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Effect of Leadership Styles on Employee Performance: The Case of Commercial Bank of Ethiopia (CBE)

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Abstract

The study assessed the impact of leadership styles on employee performance at the Commercial Bank of Ethiopia. Studying the different leadership style practices (transformational, transactional, laissez-faire, and authoritative) and their effect on employee performance were the main objectives. Random sampling technique was used to select research participants. Around 149 structured questionnaires were distributed and 140 useable responses were collected. Multifactor leadership questionnaire (MLQ form 5X) was used to measure leadership style practices and customer satisfaction; team work and achieving organisational goal were used to measure employee performance. Descriptive statistics and scale analysis were used to analyse data using SPSS .23 and Microsoft Excel 2016. Pearson correlation analysis and regression analysis were used to predict the relationship between leadership styles and employee performance. The findings show that transactional leadership is the most practiced leadership style, followed by authoritative, transformational, and laissez-faire leadership styles, respectively. Transactional, transformational, and laissez-faire were found to be positively correlated with employee performance; on the other hand, authoritative leadership was found to be negatively correlated. The results recommend that leaders in CBE need to use a part of transactional, transformational, and laissez-faire leadership behaviours and not authoritative leadership behaviour.

Keywords: Transformational Leadership, Transactional Leadership, Authoritative Leadership, Laissez-Faire Leadership, Employee Performance

JEL Classification Codes

- M11: Production Management
- M12: Personnel Management Executives; Executive Compensation
- M54: Labour Management
- J81: Working Conditions
- J89: Other

Introduction

Companies are exerting efforts to enrich their organisational vision; maintain their success; and achieve organisational goals. To achieve organisational goals, resources are allocated; these can be financial or non-financial. Utilising the allocated resources efficiently and effectively is the concern of many leaders and managers. One of the organisation's critical resources is human capital, in which the performance of the employees directly affects the performance of the organisation. In addition, Anyango (2015) explains employee performance; the success and failure of an organisation is highly dependent on the effectiveness of leaders at all levels of the organisation. Leadership is a critical factor for improving the performance of many organisations, if not all.

Individuals are appointed, recruited, or elected to carry out certain roles and responsibilities to lead an organisation. Leadership is practiced in different business forms – from governments to NGOs; small and medium businesses to corporations; in the service and manufacturing sector;

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and in every business activity, including military and public sectors at all levels of the organisational structure. The main goal of a leader is to promote unity among the society and bring harmony, prosperity, and strength among members of an organisation. Today's uncertain business environment has caused many organisations to face challenges, struggle for survival, and compete in the local and global markets. Leadership provided by managers is the most important organisational resource to enable strategic change and to survive stiff competition. Leaders inspire others to achieve individual and company goals, by boosting employee's performance.

Similarly, Barghi et al. (2013) described the significance of leadership in companies, particularly that of human resources, who are seemingly the biggest resources in any organisation. "The main enablers of organisations are usually employees, they give success to the organisations and provide goals and achieve organisational vision." To get the best performance from employees, it is important to provide employees with achievable targets and psychological satisfaction. Leaders articulate the achievable target to be fulfilled by their subordinates, set employee morals, and empower employee satisfaction. In addition, Barghi et al. (2013) described that leadership is very critical for all organisations in realising their set of objectives, as leadership is a key element for enlightening the performance of many business organisations. The success or failure of an organisation directly depends on the success of leadership at all levels of the organisational hierarchy. In support of the above definition, Paracha et al. (2012) stated that leaders and leadership have a decisive role in organisational goals achievement and employee performance improvement by nourishing them with their profession. One of the potential variables that have a huge impact on employee performance is leadership, and it is perhaps the most thoroughly researched organisational variable (Cummings & Schwab, 1973). The decisions made by leaders are vital, because organisation failure or success is highly dependent on managers or leaders' effective decision making. Remarkably, it has been widely understood that effective organisations require effective management, and that employee outcomes and organisational outcomes will prosper or suffer in direct proportion (Fiedler & House, 1988).

Employee performance is crucial to an organisation's success. Employee performance is defined as actions of collaboration, consideration, and assistance that help coworker performance and job commitment. It encompasses motivated behaviours, like working hard, taking initiatives, and adhering to regulations to promote organisational goals. A competent leader may help here by recognising the significance and taking action. It must be understood that an organisation's goal cannot be achieved only via the efforts of one or two individuals. As a result, inspiring and coordinating personnel, as well as participation and a joint effort, will assist the company in achieving its objectives. Furthermore, Noormala and Syed (2009) claimed that good leader-follower interactions influenced employee performance. Employee performance, organisational dedication, delegation, empowerment, and work happiness were all said to be influenced by high-quality leader-follower interactions. As a result, adopting an effective leadership style may be a critical component of increasing organisational success. The major goal is to assess the influence of leaders' behaviour on staff performance.

The history of the Commercial Bank of Ethiopia (CBE) dates back to the establishment of the State Bank of Ethiopia in 1942; CBE merged with the then privately held Addis Ababa Bank in 1974, after being officially incorporated as a share company in 1963 (CBE Portal, 2019). In addition, the webpage states that the bank has played an important part in the country's growth as a financial intermediary. It was mainly established to perform major banking services, such as accepting savings, demand, and time deposits; providing short-, medium-, and long-term loans; buying and selling foreign exchanges; buying and selling negotiable instruments and securities issued by the government, private organisations, or any other person; and engaging in other banking activities customarily carried out by commercial banks.

As per the definition of Cindy (2014), a bank is an institution that provides financial services, including issuing money in various forms, receiving deposits of money, lending money and processing transactions, and creating credit. Commercial banks are financial intermediaries that serve as financial resource mobilisation points in the global economy. The role of banks in an economy is paramount, because they execute monetary policy and provide a means for facilitating payment for goods and services in the domestic and international trade (Cindy, 2014).

A company's road map is its vision, indicating both what the company wants to become and guiding transformational initiatives by setting a defined direction for the company's growth. During the life of a business, vision statements undergo minimal changes, unlike operational goals which may be updated from year-to-year, depending on yearly performance of the bank and government policy changes. The Commercial Bank of Ethiopia has a vision to become an international standard bank by 2025. To achieve its world class bank vision, bank employees and leadership are critical enablers. Before the emergence of the Internet and core banking systems in Ethiopia, the commercial banks' day-to-day operations were paper based and human intensive. Nowadays, the banking service is highly dependent on the information technology infrastructures and highly intelligent banking applications.

According to Cepheus (2019) research and analysis, CBE is in the dominant market position; it is seen across all key financial metrics, with its share as high as 66% for loans, 62% for deposits, 50% capital, and just under 100% for profits. Looking at trends over time, CBE has, over the past 5 years, expanded its market share in capital and foreign exchange; at the same time, it has experienced a reduction in market share in profit, deposits, and loans. In profit market shares across the industry, private banks have (collectively) surpassed CBE for the first time ever last year, registering Birr 10.5bn in aggregate profits, versus CBE's Birr 10.3bn (Cepheus, 2019). To maintain its market share and overcome stiff competition from current and future competitors, bank leadership and employees' performance are critical.

Organisational achievement is much dependent on individual employees' performance. The performance of the employee is what leads to the success and survival of the organisation (Tandoh, 2011). Employee performance may also be defined as working hard, taking initiative, and following organisational regulations to achieve corporate goals. The performance of employees is highly affected by coworker's cooperation, dedication, and helpful acts. Teamwork is essential for achieving organisational goals; yet, it must be understood that organisations cannot fulfil their goals by relying solely on the efforts of one or two individuals. As a result, a competent leader plays a very important role in recognising the values and efforts of employees in accomplishing the organisation's goals. According to Paracha et al. (2012), leaders play a critical role in achieving goals and increasing staff performance through pleasing people with their roles. For organisational success, the importance of effective leaders is critical. Leaders have different behaviours and skills, which affects their performance both positively and negatively; hence, leadership styles practiced by leaders have a significant effect on employee performance, and in general, organisational performance. Among the important factors that could influence employee performance in an organisation is the type of authority and control relationship within the organisation. The style of leadership affects performance, since performance cannot be achieved in the absence of a leadership that can adapt to the changes and challenges of the environment, that knows how to motivate the employees, and that encourages them to take ownership of their work (Anyango, 2015). As a result, the purpose of this study is to look at the impact of a leader's leadership style on organisational performance.

The Ethiopian academic literature and business setting lacks information on the impact of leadership styles on organisational success and employee performance; as a result, there is a need for researchers to perform reliable and rigorous research to examine the relationship between them. CBE is a retail banking company that provides banking services to its clients through its branches and various consumer channels. The study looked at whether a leader's leadership style had an impact on staff performance in a banking setting. Specifically, the study addressed the following research questions:

- What kind of leadership style do the organisation's (CBE) leaders frequently practice?
- What is the relationship between transactional leadership and employee performance of CBE?
- What is the relationship between transformational leadership and employee performance of CBE?
- What is the relationship between laissez-faire leadership and employee performance of CBE?
- What is the relationship between authoritative leadership and employee performance of CBE?

Methods and Materials

Creswell (2012) describes research design as a set of distinguishing features that you can use to collect, analyse, and interpret data using quantitative and qualitative research methodologies. The book adds that research design and approach is a scheme that describes what research approach to follow, the target population, sample size and method, and tools of data collection and analysis used to answer the research questions specified in chapter 1 of the research questions section. As per the book, there are 3 types of research approaches: quantitative, qualitative, and mixed method (qualitative and quantitative). This research project is descriptive, using a mixed method of research design, which means both qualitative and quantitative data collection techniques and analysis procedures were applied in the research design. Accordingly, a mixed (qualitative and quantitative) approach, with an emphasis on the quantitative approach (questionnaire) was employed.

This research has been carried out in the Commercial Bank of Ethiopia's head office departments in Addis Ababa. A quantitative method of data collection was employed in this project effort, which facilitates in the analysis. The analysis will include both the findings of data collection and the presentation of theory. The data will be evaluated, and hypotheses will be put in place as a result. The study is structured as a cross-sectional survey for the quantitative study, which was utilised to collect relevant and applicable information about the relationship between leadership style and employee performance. The study strategy for this project work comprises 4 fundamental steps: selecting the best sample size from the accessible population, selecting the suitable questionnaire, interpreting, and analysing the results.

Description of the Study Variables

Commercial Bank of Ethiopia head office staff will be the study population for this research. The research has independent and dependent variables. The independent variables are the leadership styles (transformational, transactional, laissez-faire, and authoritative) adopted by leaders of the bank and they will be measured by multifactor questionnaire (MLQ 5X); the dependent variable is employee performance as measured by customer satisfaction, achievement of organisational goals, and sprit of teamwork. Accordingly, the data will be collected from the bank employees residing in the head office using a structured questionnaire designed for this research.

Sampling Size Design

Population of the study was CBE head office staff; the researcher selected a sample that represents the whole population from the staff inventory. According to Leary (2004), sample size is the method by which a researcher selects a sample of study participants from a population of interest. List of participants selected from the given population is called sample size. A sample size is a segment of the study's population that is chosen from the whole population in such a manner that any distinct likely sample of the requested size has the same probability of being nominated (Peck, Olsen & Devore, 2009). Random or incident sampling technique was used to collect the questionnaire response data from the survey population. Due to time and budgetary constraints, as well as the nature of the population, a sample of 149 workers from various head office departments was chosen, using the sample determination technique devised by Carvalho (1984), as mentioned by Elsabet (2016). As a result, nearly 5% of each of the head office personnel are chosen at random, while the questionnaire is distributed to each business unit.

Table 1: Sample Size Determination

Population Size	*Small*	*Medium*	*Large*
51-90	5	13	20
91-150	8	20	32
151-280	13	32	50
281-500	20	50	80
501-1200	32	80	125
1201-3200	**50**	**125**	**200**
3201-10,000	80	200	315
10,001-35,000	125	315	500
35,001-150,000	200	500	800

Source: Carvalho (1984), as cited in Elsabet (2016).

Types, Sources of Data, and Research Instruments

Both primary and secondary data sources were used to collect data. During data collection process, both data sources were used. The research used a close-ended questionnaire to measure dependent and independent variables. Administration of close-ended questionnaire is less expensive; they can be distributed to the selected sample simultaneously. In addition, it takes less time than any other measuring instrument. To get quantitative data of the leadership styles, multifactor leadership questionnaire (MLQ form 5X) was used; to measure the dependent variable employee performance questionnaire was used. The questionnaires distributed to the sample population were collected from the respondents using Google forms, online Web-based interface, and an email containing a link to the Google form; instructions were sent to the respondents. Respondents need to open the Google form, fill their responses, and submit them. Upon submission of the questionnaire by respondents, a summarised result was ready for downloading and analysis. Exported data was then imported to the data analysis tools (SPSS v.23, MS Excel Sheet) for interpretation and analysis.

Multifactor Leadership Questionnaire (MLQ Form 5X)

Researchers can use different instruments to measure possible instruments. Leadership approaches can be instrumented using least preferred coworker (LPC), managerial rid, and situational leadership questionnaire. However, because the subscales and items do not focus on differentiation of these behaviours, these instruments cannot evaluate transactional and transformational leadership approaches. Most of the time, the above instruments are desirable to measure leadership behaviours for a selected situation (Bass et al., 2003). As a result, none of the above instruments were considered appropriate for this project work. Multifactor leadership questionnaire (MLQ form 5X) was used to measure leadership styles practices for this research. Different researchers studied MLQ, which have been developed and tested since 1985, thus resulting in many versions. A full range of leadership models was formulated for transformational, transactional, laissez-faire, and authoritative leadership behaviours.

Participants were chosen at random and asked to rate the extent to which their leaders engaged in certain behaviours, as evaluated by the MLQ. The MLQ form 5X is self-scoring and contains 30 items, with the exception of elements that measure leadership styles, which are beyond the scope of this study project. Measurement tools would be assessed on a 5-point Likert scale, with 1 being strongly disagree and 5 being strongly agree; 2 = disagree, 3 = neutral, and 4 = agree. A high agreement score indicates high application of leadership practices perceived, whereas a high disagreement score indicates low implementation on the scale. Each style of leadership has its own set of scales: transformational leadership (12 instruments), transactional leadership scales (6 instruments), laissez-faire leadership (6 instruments) scales, and authoritative leadership (6 instruments).

Employee performance was measured using 3 dimensions: customer satisfaction (2 instruments), achieving organisational goal (3 instruments), and teamwork (3 instruments). Each employee performance dimension were measured with different instruments; in total, 8 instruments were identified and these statements were graded on a 5-point Likert scale, with 1 indicating strong disagreement, 2 disagreement, 3 neutral, four agree, and 5 strongly agree.

Validity and Reliability

The tendency towards consistency found in repeated measurements is referred to as validity. The validity of data was checked in relation to different researches on leadership styles, which is multifactor leadership questionnaire (MLQ) developed by Bass and Avolio (1995), and employee performance practices, including the questionnaires. The reliability of quantitative data has been checked with different methods, like Cornbach's alpha reliability test, by using SPSS (Statistical Package for the Social Sciences V 23). The Cronbach's alpha test result of 0.7 to 0.8 is considered good; 0.8 to 0.9 is very good; and above 0.9, data is considered more reliable, but does not show diversity.

Table 2: Cronbach's Alpha (Reliability Test)

Sr. No.	*Variable*	*Cronbach's Alpha*
1	Transformational leadership	0.92
2	Transactional leadership	0.79
3	Authoritative leadership	0.72
4	Laissez-faire leadership	0.89
5	Customer satisfaction	0.73
6	Achieve organisational goal	0.71
7	Teamwork	0.75
8	Employee performance	0.83

Cronbach's alpha values range from 0.71 to 0.92, as seen in Table 2. When the value of the alpha coefficient is greater than 0.7, the result for each subscale utilised in the study has shown adequate internal consistency, and is, therefore, trustworthy to measure what it was meant to measure.

Data Analysis Method

The book titled 'Educational Research' written by John W. Creswell describes data analysis as a process converting raw data to meaningful result (knowledge) that consists of breaking down the data into parts to answer the research questions. In quantitative data analysis, you analyse the data using mathematical procedures called statistics. Data analysis is the process of coding, classifying, and tabulating information required to perform quantitative or qualitative analysis, according to the research design and appropriate to the data (Mosby, 2009). Collected data was examined to detect errors and omissions, and to correct these when possible and assign numerals (Likert scale) to answers that enable to put responses into a limited number of categories. Data analysis for this research was done using descriptive and inferential statistical techniques using Statistical Package for Social Sciences 23 (SPSS) and Microsoft Excel version 2016. Results obtained from the analysis were shown in graphs and tables; as a result, based on these findings, tangible conclusions and recommendations are going to be presented.

Frequency tables were used to sum up the respondent's profile in the form of rate of recurrence and percentages (per cent), whereas descriptive figures, such as average and standard deviation of employees' answers to leadership styles and employee performance scales, were analysed to learn about employee perception of leadership practices and organisational employee performance. To investigate the relationship between leadership styles and employee performance, correlation and regression analysis were used. The correlation analysis assisted in establishing the shape and degree of the association between leadership styles and staff performance in the bank.

Results and Discussion

This chapter focuses on the presentation and analysis of the data and the questionnaire, collected via Web-based forms called Google forms. A 5-scale questionnaire was developed; it ranges from 1 to 5, where 1 stands for strongly disagree, 2 for disagree, 3 neutral, 4 agree, and 5 represents strongly agree. This method of data collection is suitable if respondents have access to the Internet and have knowhow of computing skills. The data was downloaded and exported from the application and fed to Microsoft Excel and SPSS 23 for further analysis. The outcomes from the research are mainly presented in the form of a frequency, mean, and standard deviation table. To analyse the effect of the independent variable on the dependent variable, correlation and regression analysis were applied, in addition to the descriptive statistics. For the purpose of the study, 149 questionnaires were disseminated to employees and 140 (94%) were collected and valid, and therefore, used for analysis.

Transformational Leadership

To determine the respondents' judgment of the extent to which their immediate supervisors use transformational leadership styles, the mean and standard deviation (S.D.) of the 12 statements that measure transformational leadership styles were computed. The statements were graded on a scale of 1 to 5 (1: strongly disagree, 2: disagree, 3: neutral, 4: agree, and 5: strongly agree). Table 3 displays the descriptive statistics of the findings.

Table 3: Transformational Leadership Statistics

	Questions	*SD*		*D*		*N*		*A*		*SA*			
		N	*%*	*N*	*%*	*N*	*%*	*N*	*%*	*N*	*%*	$\bar{x}$	*S.D.*
1	The presence of a leader helps people feel good.	5	3.57	8	5.71	28	20.00	64	45.71	35	25.00	3.83	0.99
2	I have total confidence in my leader.	3	2.14	41	29.29	29	20.71	51	36.43	16	11.43	3.26	1.07
3	I am delighted to be associated with my boss.	4	2.86	23	16.43	49	35.00	37	26.43	27	19.29	3.43	1.07

Questions		SD		D		N	A			SA			
		N	%	N	%	N	%	N	%	N	%	$\bar{x}$	S.D.
4	My leader explains in simple terms what we want to achieve.	15	10.71	21	15.00	33	23.57	47	33.57	24	17.14	3.31	1.23
5	My boss provides attractive visuals of what we intend to do.	4	2.86	35	25.00	31	22.14	45	32.14	25	17.86	3.37	1.13
6	My supervisor helps me find meaning in my work.	2	1.43	30	21.43	32	22.86	52	37.14	24	17.14	3.47	1.06
7	The leader inspires people to think about and solve old issues in novel ways.	0	0.00	35	25.00	44	31.43	41	29.29	20	14.29	3.33	1.01
8	My leader provides people with better ways to look at challenging situations.	3	2.14	48	34.29	44	31.43	25	17.86	20	14.29	3.08	1.09
9	The leader persuades people to reconsider ideas they had never explored before.	16	11.43	32	22.86	32	22.86	48	34.29	12	8.57	3.06	1.17
10	The leader helps others develop and make a difference themselves.	4	2.86	28	20.00	32	22.86	56	40.00	20	14.29	3.43	1.05
11	The leader lets others know how they think we are doing.	0	0.00	21	15.00	37	26.43	61	43.57	21	15.00	3.59	0.92
12	My leader gives individualised consideration to those who feel abandoned.	3	2.14	36	25.71	49	35.00	32	22.86	20	14.29	3.21	1.05
Average												3.36	1.07

N = frequency, $\bar{x}$ = mean, S.D. = standard deviation.

The first question asked to assess transformational leadership was if the leader makes others feel great to be around him. Around 5.7% of the research participants disagreed, 45.7% agreed, 3.6% strongly disagreed, 25% agreed, and the remaining 20% were uncertain. The next question requests participants to rate their agreement concerning the degree to which the research participants have full confidence in their leader; 2.1% of the study participants strongly disagreed, 29.3% disagreed, 20.7% were neutral, 36.4% agreed, and the remaining 11.4% strongly agreed. As described in the same table, study respondents were asked to assess their level of agreement with the statement 'I am delighted to be associated with my boss'; 2.9% of strongly disagreed, 16.4% disagreed, 35% were neutral, 26.4% agreed, and the remaining 19.3% strongly agreed.

Questions 4 to 6 were designed to measure the level of inspirational motivation supervisors practice as a result. The respondents were requested to rate the question 'My leader explains in simple terms what we want to achieve'; 10.7% strongly disagreed, 15% disagreed, 23.6% were neutral, 33.6% agreed, and the remaining 17.1% strongly agreed. Respondents were also requested to rate the question 'My boss provides attractive visuals of what we intend to do'; 2.9% of the employees strongly disagreed, 25% disagreed, 22.1% were neutral, 32.1% agreed, and the remaining 17.9% of the participants strongly agreed. In addition, study participants were requested to rate the question 'My supervisor helps me find meaning in my work'; 1.4% strongly disagreed, 21.4% disagreed, 22.9% were neutral, 37.1% agreed, and the remaining 17.1% strongly agreed.

Questions 7 to 9 were designed to measure the level of intellectual stimulation supervisors practice. The respondents were requested to rate the question 'The leader inspires people to think about and solve old issues in novel ways'; 25% disagreed, 31.4% were neutral, 29.3% agreed, and the remaining 14.3% strongly agreed. Research participants were asked to rate the question 'My leader provides people with better ways to look at challenging situations'; 2.1% strongly disagreed, 34.3% disagreed, 31.4% were neutral, 17.9% agreed, and the remaining 14.3% strongly agreed. Similarly, the respondents were asked to rate the question 'The leader persuades people to reconsider ideas they had never explored before'; 11.4% strongly disagreed, 22.9% disagreed, 22.9% were neutral, 34.3% agreed, and the remaining 8.6% strongly agreed.

Finally, questions 10 to 12 were designed to measure the level of intellectual stimulation supervisors practice. The respondents were requested to rate the question 'The leader helps others develop and make a difference themselves'; 2.9% strongly disagreed, 20% disagreed, 22.9% were neutral, 40% agreed, and the remaining 14.3% strongly agreed. Similarly, employees were requested to rate the question 'The leader lets others know how they think we are doing'; no respondents strongly disagreed, 15% disagreed, 26.4% were neutral, 43.6% agreed, and the remaining 15% strongly agreed. Employees were requested to respond to the question 'My leader gives individualised consideration to those who feel abandoned'; 2.1% strongly disagreed, 25.7% disagreed, 35% were neutral, 22.9% agreed, and the remaining 14.3% strongly agreed.

To generalise, the mean score (x) for the transformational leadership questionnaire was 3.36, indicating that respondents agreed with this interpretation of the Likert scale (Scott, 1999). Overall, the results reveal that the transformational leadership style has an overall mean score of 3.36 and a standard deviation of 1.07, indicating that transformational leadership managers at the bank have adapted the behaviours. From the statistics, it is vital to note that the mean value is above midpoint. The statistics certainly showed that the leaders, managers, and supervisors at the Commercial Bank of Ethiopia practice transformational leadership to some extent.

Transactional Leadership

Table 4 presents the mean and standard deviation from respondents' assessment of whether their immediate supervisors practiced the transactional leadership style. The mean and standard deviation (S.D.) of the 6 instruments that measure transactional leadership styles were computed. The statements were graded on a scale of 1 to 5 (1: strongly disagree, 2: disagree, 3: neutral, 4: agree, and 5: strongly agree). Table 4 displays the descriptive statistics of the findings.

Table 4: Transactional Leadership Statistics

	Questions	*SD*		*D*		*N*		*A*		*SA*			
		N	*%*	*N*	*%*	*N*	*%*	*N*	*%*	*N*	*%*	$\bar{x}$	*S.D.*
1	My boss instructs others on what they must accomplish in order to be rewarded for their efforts.	7	5.00	37	26.43	47	33.57	29	20.71	20	14.29	3.13	1.11
2	When others achieve their goals, our leader recognises and honours them.	9	6.43	39	27.86	25	17.86	42	30.00	25	17.86	3.25	1.22
3	The leader draws attention to what others can gain as a result of their accomplishment.	0	0.00	32	22.86	48	34.29	32	22.86	28	20.00	3.40	1.05
4	My manager is always delighted when team members fulfil agreed-upon criteria.	1	0.71	7	5.00	20	14.29	65	46.43	47	33.57	4.07	0.86
5	My leader makes no changes as long as things are operating properly.	0	0.00	22	15.71	38	27.14	59	42.14	21	15.00	3.56	0.93
6	The leader informs us of the milestones we must meet to complete our task.	2	1.43	34	24.29	33	23.57	45	32.14	26	18.57	3.42	1.09
												3.47	1.05

N = frequency, $\bar{x}$ = mean, S.D. = standard deviation.

The first question asked to assess the leadership practice was: 'My boss instructs others on what they must accomplish in order to be rewarded for their efforts'; 5% of the respondents strongly disagreed, 26.4% disagreed, 33.6% were neutral, 20.7% agreed, and the remaining 14.3% strongly agreed. For the second question, 'When others achieve their goals, our leader recognises and honours them', 6.4% strongly disagreed, 27.9% disagreed, 17.9% were neutral, 30% agreed, and the remaining 17.9% strongly agreed. For the third question, 'The leader draws attention to what others can gain as a result of their accomplishment', no respondents strongly disagreed, 22.9% disagreed, 34.3% were neutral, 22.9% agreed, and the remaining 20% strongly agreed. The above 3 questions measure contingent rewards. The overall mean is above 3.

Meanwhile, questions 4 to 6 measured management by exception. The respondents were asked 'My manager is always delighted when team members fulfil agreed-upon criteria'; 0.7% strongly disagreed, 5% disagreed, 14.3% were neutral, 46.4% agreed, and the remaining 33.6% strongly agreed. For the fifth question, 'My leader makes no changes as long as things are operating properly', no respondents strongly disagreed, 15.7% disagreed, 27.1% were neutral, 42.1% agreed, and the remaining 15% strongly agreed. For the sixth question, 'The leader informs us of the milestones we must meet to complete our task', 1.4% of the respondents strongly disagreed, 24.3% disagreed, 23.6% were neutral, 32.1% agreed, and the remaining 18.6% strongly agreed. Questions 4 to 6 measure management by exception. Their mean values are above 3.

The overall mean is 3.47, with a standard deviation of 1.05. In reality, the mean score is more than the middle point. This result shows that transactional leadership is applied by CBE supervisors.

Authoritative Leadership

Using 6 statements, the descriptive findings show the mean and standard deviation of the respondents' evaluation of the existence of an authoritarian leadership style among their immediate supervisors.

Table 5: Authoritative Leadership Statistics

Questions		SD		Disagree		Neutral		Agree		SA			
		N	%	N	%	N	%	N	%	N	%	$\bar{x}$	S.D.
1	Leaders think that followers must be closely supervised since they are unlikely to complete their assignments on their own.	5	3.57	29	20.71	51	36.43	34	24.29	21	15.00	3.26	1.06
2	Employees must often be compensated or penalised as a rule to motivate them to fulfil corporate goals.	7	5.00	40	28.57	47	33.57	29	20.71	17	12.14	3.06	1.09
3	Employees appear to be hesitant to work without direct supervision.	15	10.71	36	25.71	41	29.29	39	27.86	9	6.43	2.94	1.11
4	My boss is the ultimate judge of employee performance.	3	2.14	32	22.86	56	40.00	37	26.43	12	8.57	3.16	0.95
5	Procedure clarification and work order are given by the supervisor.	4	2.86	21	15.00	27	19.29	55	39.29	33	23.57	3.66	1.08
6	The leader considers that in general most staff are lazy.	15	10.71	36	25.71	45	32.14	28	20.00	16	11.43	2.96	1.16
Average												3.17	1.08

SD = strongly disagree, SA = strongly agree, N = frequency, $\bar{x}$ = mean, S.D. = standard deviation.

For the first statement, 'Leaders think that followers must be closely supervised since they are unlikely to complete their assignments on their own', 3.6% strongly disagreed, 20.7% disagreed, 36.4% were neutral, 24.3% agreed, and the remaining 15% strongly agreed. In response to the second statement, 'Employees must often be compensated or penalised as a rule to motivate them to fulfil corporate goals', 5% of the respondents strongly disagreed, 28.6% disagreed, 33.6% were neutral, 20.7% agreed, and the remaining 12.1% strongly agreed. For the statement, 'Employees appear to be hesitant to work without direct supervision', 10.7% strongly disagreed, 25.7% disagreed, 29.3% were neutral, 27.9% agreed, and the remaining 6.4% strongly agreed. For the fourth statement, 'My boss is the ultimate judge of employee performance', 2.1% strongly disagreed, 22.9% disagreed, 40% were neutral, 26.4% agreed, and the remaining 8.6% strongly agreed. In response to the fifth statement, 'Procedure clarification and work order are given by the supervisor', 2.9% of the respondents strongly disagreed, 15% disagreed, 19.3% were neutral, 39.3% agreed, and the remaining 23.6% strongly agreed. Finally, for the sixth statement, 'The leader considers that in general most staff are lazy', 10.7% strongly disagreed, 25.7% disagreed, 32.1% were neutral, 20% agreed, and the remaining 11.4% strongly agreed.

The overall mean for authoritative leadership is 3.17. The findings indicate that it was higher than the midpoint, which may be taken as the leaders at CBE exercising authoritarian leadership.

Laissez-Faire Leadership

The mean and standard deviation of respondents' ratings of their immediate supervisors' laissez-faire leadership style are shown. The mean and standard deviation (S.D.) of the 6 measures used to assess laissez-faire leadership styles have been calculated. On a scale of 1 (strongly) to 5 (strongly agree) (2: disagree, 3: neutral, and 4: agree), the statements were assessed. The descriptive statistics of the findings are shown in Table 6.

Table 6: Laissez-Faire Leadership Statistics

	Questions	*SD*		*Disagree*		*Neutral*		*Agree*		*SA*			
		N	*%*	*N*	*%*	*N*	*%*	*N*	*%*	*N*	*%*	$\bar{x}$	*S.D.*
1	My leader gives me freedom to work on my problems on my own in difficult situations.	6	4.29	23	16.43	23	16.43	70	50.00	18	12.86	3.51	1.05
2	My leader stays out of my way as I complete my task.	10	7.14	14	10.00	44	31.43	60	42.86	12	8.57	3.36	1.02
3	By regulation, the leader allows me to evaluate my own job.	15	10.71	17	12.14	37	26.43	63	45.00	8	5.71	3.23	1.09
4	The leader gives me complete authority to handle problems on my own.	4	2.86	29	20.71	19	13.57	63	45.00	25	17.86	3.54	1.10
5	In most cases, I want little input from the leader.	0	0.00	12	8.57	27	19.29	69	49.29	32	22.86	3.86	0.87
6	In general, my leader believes it is best to leave followers alone.	0	0.00	29	20.71	64	45.71	39	27.86	8	5.71	3.19	0.83
Average												3.45	0.99

SD = strongly disagree, SA = strongly agree, N = frequency, $\bar{x}$ = mean, S.D. = standard deviation.

As shown in Table 6, 4.3% of the respondents strongly disagreed with the statement 'My leader gives me freedom to work on my problems on my own in difficult situations'; 16.4% disagreed, 16.4% were neutral, 50% agreed, and the remaining 12.9% strongly agreed. For the second statement, 'My leader stays out of my way as I complete my task', 7.1% respondents strongly disagreed, 10% disagreed, 31.4% were neutral, 42.9% agreed, and the remaining 8.6% strongly agreed. For the statement, 'By regulation, the leader allows me to evaluate my own job', 10.7% respondents strongly disagreed, 12.1% disagreed, 26.4% were neutral, 45% agreed, and the remaining 5.7% strongly agreed. For the fourth statement, 'The leader gives me complete authority to handle problems on my own', 2.9% respondents strongly disagreed, 20.7% disagreed, 13.6% were neutral, 45% agreed, and the remaining 17.9% strongly agreed. For the fifth statement, 'In most cases I want little input from the leader', no respondents strongly disagreed, 8.6% disagreed, 19.3% were neutral, 49.3% agreed, and the remaining 22.9% strongly agreed. Finally, for the sixth statement, 'In general, my leader believes it is best to leave followers alone', no respondents strongly disagreed, 20.7% disagreed, 45.7% were neutral, 27.9% agreed, and the remaining 5.7% strongly agreed.

The total mean and standard deviation for laissez-faire leadership are 3.45 and 0.99, respectively, suggesting that certain CBE leaders and managers employ the laissez-faire leadership style.

Descriptive Analysis: Customer Satisfaction

Customer satisfaction (self-rated) was captured by 2 statements by which employees measure their performance. The mean and standard deviation of the 2 measures were used to assess customer satisfaction. The statements were assessed on a scale of 1 (strongly disagree) to 5 (strongly agree) (2: disagree, 3: neutral, and 4: agree).

Table 7: Statistics on Customer Satisfaction

Questions		*SD*		*Disagree*		*Neutral*		*Agree*		*SA*			
		N	*%*	*N*	*%*	*N*	*%*	*N*	*%*	*N*	*%*	$\overline{x}$	*S.D.*
1	After the service, customers give positive feedback.	0	0.00	12	8.57	44	31.43	56	40.00	28	20.00	3.71	0.88
2	The service delivery processes take a short time.	8	5.71	37	26.43	41	29.29	38	27.14	16	11.43	3.12	1.10
Average												3.42	0.99

SD = strongly disagree, SA = strongly agree, N = frequency, $\overline{x}$ = mean, S.D. = standard deviation.

Respondents were asked to rate their level of agreement on the customer satisfaction practices with respect to leadership behaviour in CBE. As shown in the Table 7, 2 statements determining customer satisfaction were presented to the sample employees. To begin with, for the statement 'After the service, customers give positive feedback', no respondents strongly disagreed, 8.6% disagreed, and 31.4% were neutral. With a cumulative mean value of 3.71 and a standard deviation of 0.88, 40% of the research participants agreed, while the remaining 20% strongly agreed. Similarly, for the second instrument, study participants were asked if their service delivery processes took a short time. Around 5.7% strongly disagreed, 26.4% disagreed, 29.3% were neutral, 27.1% agreed, and 11.4% strongly agreed; the instrument had a mean value of 3.1 and a standard deviation of 1.1.

Overall mean and standard deviation for employee customer satisfaction is 3.42 and 0.99, respectively. This shows that employees of CBE exercised customer satisfaction behaviours.

Descriptive Analysis: Organisational Goal Achievement

Three measures were used to measure organisational goal accomplishment (self-reported), by which employees appraised their own performance. The mean and standard deviation of the 3 variables were used at CBE to measure organisational achievement of goals. The statements were assessed on a scale of 1 (strongly disagree) to 5 (strongly agree) (2: disagree, 3: neutral, and 4: agree).

Table 8: Organisational Goal Achievement Statistics

	Questions	*SD*		*Disagree*		*Neutral*		*Agree*		*SA*			
		N	*%*	*N*	*%*	*N*	*%*	*N*	*%*	*N*	*%*	$\bar{x}$	*S.D.*
1	My skills are always updated.	5	3.57	11	7.86	30	21.43	58	41.43	36	25.71	3.78	1.03
2	I actively take part in trainings and meetings.	0	0.00	17	12.14	47	33.57	33	23.57	43	30.71	3.73	1.03
3	I can perform my assignment well with less time and energy.	4	2.86	11	7.86	37	26.43	59	42.14	29	20.71	3.70	0.98
Average												3.74	1.01

SD = strongly disagree, SA = strongly agree, N = frequency, $\bar{x}$ = mean, S.D. = standard deviation.

Table 8 shows the average mean and standard deviation of organisational goal achievement instruments of sample employee's statistics of CBE. Employees were requested to rate their level of agreement. For the first statement, 'My skills are always updated', 3.6% of the research participants strongly disagreed, 7.9% disagreed, 21.4% were neutral, 41.4% agreed, while the remaining 25.7% strongly agreed; the total mean value was 3.78 and standard deviation was 1.03. Similarly, for the second instrument, 'I actively take part in trainings and meetings', no respondents strongly disagreed, 12.1% disagreed, 33.6% remained neutral, 23.6% agreed, and 30.7% strongly agreed; the average mean value was 3.73 and standard deviation was 1.03. Finally, for the third statement, 'I can perform my assignment well with less time and energy', 2.9% of the respondents strongly disagreed, 7.9% disagreed, 26.4% were neutral, 42.1% agreed, and 20.7% strongly agreed; the average mean was 3.70 and standard deviation was 0.98.

Finally, the overall mean and standard deviation for employees achieving organisational goals are 3.74 and 1.01, respectively. This shows that employees of CBE exercised practices to achieve organisational goals to some extent.

Descriptive Analysis: Teamwork

Employee performance was measured via 3 components; one of the measurements is teamwork performance. Selected employees were asked to measure their respective teamwork performance (self-rating) via 3 instruments, and mean and standard deviation were used to analyse the descriptive results.

Table 9: Teamwork Goal Statistics

	Q	*SD*		*Disagree*		*Neutral*		*Agree*		*SA*			
		N	*%*	*N*	*%*	*N*	*%*	*N*	*%*	*N*	*%*	$\bar{x}$	*S.D.*
1	There is a habit of working in a team in my work unit.	5	3.57	15	10.71	24	17.14	53	37.86	43	30.71	3.81	1.10
2	My leader is a team player.	11	7.86	13	9.29	48	34.29	39	27.86	29	20.71	3.44	1.15
3	To build team sprit my leader gives mandatory support.	9	6.43	39	27.86	40	28.57	29	20.71	23	16.43	3.13	1.18
Average												3.46	1.14

SD = strongly disagree, SA = strongly agree, N = frequency, $\bar{x}$ = mean, S.D. = standard deviation.

As presented in Table 9, employees' teamwork sprit was assessed by 3 items. The first statement was 'There is a habit of working in a team in my work unit'. Around 3.6% of the respondents strongly disagreed with the statement, 10.7% disagreed, 17.1% remained neutral, 37.9% agreed, and the remaining 30.7% strongly agreed. For the second statement, 'My leader is a team player', 7.9% employees strongly disagreed, 9.3% disagreed, 34.3% were neutral, 27.9% agreed, and 20.7% strongly agreed. For the third statement, 'To build team sprit my leader gives mandatory support', 6.4% of the employees strongly disagreed, 27.9% disagreed, 28.6% remained neutral, 20.7% agreed, and 16.4% strongly agreed.

The final average mean and standard deviation for the teamwork spirit instrument are 3.46 and 1.14, respectively. In fact, it is crucial to note that the mean score was above the midpoint, and these statistics unmistakably demonstrated that employees at the Commercial Bank of Ethiopia have a teamwork spirit to accomplish organisational success.

Descriptive Result Summary

The descriptive statistics were summarised into 1 table for all the independent and dependent variables discussed in the previous topics. The summary contains mean and standard deviation of the 4 leadership styles and the 3 metrics of the employee performance.

Table 10: Summary of Descriptive Statistics

	Transformational	*Transactional*	*Laissez-Faire*	*Authoritative*	*Customer Satisfaction*	*Achieve Organisational Goal*	*Teamwork*
N (valid)	140	140	140	140	140	140	140
Mean	**3.36**	**3.47**	**3.45**	**3.17**	**3.42**	**3.74**	**3.46**
SD	1.07	1.05	0.99	1.08	0.99	1.01	1.14

N = valid sample, SD = standard deviation.

Average mean and standard deviation data for each instrument are included in the summary table (Table 10) (average of questions in each construct). Therefore, transformational leadership behaviour has an average mean of 3.36 and a standard deviation of 1.07; transactional behaviour practices have a mean value of 3.47 and a standard deviation of 1.05; authoritative leadership a mean score of 3.17 and a standard deviation of 1.08; and laissez-faire behaviour has a mean score of 3.45 and a standard deviation of 0.99. Customer satisfaction components have an average mean of 3.42 and a standard deviation of 0.99; organisational goal achievement has a mean of 3.74 and a standard deviation of 1.01; and staff teamwork spirit has a mean of 3.46 and a standard deviation of 1.14.

Commencing the summary, all leadership styles had a mean above the average. As a result, 4 of the selected leadership styles were practiced to some extent. Laissez-faire leadership style is the least practiced and transactional leadership style is the one mostly exercised. Three of the employee performance metrics are practiced with a slight difference between them.

Correlation Analysis

The linear link between 2 or more variables is measured via correlation. A correlation coefficient has a value between −1 and +1. Values closer to the absolute value of 1 suggest a strong link between the variables being correlated, while values closer to 0 indicate a weak or non-existent linear relationship. The link between the three leadership styles (transformational, transactional, and laissez-faire) and employee performance is depicted in Table 11. A 2-tailed Pearson correlation analysis was done to examine the correlation. At the 0.05 and 0.01 significance levels, the association is significant (2-tailed).

Table 11: Pearson Correlation Relationship Result

		Transformational	*Transactional*	*Authoritative*	*Laissez-Faire*	*Customer Satisfaction*	*Achieve Organisational Goal*	*Teamwork*	*Employee Performance Score*
Transformational	Pearson Correlation	1	.456**	−.104	.450**	.388**	.341**	.523**	.508**
	Sig. (2-tailed)		.000	.220	.000	.000	.000	.000	.000
	N	140	140	140	140	140	140	140	140
Transactional	Pearson Correlation	.456**	1	−.075	.173*	.318**	.525**	.449**	.631**
	Sig. (2-tailed)	.000		.379	.041	.000	.000	.000	.000
	N	140	140	140	140	140	140	140	140
Authoritative	Pearson Correlation	−.104	−.075	1	.034	−.140	.023	−.038	−.039
	Sig. (2-tailed)	.220	.379		.688	.099	.784	.656	.644
	N	140	140	140	140	140	140	140	140
Laissez-Faire	Pearson Correlation	.450**	.173*	.034	1	.366**	.295**	.736**	.360**
	Sig. (2-tailed)	.000	.041	.688		.000	.000	.000	.000
	N	140	140	140	140	140	140	140	140
Customer Satisfaction	Pearson Correlation	.388**	.318**	−.140	.366**	1	.383**	.780**	.685**
	Sig. (2-tailed)	.000	.000	.099	.000		.000	.000	.000
	N	140	140	140	140	140	140	140	140
Org. Goal Achievement	Pearson Correlation	.341**	.525**	.023	.295**	.383**	1	.739**	.856**
	Sig. (2-tailed)	.000	.000	.784	.000	.000		.000	.000
	N	140	140	140	140	140	140	140	140
Teamwork	Pearson Correlation	.523**	.449**	−.038	.736**	.780**	.739**	1	.841**
	Sig. (2-tailed)	.000	.000	.656	.000	.000	.000		.000
	N	140	140	140	140	140	140	140	140
Employee Performance Score	Pearson Correlation	.508**	.631**	−.039	.360**	.685**	.856**	.841**	1
	Sig. (2-tailed)	.000	.000	.644	.000	.000	.000	.000	
	N	140	140	140	140	140	140	140	140

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

*Correlation is significant at the 0.05 level (2-tailed).

In the summary shown in Table 11, there is significant positive correlation between transformational leadership behaviour and subordinate performance in the bank, and weak positive correlations with customer satisfaction and achievement of organisational goal. On the other hand, there is moderate correlation between transformational leadership and teamwork. Similarly, the correlation between transformational leadership and employee performance is moderate. Transactional leadership behaviour has significant positive correlations with employee performance score in the bank, though the correlation coefficient is moderate. Both instruments, teamwork and achievement of organisational goal, had moderate correlation with transformational leadership behaviour, but a weak correlation with customer satisfaction. In contrast to the above findings, authoritative leadership behaviour revealed an insignificant negative relationship across all subordinate performance instruments, whereas laissez-faire revealed a weak positive relationship with subordinate performance and its measuring instruments, namely client satisfaction and organisational goal achievement; however, teamwork spirit revealed a strong positive relationship with laissez-faire. From the correlation result, it can be induced that transactional leadership is highly correlated with employee performance.

Regression Analysis

Regression analysis was applied to predict the impact of control variables (leadership approaches) on controlling (dependent) variables, which is employee performance, and understanding how much dependent variables are affected upon change in behaviour of independent instruments. The results are reported in Table 12, and the model is invoked, with the item of importance being the adjusted R2 statistics, which is .472. Thus, advocate's leadership styles contribute to 47.2% of the difference in employee performance.

Table 12: Model Summary for Regression Analysis

Model Summary				
Model	*R*	*R Square*	*Adjusted R Square*	*Estimation Standard Error*
1	.698[a]	.487	.472	.519484
Predictors: (Constant), Laissez-Faire, Authoritative, Transactional, Transformational.				

Table 13: Regression Coefficient

Coefficients[a]					*T*	*Sig.*
Model		*Unstandardised Coefficients*		*Standardised Coefficients*		
B		*Std. Error*	*Beta*			
1	(Constant)	.667	.295		2.257	.026
	Transformational	.169	.067	.193	2.509	.013
	Transactional	.503	.068	.512	7.390	.000
	Authoritative	.009	.045	.013	.207	.836
	Laissez-Faire	.162	.061	.184	2.649	.009
Dependent Variable: Employee Performance Score.						

From Table 13, it is clear that the coefficient value for transactional leadership was .512. This means that all things are equal, and other factors being the same, 100% behavioural change in transactional leadership practices will lead to 51.2% growth in subordinate performance in the bank. The result was statistically significant (0.00 < 0.05), indicating that the controlling instrument of transactional leadership has a substantial impact on the prediction of employee performance in the bank. Similarly, transformational leadership coefficient value was 0.193; as a result, it significantly predicts employee performance positively (0.013 < 0.05) and employee performance would increase by 19.3%, keeping other variables a constant. Laissez-faire coefficient value was 0.184, which means all variables being constant, employee performance would increase by 18.4% upon 100% improvement in quality of laissez-faire leadership; it was statistically significant (0.009 < 0.05). Further, authoritative leadership styles insignificantly predict employees' performance positively.

From regression analysis, it is clear that transactional leadership affects employee performance greatly, compared to the other leadership styles. The result is consistent with the second hypothesis 'transactional leadership style affects employee performance positively'. Secondly, transformational leadership behaviours affect employee performance significantly and positively. The result confirms the first hypothesis, 'transformational leadership style affects employee performance positively'. The result for both leadership styles conform to previous researches, as described in the literature review. Thirdly, the study found that laissez-faire leadership style impacts employee performance positively and confirms the fourth hypothesis, 'employee performance is affected by laissez-faire leadership style positively'. The study result supports previous literature, though previous literature findings are inconsistent, as described in the literature review. In the literature, the result varies between a positive and a negative relationship.

Lastly, the research result showed that authoritative leadership style impacts employee performance positively, though the relationship is insignificant, which disproves the third hypothesis, 'employee performance is affected by authoritative leadership style positively'. The result is consistent with previous research findings.

To summarise the findings, the descriptive statistics result helps identify the level of leadership style practices in the bank, measured by employee's perception of their immediate supervisors. All the selected leadership styles were practiced in the bank to some extent and had a mean value above the midpoint (minimum 3.17 and maximum 3.47). As a result, transactional leadership styles are often used by supervisors, whereas laissez-faire leadership styles are the least used in the bank. The descriptive data revealed that transactional leadership styles are commonly used, as witnessed in the bank; its employees agree on objectives and performance criteria, and as a consequence, individuals are rewarded or degraded based on their team performance. Leaders and employees agree on annually and quarterly targets, and a performance management system is implemented, with annual incentives given.

The statistics for employee performance metrics had a mean value above the midpoint for each instrument. Organisational goal achievement had the highest average score of 3.74; the average value for the teamwork measurement of employee performance was the lowest at 3.46. The result showed that teamwork sprit is less practiced, compared to the other 2 employee performance measurements. The bank should work to enhance the willingness of employees to work as a team.

From regression analysis, it is clear that transactional and transformational styles have a positive relationship with employee performance. Therefore, the first and second hypothesis were supported by the research findings. The research findings for both transactional and transformational leadership styles are consistent with previous studies evaluated in the literature review, proving the first and second hypotheses. The findings of transactional leadership were consistent with a majority of the findings of prior research discussed in chapter 2. See, for example, Tariku et al. (2020) and Getu et al. (2019) for a sample of workers in the Ethiopian banking industry; Aishat et al. (2015) for a sample of bank managers and employees in Nigeria; and Marjorie and Mutri (2017) for a sample of microfinance and employees in Nairobi, Kenya. Similarly, the results of the transformational leadership style were consistent with a majority of the prior study findings discussed in chapter 2. The findings are consistent with previous studies, such as Bass and Avalio (1994); Bahu and Jyoti (2015) on sample workers; Yitawok (2020) on the influence of transformational leadership on employee motivation; and Aishat et al. (2015) on bank managers and employees in Nigeria.

Likewise, the results of laissez-faire leadership behaviour demonstrated a link with follower performance, proving the fourth hypothesis. As evaluated in the literature, and Woineshet (2019) on sample non-governmental employees in Ethiopia, there is no agreed-upon outcome;

like Abdul et al. (2018) and Anyango (2015) on sample employees in the Bank of Africa in Kenya. Prior study has not shown convincing results on whether laissez-faire has a good or bad influence on follower performance. As a result, the findings of this study provide only shaky support for earlier studies that found a negative connection. In contrast to other leadership characteristics, authoritative leadership has a negligible influence on follower performance; hence, the research findings refute the third hypothesis, which claims that authoritative leadership style has a favourable effect on employee performance in the bank. Despite the fact that the results of prior studies assessed in the literature are well-known, the results are compatible with previous studies carried out by Joseph (2018) und Anyango (2015) on sampled employees in the Bank of Africa, Nairobi, Kenya.

Conclusions

Transactional, transformational, and laissez-faire leadership styles had a positive relationship with employee performance, while authoritative leadership had a negative relationship with performance. Leadership style has greater influence on employee performance, making employees feel confident and motivated in doing their job and making individual and group decisions. From the research discoveries it can be concluded that managers or leaders who are motivated by the wish to achieve better performance from their followers should attempt to exercise more of transactional, transformational, and laissez-faire leadership behaviour, respectively, and avoid authoritative leadership style. Organisations should pay attention to the supervisor's leadership approach, and shape it accordingly.

Recommendation

The bank's upper management expects both employees and supervisors to meet business objectives and operate in accordance with agreed-upon performance criteria. The study's findings provide a thorough perspective of employees' supervisors' leadership styles, as well as the leadership that influences employee performance. The study's findings might be beneficial in developing an organisational strategy and meeting the leadership abilities, behaviours, and knowledge necessary to satisfy organisational needs.

According to the findings of the study, certain leadership styles should be used by supervisors to increase employee performance. The adoption of transactional leadership behaviour by supervisors leads to improved staff performance in the bank. Managers should pay attention to the requirements of their followers, and employees should be rewarded or penalised based on their performance achievements. Employees and managers should agree on performance goals in advance. Employee performance should be measured using instruments that measure customer satisfaction, teamwork, and achievement of corporate goals.

Supervisors practicing transformational leadership styles will increase employee performance; bank management should support/train supervisors to adopt this leadership style. Supervisors should encourage followers to have their own vision, in addition to the supervisor's and organisation's vision. Followers desire idealised qualities of leadership behaviours from their supervisor since it can enhance the employee performance level. Supervisors should work to earn trust from their subordinates and their relationship should be beyond their self-interest.

A supervisor's adoption of authoritative leadership behaviour reduces employee performance. Employee's motivation to satisfy customers, teamwork sprit, and organisational goal achievement decrease, and the overall organisational performance also decreases and fails to meet the target goal. Authoritative leadership style is not effective and it is recommended that the authoritative leadership style should be avoided.

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APPENDICES

Questionnaire

Part 1: **General Profile (Please put (×)).**

1. Your age : ☐ 21-30 ☐ 31-40 ☐ 41-50 ☐ 51 and above
2. Gender : ☐ Male ☐ Female
3. Your experience in CBE: ☐ below 2 years ☐ 2-5 ☐ 5-10 ☐ above 10 years
4. Your highest education qualification:
   - ☐ Certificate/diploma ☐ Higher diploma
   - ☐ BA/BSC degree ☐ Master's Degree

Section One: Leadership Styles at Commercial Bank of Ethiopia

Please mark your level of agreement/disagreement with the following assertions about the 4 leadership styles of the Commercial Bank of Ethiopia: Transformational, transactional, laissez-faire, and authoritative. Please use the 5-point Likert scale to indicate the choice that best reflects your point of view.

Sr. No.	*Transformational Leadership*	*1*	*2*	*3*	*4*	*5*
1	The presence of a leader helps people feel good.					
2	I have total confidence in my leader.					
3	I am delighted to be associated with my boss.					
4	My leader explains in simple terms what we want to achieve.					
5	My boss provides attractive visuals of what we intend to do.					
6	My supervisor helps me to find meaning in my work.					
7	The leader inspires people to think about and solve old issues in novel ways.					
8	My leader provides people with better ways to look at challenging situations.					
9	The leader persuades people to reconsider ideas they had never explored before.					
10	The leader helps others develop and make difference themselves.					
11	The leader lets others how they think we are doing.					
12	My leader gives individualised consideration to those who feel abandoned.					
	Authoritative Leadership	*1*	*2*	*3*	*4*	*5*
13	Leaders think that followers must be closely supervised since they are unlikely to complete their assignments on their own.					
14	Employees must often be compensated or penalized as a rule to motivate them to fulfil corporate goals.					
15	Employees appear to be hesitant to work without direct supervision.					

Sr. No.	Transformational Leadership	1	2	3	4	5
16	My boss is the ultimate judge of employee performance.					
17	Procedure clarification and work order are given by the supervisor.					
18	The leader considers that in general most staff are lazy.					
	Laissez-Faire Leadership					
19	My leader gives me freedom to work on my problems on my own in difficult situations.					
20	My leader stays out of my way as I complete my task.					
21	By regulation, the leader allows me to evaluate my own job.					
22	The leader gives me complete authority to handle problems on my own.					
23	In most cases, I want little input from the leader.					
24	In general, my leader believes it is best to leave followers alone.					
25	My boss instructs others on what they must accomplish in order to be rewarded for their efforts.					
26	When others achieve their goals, our leader recognises and honours them.					
27	The leader draws attention to what others can gain as a result of their accomplishment.					
28	My manager is always delighted when team members fulfil agreed-upon criteria.					
29	My leader makes no changes as long as things are operating properly.					
30	The leader informs us of the milestones we must meet to complete our task.					

Section Two: Employee Performance at Commercial Bank of Ethiopia

Please rate your level of agreement or dissatisfaction with the following assertions about staff performance: customer satisfaction, organisational goal attainment, and teamwork in the Commercial Bank of Ethiopia. Please use the five-point Likert scale to select the option that best reflects your point of view.

Sr. No.	Customer Satisfaction	1	2	3	4	5
1	After the service, customers give positive feedback.					
2	The service delivery processes take a short time.					
	Achieve Organisation Goal	*1*	*2*	*3*	*4*	*5*
3	My skills are always updated.					
4	I actively take part in trainings and meetings.					
5	I can perform my assignment well with less time and energy.					
	Teamwork	*1*	*2*	*3*	*4*	*5*
6	There is a habit of working in a team in my work unit.					
7	My leader is a team player.					
8	To build team sprit my leader gives mandatory support.					