=.682, P<0.001) between transformational leadership style and organizational performance. This finding matches with (Ebrahim, 2018; Bass & Avolio, 1994 and Wang et al., 2008). These authors argue that by using inspirational and challenging skills transformational leader motivate employees to deliver best performance (Ebrahim, 2018), distinct attention these leaders wage to every individual follower's need has direct contribution to the organization performance (Bass & Avolio, 1994) and transformational leaders improve the organizational performance by being role models to their followers, by eliciting higher team commitment and operation (Wang et al., 2010).

Findings revealed that the beta coefficient of transformational leadership is (.484). The result shows that transformational leadership makes the strongest unique contribution to the organizational performance and it also explains 10 percent of the variance in total organizational performance scores. This result aligns with research findings of Arif and Akram (2018) and Dijoko Steyo Widodo et al. (2017). The leadership inspires their followers alongside challenges and persuades, bestowing both understanding and meaning. This kind of leadership style is also intellectually motivating and increasing the followers' use of skills.

4.4.3 The effect of transactional leadership on organizational performance

The transactional leadership style and its effect on organizational performance were investigated. Most research findings (Ebrahim, 2011; Sofi & Devanadhen, 2015) show that transactional leadership has negative effect on organizational performance. They argue that since to this leadership style the "carrot or a stick" approach is instrumental in followers goal attainment, it negatively affects organizational performance. According to Bass and Riggio (2006), transactional leaders are negotiators and resource allocators in which the power and politics behind a request may be as important as its merit. This leadership style does not encourage creativity and innovation among the employees and hence, the employees do not perform as per the expectations of the organization.

However, the results of this study indicate that TSL have a strong positive correlation (r=.606, P<0.001) with organizational performance. The correlation table also showed that transactional leadership has positive statistically significant relationship with organizational performance. This finding matches with the research findings of Timothy, et al., 2011 and Longe, 2014. These authors argue that the transactional leadership style helps in creating as well as sustaining the

context in which organizational and human capabilities are maximized as the employees are always able to achieve the tangible and intangible rewards. This leadership style particularly helps in creating an environment that is optimal for performance and also articulates the compelling vision that enhances the overall organizational performance (Timothy et al., 2011; Longe, 2014).

The model of regression also indicates that the beta values and standard error of transactional leadership is (B=.248, SE=.054) which shows that transactional leadership is independent predicator to organizational performance. In other word, transactional leadership creates moderately strong unique contribution to explain the dependent variable. These findings are in line with (Timothy, et al., 2011 and Longe, 2014).

4.4.4 The effect of lassie-faire leadership on organizational performance

Laissez-faire leadership was among the leadership style that examined in this study. The aforementioned findings revealed that TFL and TSL were positively correlated. However, in this study Laissez-faire leadership was negatively correlated (r= -.207, P<0.001) with organizational performance as well as with the other leadership styles. Moreover, the beta value result (-.70, p<.037) indicates that laissez-faire leadership creates low unique contribution to explain the organizational performance. The results of the study align with the findings of Bass and Riggio, 2006; Bass, 1990 and Avolio and Bass, 2004. In these studies laissez-faire leadership exhibited negative correlation with other active leadership styles and showed weak effect on organizational performance. Furthermore, these authors argued that the laissez-faire leadership style is associated with dissatisfaction, unproductiveness and ineffectiveness (Bass & Riggio, 2006), it avoids decision making and supervisory responsibility (Bass, 1990) and such leaders mostly delay responding to urgent questions (Avolio & Bass, 2004).

4.4.5 The leadership style that has more effect on organization's performance

The six organizations showed mean difference in their leadership styles. Almost all (6) organizations that included in this study showed that they were exercising transactional leadership. While leaders in MoT, MoFA, MoPD, and MoMi were practicing both transactional and transformational leadership styles, MInT and MoLSA were using transactional and laissez-faire leadership.

Regarding the mean score of organizational performance, except MoT (M=3.45) and MoLSA (M=2.45), the remaining four organizations scored almost similar mean. Even though leaders showed different leadership styles, concerning performance they demonstrated the same result. Moreover, the current result disclosed that organizations that used both transactional and transformational leadership styles disclosed relatively higher mean (M=3.01-3.45) than organizations that employed transactional and laissez-faire leadership styles (M=2.48-3.09) in their organizational performance. Concerning the laissez-faire leadership style, though its mean rank was low, the descriptive statistics suggests that this style is prevalently practiced by leaders at the sampled organizations. Particularly, the finding disclosed that MInT leaders employed laissez-faire leadership styles slightly higher (M=3.03) than others.

Generally, the study showed two exceptional findings; first, in most of the organizations that exhibited above the average mean in OP, leaders were using both transactional and transactional leadership styles. This result portrays that both TFL and TSL have positive contribution to organization's performance. The second is organization that registered below average mean in OP was exercising above the average mean of laissez-faire leadership style, which revealed that

laissez-faire leadership style negatively affect organizational performance. Thus, even though organizations were using the mixed leadership style (TFL+TSL, TSL+TLS or TFL+TLS), when we look at the average mean of the organizational performance relatively the dominant (M=3.09) leadership style was transactional leadership. The result of these findings aligned with the research findings of Bass and Avolio (1994) and Bass and Avolio (2004). These researchers state that leaders are more successful when they practice both transformational and transactional leadership in amalgamated way rather than trying to use one excessively.

5. Conclusion

The purpose of this study was to examine the effect of leadership styles on organizational performance of some selected federal level public organizations. Regarding leadership styles, the focus was only on transformational, transactional, and laissez-faire leadership. There are two leadership styles, transformational and transactional leadership styles, which were found to have a positive and strong relationship with organizational performance. The third one, laissez-faire leadership was found to have negative relationship with the organizational performance (OP). Hence, the study showed that leadership style has positive as well as negative relationship with organizational performance. The results of multiple regression analysis indicated that a linear relationship between the leadership style and organizational performance is from small to high degree of significance. Furthermore, regression analysis indicated that transformational and transactional leadership styles significantly predicted organizational performance and it explained a significant proportion of variance. The findings of the study also indicated that leadership styles account for 49.1 percent of the performance of the organization.

The mean scores of leadership style at organization level indicate that respondents perceived that their leaders were using the three leadership styles but to varying degrees. Leaders at the studied organizations were practicing hybrid or mixed leadership styles, with more transactional and transformational, rather than one type. The findings of this study indicated that transformational and transactional leadership practices correlated with organizational performance positively and significantly. Hence the scrutinized look at the results in the statistical analysis showed that the mix of transformational leadership and transactional leadership were strong predictor of organizational performance than the combination of other leadership styles.

Almost all leaders in selected organizations were exercising laissez-faire leadership style though it was in slightly different manner. Leaders that exercised less transactional and transformational leadership style but high in their laissez-faire leadership style exhibited less in their organizational performance (less than the average mean, M=2.48). On the other hand, leaders that exercised high transactional and transformational leadership style in there mean rank, but low laissez-faire exhibited very high organizational performance (higher than the average mean, M=3.45). Thus, in both cases laissez-faire leadership style negatively associated with other leadership styles and has negative effect on the organizational performance.

6 Recommendations

The present study used correlation and multiple regression analyses to demonstrate a significant relationship between leadership styles and organizational performance at six federal organizations. Based on the findings and conclusions, the following recommendations are forwarded.

- The study found that perceived transformational leadership style has effect on the organizational performance, thus leaders stimulate employees to question their assumption, invite innovative and creative solutions to problems, and encourage followers to achieve both extraordinary outcomes and develop their own leadership capacity. Moreover, leaders should communicate high expectations to their followers, moving them through motivation to become committed and a part of the organization's shared vision.
- Transactional leadership also strongly correlated with organizational performance, thus leaders must balance between concern for people and concern for task because if it is used as the only leadership style besides shrinking the performance of the organization it will proliferate employee dissatisfaction, absenteeism and high turnover.
- Since sampled respondents expect their leaders to be transformational, concerned bodies must facilitate continuous education and training on contemporary leadership theories and practices before or immediately after assignment on senior leadership position.
- This study revealed that laissez-faire style is a weak negative predictor of OP, thus leaders must get timely and intensive training on leadership including performance management is most urgent.
- The study identified that leaders will be effective in their organizational performance if they use transformational and transactional in combined way rather than depending only on one as sole leadership style. Hence, it is recommended that in order to continue exhibiting the best organizational performance, leaders at federal level must be ready to be open, supportive, challenging, inspiring and use unilateral power when the situations demand it.
- This study has used only quantitative data. Using both types of data is more advantageous than one. Therefore, in order to get more and deep understanding on the effect of leadership style on organizational performance, future researchers should focus on using both quantitative and qualitative (mixed methods) data which allow the researcher to fill the gap that comes from using one type of data and to exploit the advantages that both methods have. Moreover, this study focused on performance at organization level.
- Future researchers could consider performance at individual and team levels. The respondents of this research were middle and lower level leaders, experts and employees of federal level public organizations. Though they are the best and reliable sources, to compare and contrast results and to get broad picture of leadership styles in public sector, future researches might use data from higher level leaders.

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